



T&D Holdings, Inc.

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

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

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T&D T&D Life Group



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About Corporate Responsibility Report 2015

3.1 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

3.1 3.2 3.3 3.4 3.5 3.6 3.7

Published in
November 2015
(Previous Issue: November 2014;
Next Issue: Scheduled for November 2016)

Scope of report
All companies and foundations in the T&D Life Group
* Contents of this report are selected taking into account the importance of each item, and we indicate the scope of each item as necessary.

Period covered
April 2014 to March 2015 (annual)
* Also includes reports on some significant activities and events having occurred in and after April 2015.

For further information, please contact the following organization

3.4

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

* Scheduled to be relocated to the Tokyo Nihombashi Tower in Nihonbashi 2-chome, Chuo-ku, Tokyo in December 2015.

Regarding Third-party Opinion

3.13

Professor Takeshi Mizuguchi was asked to offer his opinion and advice about the contents of this fiscal 2015 report from the standpoint of a third party. As a professor on the Faculty of Economics at Takasaki City University of Economics, where his primary area of research is environmental accounting and socially responsible investment, Professor Mizuguchi possesses extensive knowledge about CSR.

Editorial Policy

3.5

The T&D Life Group has prepared this report to provide a wide range of stakeholders with a picture of the Group's concepts of and approach to CSR, as well as its CSR initiatives. In fiscal 2015, the Group is disclosing information in the form of two different reports in order to let a wider range of stakeholders get to know the Group's initiatives. In addition to the CR Report 2015, we are releasing a digest edition of CR Report 2015. In the digest edition of CR Report 2015, we present the Group's thinking about CSR and the main CSR initiatives taken by the T&D Life Group in a clear, well-organized format. It is an approachable, easy-to-read report with only a small number of pages and many photographs and illustrations. The CR Report 2015 offers a comprehensive overview of the wide-ranging management, social, and environmental initiatives the Group is advancing based on the GRI Guidelines, as much as possible.

Overview of digest edition of Corporate Responsibility Report 2015

- Top Message
- T&D Life Group CSR Philosophy
- Cover Story—Group Employees Discuss CSR
- Toward a Society Where People Can Lead Their Entire Lives with Total Peace of Mind
- Toward a Society Where Everyone Can Work Vibrantly
- Toward a Sustainable Society
- Promotion of the Group's CSR Activities and Status of Activities/Together with Society Fiscal 2014 Activity Report
- Initiatives as an Institutional Investor (Responsible Investment)/Participation in Initiatives (2014-2015)
- Third-Party Opinion/Response to Third-Party Opinion

Top Message

1.1 1.2

Being a group that contributes to all people and societies.

Tetsuhiro Kida

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



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

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

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

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

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

In addition to the aforementioned activities, we are also wholeheartedly engaged in activities to protect

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

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

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

In the CR Report 2015, we present these initiatives by the T&D Life Group in wide range. We hope that you will read this report and that it will increase your understanding of the Group's activities.

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

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

T&D Life Group's Corporate Philosophy

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

Group CSR Charter

(Preamble)

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

Our Priority Areas (2015)

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

Our Activities

Social issues

Create value for people and societies

Philosophy

Group CSR Charter

Materiality 2015

Providing Better Products and Services

Respect for Human Rights

Global Environmental Protection

T&D Life Group

- T&D Holdings, Inc.
- Taiyo Life Insurance Company
- Daido Life Insurance Company
- T&D Financial Life Insurance Company
- T&D Asset Management Co., Ltd.
- Pet & Family Small-amount Short-term Insurance Company
- (12 other companies)

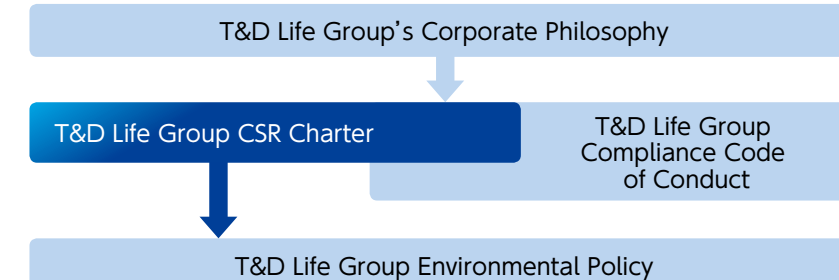
1-1 Philosophy and Policy of T&D Life Group

4.8

The T&D Life Group has embraced the following corporate philosophy as the starting point for the Group and the bedrock of all of its business activities: "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies."

The T&D Life Group is centered on the life insurance business, which attaches fundamental importance to the principle of mutual assistance. Therefore, we believe that contributing to people and society as a whole through our businesses constitutes our fundamental guiding principle as a business enterprise and the very rationale for our existence.

[Structure of CSR Basic Policies]



[Other Related Basic Policies]

- Basic Policy on Corporate Governance
- Group Risk Management Policy etc.
- Group Basic Policy on Internal Audits

● T&D Life Group's Corporate Philosophy

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

● Group CSR Charter

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.



● The T&D Life Group Compliance Code of Conduct

4.8 FS1

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and society. Guided by this corporate philosophy, the T&D Life Group has established the T&D Life Group Compliance Code of Conduct to conduct fair and appropriate business activities with integrity and sincerity for all stakeholders, including customers.

In the course of conducting business activities, the Group’s corporate officers and employees must conduct business fairly in accordance with the T&D Life Group Compliance Code of Conduct by correctly understanding laws, regulations and other rules pertaining to business activities and ensuring strict compliance with them.

Moreover, the T&D Life Group will endeavor to foster a corporate culture that respects the purpose and spirit of this code of conduct.

1. Rigorously Enforcing Compliance**(1) Ensuring Compliance**

We shall adhere to not only the laws and regulations of countries around the world, but also international rules, social norms and internal rules. Moreover, we shall seek to understand the underlying spirit of those rules, and act accordingly with integrity.

(2) Maintaining and Promoting Fair and Free Competition

We shall not engage in any unfair competitive practices, including conduct that would put our customers at a disadvantage through cartels or other forms of collusion with competitors in connection with the products and services we provide, and conduct that would put our business counterparts at a disadvantage using our bargaining power.

(3) Prevention of Conflicts of Interests

We shall always consider separating our professional and private lives in the course of conducting our duties. We shall not engage in conduct that promotes our own self-interest or the interests of third parties at the expense of the Company’s interests.

(4) Prohibition of Insider Trading

As members of a publicly listed corporate group, we shall not use the non-public material information of the Company, or such information obtained in the course of performing our duties, for asset management purposes for the Company or privately, nor shall we use such information for private economic gain.

(5) Protection of Intellectual Property Rights

We shall respect the copyrights, patents and other intellectual property rights of third parties, and shall not infringe upon those rights in the course of our business activities.

2. Addressing Society**(1) Responding to Antisocial Powers**

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

(2) Prevention of Corruption through Restrictions on Business Entertainment and Other Activities

We shall work to prevent corruption in our relationships with business counterparts, civil servants and other parties by refraining from providing or receiving any business entertainment within reasonable bounds under normal social conventions, as well as refraining from giving or receiving gifts, in connection with our business activities worldwide.

(3) Political Activities and Funding

We shall comply with laws and regulations and maintain an impartial stance when conducting political activities.

3. Appropriateness and Transparency in Management**(1) Appropriate Disclosure and Explanation of Information**

We shall accurately disclose and explain the details of the products and services we provide and the Group’s management information to stakeholders, including customers and shareholders and other investors.

(2) Appropriate Information Management

We shall handle the information we obtain from customers, including personal information, appropriately in accordance with laws, regulations and other rules. Moreover, we shall appropriately manage information that the Group has not published. Corporate officers and employees shall not disclose this information to others even after they retire from the Company.

4. Respect for Human Rights and Consideration for the Environment**(1) Respect for Human Rights**

We shall support the protection of internationally declared human rights and show respect for those human rights. Moreover, we shall endeavor to maintain a sound workplace environment that is free of discrimination and harassment by protecting workers by upholding legal and regulatory compliance.

(2) Consideration for the Environment

We shall consider the global environment in the course of conducting business activities.

《Duties of Managers》

Recognizing their duty to implement the spirit of the T&D Life Group Compliance Code of Conduct, the T&D Life Group’s managers shall endeavor to set a good example through their own conduct, and strive to make the code of conduct known throughout the Group and provide guidance to ensure Group-wide compliance.

● T&D Life Group Environmental Policy

4.8 FS1

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.

● Basic Policy on Corporate Governance

T&D Holdings, Inc. has committed to all the provisions of the corporate governance code that have been applied to listed companies since June 2015 for the purpose of ensuring the T&D Life Group’s sustained growth and the enhancement of its corporate value over the medium to long term. T&D Holdings has also disclosed a Basic Policy on Corporate Governance on its website setting forth the Group’s initiatives and policies as they pertain to the salient principles and rules in the corporate governance code.

Basic Policy on Corporate Governance
(URL: http://www.td-holdings.co.jp/en/company/group/governance/pdf/e_governance_policy.pdf)

For reference: Information related to the corporate governance code
(URL: <http://www.jpx.co.jp/english/equities/listing/cg/>) (Website of the Tokyo Stock Exchange)



1–2 Principles That the T&D Life Group Endorses and Supports

4.8 4.9 4.12 FS1

● The UN Global Compact

The T&D Life Group has become a participant of the United Nations (UN) Global Compact (UNGC), a cooperative framework between the UN and corporations to realize sustainable growth advocated by the UN.

The UNGC proposes ten principles applying to the four areas of the protection of human rights, the elimination of unfair labor practices, the protection of the environment and the prevention of corruption, and encourages companies to act in a responsible manner.

The T&D Life Group endorses the UNGC’s philosophy and T&D Holdings, representing the Group, signed a memorandum declaring its supports for the ten principles and registered as a company that is participating in the UNGC initiative.

《UNGC's Ten Principles》

Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights;
	Principle 2	and make sure that they are not complicit in human rights abuses.
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labor;
	Principle 5	the effective abolition of child labor;
	Principle 6	and the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility;
	Principle 9	and encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

● Principles for Responsible Investment (PRI)

In the T&D Life Group, Taiyo Life and T&D Asset Management have endorsed and signed the Principles for Responsible Investment (PRI)*. PRI are guidelines that encourage global financial institutions and institutional investors to promote investment activities in consideration of Environmental, Social and Governance (ESG) issues.

* The United Nations Principles for Responsible Investment (PRI) were formulated by the UNEP Finance Initiative and the UN Global Compact as a set of principles that would facilitate the reflection of the ESG viewpoint in the decision-making processes of financial investors.

《The Six Principles of PRI》

Principle 1: We will incorporate ESG issues into our investment analysis and decision-making processes.
 Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
 Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
 Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
 Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
 Principle 6: We will each report on our activities and progress towards implementing the Principles.

● Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

T&D Holdings and all of its direct subsidiaries (5 companies) endorse the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)*, and have become signatories to this voluntary initiative organized by Japanese financial institutions.

* The Principles for Financial Action for the 21st Century were formulated as guidelines for financial institutions that wish to fulfill their social responsibilities and play a role in the formation of a sustainable society. The principles were formulated by the Ministry of the Environment's Drafting Committee for Environmental Finance Principles, in which financial institutions from wide-ranging areas within the sector voluntarily participated.

《Principles for Financial Action for the 21st Century》

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.

2-1 Promotion Framework of CSR

4.9

The T&D Life Group has established the Group CSR Committee consisting mainly of directors in charge of CSR at each Group company. The CSR promotion system has been reinforced to facilitate coordinated efforts by way of deliberation by the Group CSR Committee of Group-wide CSR policies and initiatives, while still allowing for independent activities at each Group company.

● Group CSR Committee

With the aim of further strengthening coordination within the Group regarding CSR activities and of pushing ahead with unified Group-wide CSR activities, the Group established the Group CSR Committee under the Group Management Committee in July 2011. (From September 2015 it has been changed to an organization under the Board of Directors.)

The Group CSR Committee is chaired by the President of T&D Holdings (Representative Director, Chairman of the Board of Directors), and vice-chaired by the executive officer in charge of business planning units. In fiscal 2014, the committee met three times. Information shared and all issues discussed have been reported to the Group Management Committee. Reports to the Board of Directors (from September 2015)

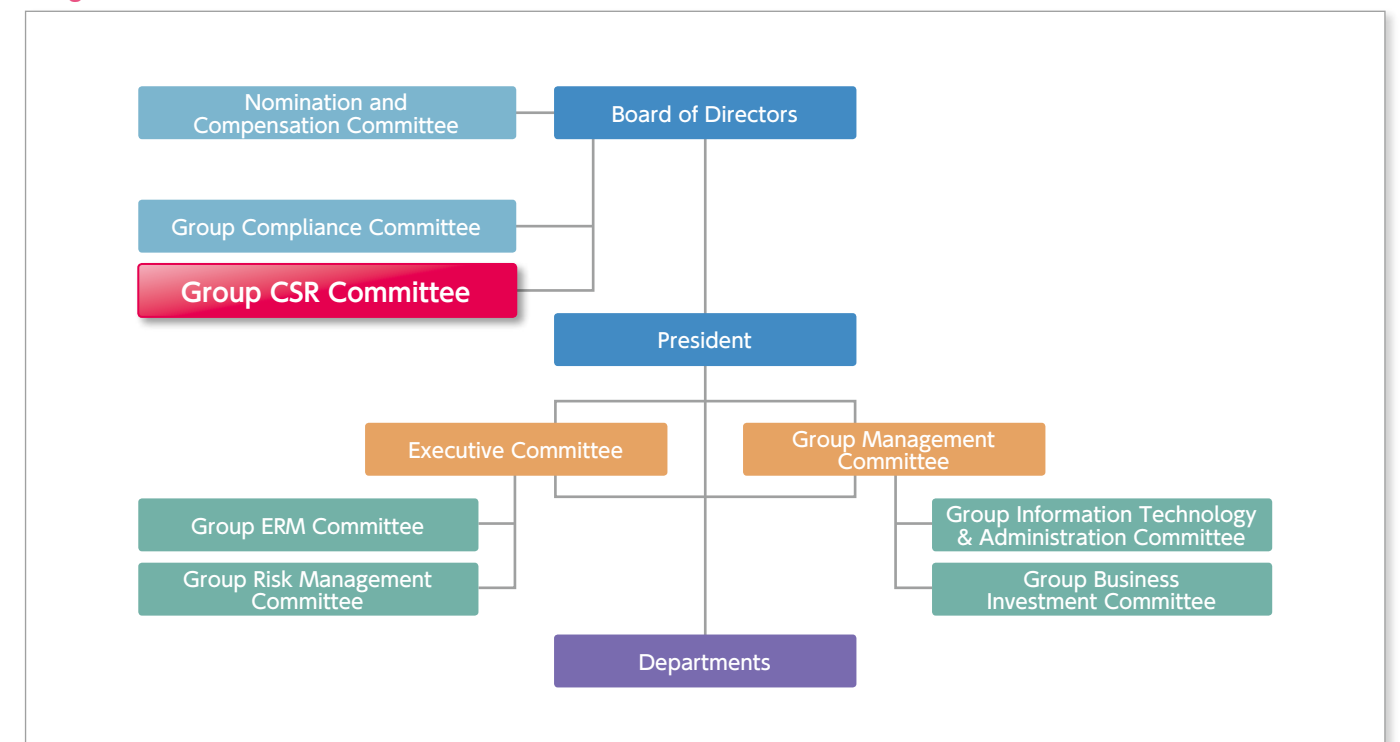
● Director in Charge of CSR at T&D Holdings

Sonosuke Usui, Director and Executive Vice President
 100% attendance at Board of Directors in fiscal 2014
 100% attendance at Group CSR Committee in fiscal 2014

● Department in Charge of CSR at T&D Holdings

Group Planning Section, Group Planning Department
 T&D Holdings

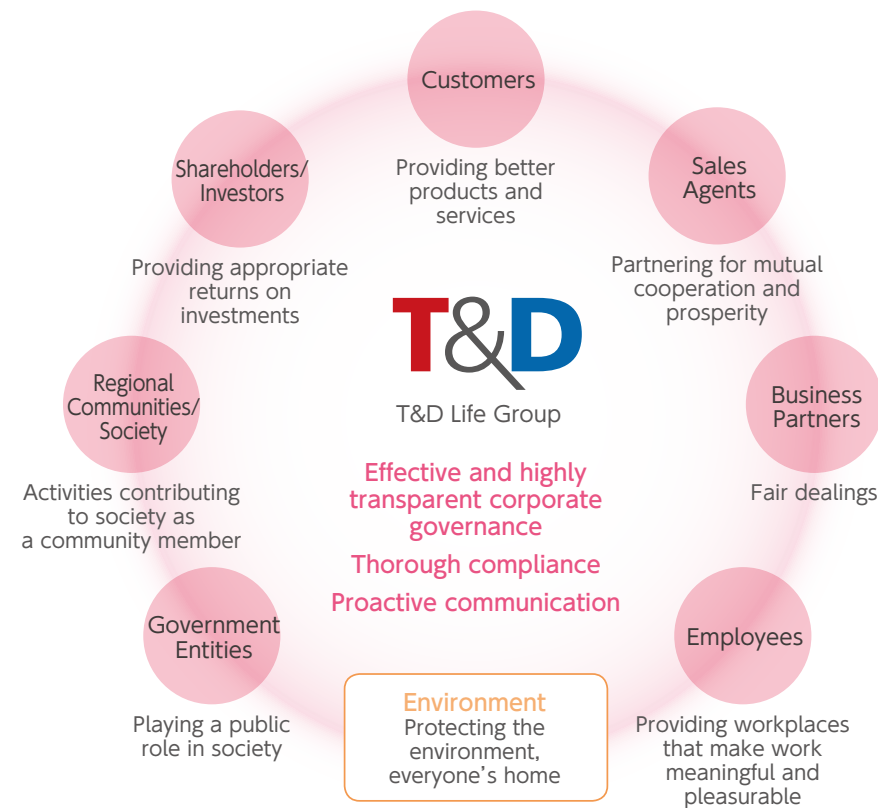
《Organization Structure (as of October 1, 2015)》



2-2 Communication

4.14

● The T&D Life Group and Its Stakeholders



● 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 page 3, "4. Communication"). By taking every possible opportunity to interact, the Group's three life insurance companies collect the opinions of policyholders, sales agents and other stakeholders and reflect them in their respective business management.

● Proactive Information Disclosure

The T&D Life Group pursues proactive communication activities and works to make comprehensible information disclosures to customers, shareholders, investors, and all other stakeholders. To maintain and even heighten our trustworthiness in the eyes of society, T&D Holdings and the Group's three life insurance companies have formulated Disclosure Rules*. In keeping with these 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 an 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 websites. T&D Holdings informs its shareholders, numbering 254,150 as of March 31, 2015, 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.

2-3 Cooperation with Suppliers

● Management of Outsourcing of Business Operations

The T&D Life Group outsources some business operations to third parties. In order to maintain our management soundness and strengthen our management control capability, we have prepared the appropriate management system for outsourcing, specifically by formulating the methodology to select outsourcing partners and supervise them.

T&D Holdings has formulated a Pre-checklist to Scrutinize Outsourcing Partners as a part of the Guidelines for Outsourcing and Detailed Rules on Risk Evaluation for Outsourcing, based on the Procedural Guidelines for Implementation and Management of Outsourcing. The Group examines the risk-related issues, and assesses the suitability of each outsourcing partner with respect to the issues including social aspects* such as human rights, labor conditions, and environmental protection, etc.

* Social aspects refer to the occurrence of human rights violation, labor problems such as forced labor, excessive work hours, health and safety, etc., as well as measures to prevent and mitigate environmental pollution and climate change.

After the commencement of outsourcing, the Group checks the outsourcing partner more than once a year, monitors the performance of the outsourced operations, and, if necessary, asks for improvements.

● Initiatives for Green Purchasing and Procurement

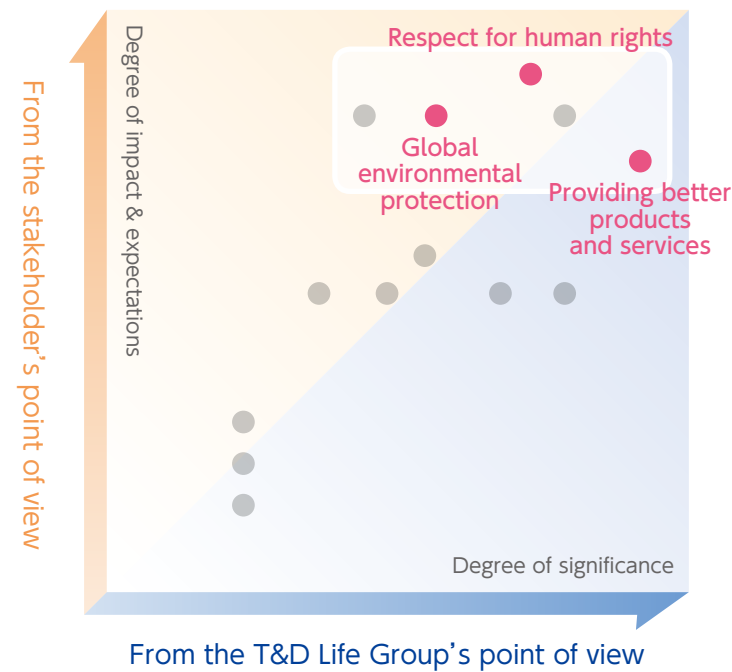
The T&D Life Group takes various initiatives to protect the global environment, based on the T&D Life Group CSR Charter and the T&D Group Environmental Policy. As one facet of these efforts, the T&D Life Group has formulated its Group-wide Green Purchasing Standards to be applied when the Group procures or purchases the goods or services needed for its business operations. The Group promotes green purchasing and green procurement, giving priority to the purchase of goods or services that help reduce its environmental impact.

Green purchasing mainly targets office furniture, equipment and consumable supplies, while green procurement targets printing of product brochures and policy documents and procurement of real estate facilities and system equipment. Results of these activities are reported to the Group CSR Committee and its upper organization, the Board of Directors, every six months.

3 CSR Priority Areas

3.5

In the T&D Life Group, the Group CSR Committee determines the CSR priority areas (materiality issues) every year which should be particularly focused on, and the Group conducts its CSR activities with a special emphasis on them.



Selection of the Priority Areas

1st phase selection	The Group refers to the ISO 26000 standard and the GRI guidelines, and categorizes the CSR issues into 13 areas.
2nd phase selection	The Group evaluates the significance of these categorized CSR issues from the viewpoints of 1) the degree of interest shown by stakeholders and the degree of impact on stakeholders and 2) the management philosophy and vision of the T&D Life Group and the achievement of sustained growth. The Group then selects five areas as candidates for priority areas.
3rd phase selection	These five candidates for priority areas are reevaluated from such viewpoints as the management philosophy, management vision, and fundamental strategies of the T&D Life Group, the degree of social interest and the intensity of requirement for action, and the status of T&D Life Group initiatives, and evaluations by SRI research institutions. The Group then selects three of these areas as the top priority areas for the year.

Progress Management and Verification of Results

The Group CSR Committee formulates the policies and plans for the Group's CSR activities focusing on the three selected priority areas. Progress of the initiatives of each Group company is regularly reported to the Group CSR Committee and its upper organization, the Board of Directors.

T&D Life Group's CSR Priority Areas (Fiscal 2015)

Providing Better Products and Services

Respect for Human Rights

Global Environmental Protection

4 Initiatives for Priority Areas

4-1 Providing Better Products and Services

2.7

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

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

Message from a Product Development Staff

《The Road to the Launch of New Products》

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

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

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

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

《Our Aspirations》

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

We developed these products with the aspiration that, should our customers require nursing care, they would be able to receive nursing care with peace of mind, without having to feel the financial burden.

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

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

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



Feedback from Customers

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

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

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

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

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

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



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



4-2 Respect for Human Rights

HR3

Toward a Society Where Everybody Can Work Vibrantly—For the Sustainable Growth of Companies and Society

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

● Initiatives of the T&D Life Group

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

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

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

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

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

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



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

【Action Plans】

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

- Initiatives
- Implement systematic cultivation and promotion of female employees to management positions
- Enhance career development and work-life balance support measures
- Transform the mindset of managers

Targets set for promoting female employees to management positions
Ratio of female managers (Achievement deadline)

TAIYO-LIFE	DAIDO DAIDO LIFE	T&D FINANCIAL LIFE
Systematically cultivate and promote motivated and talented female employees	Promote diverse work styles and support new challenges	Become a company where female workers can work free from anxiety and reach their full potential
Examples of initiatives <ul style="list-style-type: none"> • Provide female employees with opportunities to assume larger roles and gain new business experience • Provide female manager candidates with training for management positions • Transform the mindset of managerial employees through training for managers and other programs and other initiatives 	Examples of initiatives <ul style="list-style-type: none"> • Provide an expansive range of career development paths and long-term career development using various systems • Improve the motivation of female employees and transform the mindset of supervisors through training and other programs • Introduce innovative work styles using various systems, including working from home and other initiatives 	Examples of initiatives <ul style="list-style-type: none"> • Regularly hold training programs on career, capability, and upward skill development • Implement job rotations • Enrich initiatives to promote diverse and flexible work styles and other initiatives
More than 20% (April 2018)	More than 15% —More than double the 2013 level of 7%— (April 2020)	More than 10% (April 2019)

● To Promote the Active Participation of Female Workers

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

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

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

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



Taiyo Life Training of Female Office Workers Taiyo Life conducts training focused on further inspiring female employees to challenge a new goal without fear of change, and to draw up and pursue their own career vision.	Daido Life The "Challenge Women's Workshop" Daido Life created a four-month workshop attended by female employees only. Under the guidance of an external instructor (Ms. Satoko Gibbs), the participants learned about the mindset and skills needed by women to continue working vibrantly, and conducted studies and research activities as a group.	T&D Financial Life Training to Support Women's Active Participation For female employees, T&D Financial Life conducted a training program to support women's active participation. The program is to draw an image of an ideal leader, and seeks to improve the leadership skills and tenability needed to become such a leader.
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4-3 Global Environmental Protection

EN7

Toward a Sustainable Society

—Preserving a Healthy Global Environment for Future Generations

The society we live in rests upon the foundation provided by the global environment.

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

● Initiatives for Reducing Environmental Impacts

《Initiatives for Reducing Electric Power Use》

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

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

《Our Aspiration to Help Solve Global Environmental Issues》

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



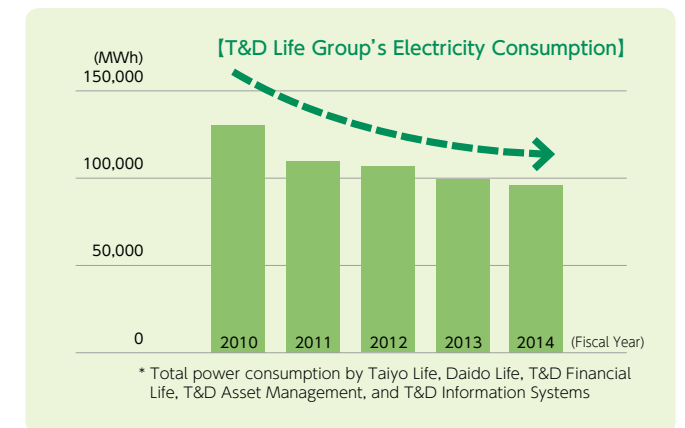
Shizuka Munakata
Manager, General Service Division,
General Affairs Department
Taiyo Life Insurance Company

● Forest Conservation Activities

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

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

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



《Acorn Project》

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

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

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 collect 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 confirm our customers' satisfaction level.

● System to Reflect Customer Feedback in Operations

The Group's three life insurance companies have set up dedicated departments and committees with external members in charge of customer satisfaction management. We developed 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 the feedback collected from customers is input into a centrally managed database and then 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 PR5

Taiyo Life

Customer's opinions	How we responded
Since we want to be prepared for the future from now, please develop products that provide protection for people who require a mild level of long-term care.	We renewed the nursing care coverage of <i>Hoken Kumikyoku Best</i> from April 2014, thereby expanding the protection scope of nursing care. (1) We added to our product lineup a new product called <i>Keido Kaigo Hoken (mild nursing care insurance)</i> that provides protection when the insured is qualified to receive long-term care level 1 or above under Japan's Long-term Care Insurance System or a mild level of long-term care as designated by Taiyo Life. Through this product, we now offer nursing care protection that provides peace of mind to people in the prime of their lives as well as seniors. (2) To the customers who purchased <i>Hoken Kumikyoku Best</i> on or after April 1, 2014, we have added to our lineup a product that provides the protection of long-term care level 2 or above under Japan's Long-term Care Insurance System, as a substitute for the product that had provided the protection of long-term care level 3 or above under the system.
I want to talk directly to someone, because when I telephone your consulting services, the voice guidance is difficult to follow and I'm unable to get connected properly.	In July 2014, we established a toll-free telephone insurance service specifically for seniors that directly connects to the Customer Service Center staff, thereby eliminating the need to dial as instructed by the automated voice guidance.

Daido Life

Customer's opinions	How we responded
In response to changes in business conditions, we want a review of the current insurance contract. Isn't there any way to do a review by some simple procedure? (Corporate customers)	We started offering the "L⇔R switch" provision that allows customers to freely review protection details in response to changes in their status after the purchase of insurance. With regard to our main term life insurance products (L-type and R-type*), customers can switch from L-type to R-type or vice versa, by making no prior notification or a simple notification. With this new provision, we are now able to offer products responding to the changing conditions and needs of a variety of customers. * L-type: A term life insurance product with a long-term maturity R-type: A term life insurance product with a short-term maturity (renewal type)
We want a document describing the accounting method of the cash surrender value. (Corporate customers)	We recently made the new type of document called the "Guide to the Accounting Treatment at the Time of Surrender of Insurance" to explain the accounting procedure at the time of surrender of insurance. After the surrender procedure is completed, we send it to corporate customers as a reference along with the "Notice of the Completion of the Surrender Procedure."

T&D Financial Life

Customer's opinions	How we responded
Isn't it possible to reduce the documents to be submitted at the time of making a claim?	We eased or abolished some of the formalities, for instance, the submission of the seal registration certificate at the time of claiming a death benefit or pension. By reducing the documents submitted in connection with the claim, we have reduced the burden borne by the customer.
Would you be able to simplify the procedure to pay out determined insurance payments?	We have made some improvements such as sending a payout claim form for the determined insurance payment along with the documents regularly sent to customers. Previously such a payout claim form was sent to the customers upon request. We have also revised the detailed description of the claim documents to make them easy to understand. Also, from April 2015, we have started handling the "regular payment rider" to improve convenience for customers. By adding this rider at the time of signing the contract, customers can automatically receive their regular payments.

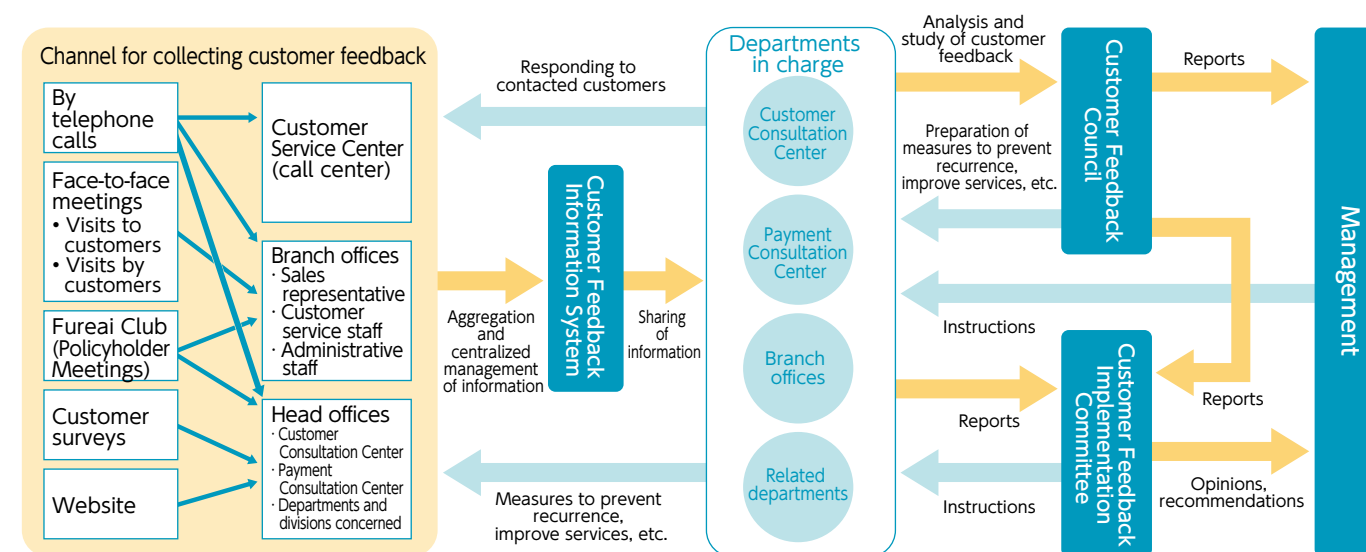
Activities to Respond to the Customer Feedback

1-3 Measures Taken by Taiyo Life

4.16 PR1 PR5

● System for Reflecting the Customer Feedback in Operations

[Workflow for reflecting customer feedback in operations]



● "Fureai Club"

Taiyo Life holds regular meetings with policyholders called the "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 2014, meetings were held at 78 branches and 42 other venues in September and attended by 533 clients. Taiyo Life made presentations on its business and services and received 202 opinions from the participants concerning a broad range of its business operations. The feedback from policyholders was shared within the Group as valuable information and utilized to achieve improvements in various business practices.

● Acquiring a Third-party Opinion on ISO 10002 Compliance

In March 2008, Taiyo Life declared the introduction of ISO 10002, an international standard for quality management, customer satisfaction and guidelines for complaints handling in organizations, and since then has been committed to continually enhancing customer-oriented service and operations by utilizing customer feedback (including complaints). In March 2015, following on from February 2014, we obtained a third-party opinion on ISO 10002 that recognized our complaint management system as complying with ISO 10002 and functioning effectively. We have been working to improve our business processes based on ISO 10002 and educate employees through training programs.

● Customer Complaints by Type

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

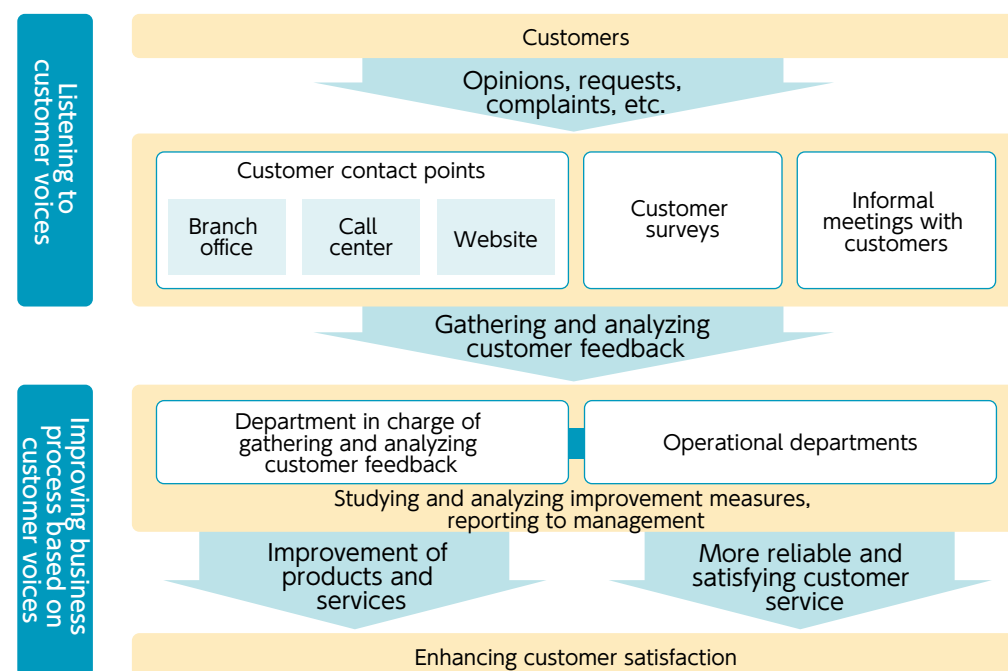
Type of feedback	FY2012		FY2013		FY2014	
	No. received	%	No. received	%	No. received	%
New contracts	3,196	33.6	2,813	31.7	2,637	34.4
Payment of premiums, etc.	716	7.5	631	7.1	473	6.2
Conservation work	1,033	10.8	1,396	15.7	1,202	15.7
Insurance claims and benefits	2,291	24.1	2,304	26.0	1,681	21.9
Others	2,287	24.0	1,735	19.5	1,673	21.8
Total	9,523	100.0	8,879	100.0	7,666	100.0

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

1-4 Measures Taken by Daido Life

4.16 PR1 PR5

● System for Reflecting Customer Feedback in Operations



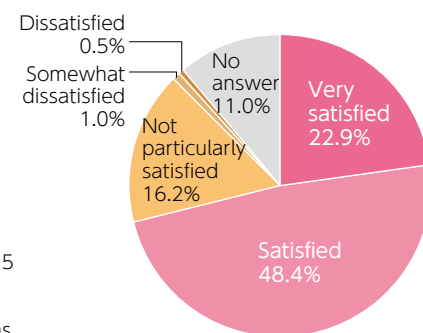
● Customer Survey

Conducting surveys is useful in identifying hidden issues related to business that are difficult to uncover by passively receiving customer opinions and requests. Major examples include the new policy procedures survey filled out by new policyholders after the completion of the contract procedures, with a focus on the attitudes of sales representatives and the understandability of application forms and other documents, as well as customer satisfaction surveys filled out by business owners/managers that inquire about the level of satisfaction provided by our products, services and after-sale services.

Overall Satisfaction with Daido Life
(When applying for a new policy)

Outline of new policy procedures survey

Survey period : April 2014 to March 2015
 Respondents : All new policyholders
 Valid responses received : 5,270
 No. of questions : 4 items with 12 questions



A total of 71.3% of respondents answered that they were "Very satisfied" or "Satisfied."

● Response to Customer Complaints

We define "complaint" as 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 Complaints by Type

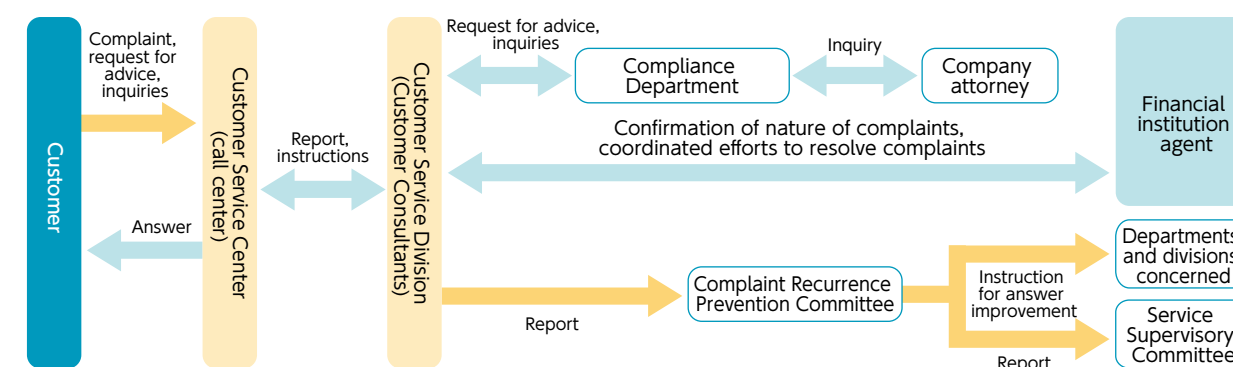
(Units: no. of complaints received; proportion: %)

Type of feedback	FY2012		FY2013		FY2014	
	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	1,660	15.6	1,698	14.6	1,694	14.0
Payment of premiums	1,141	10.7	1,143	9.8	1,042	8.6
Procedures after making a contract	3,571	33.5	4,077	35.0	4,770	39.3
Payment of insurance claims and benefits	2,165	20.3	2,149	18.4	2,118	17.4
Other	2,113	19.9	2,598	22.3	2,508	20.7
Total	10,650	100.0	11,665	100.0	12,132	100.0

1-5 Measures Taken by T&D Financial Life

4.16 PR1 PR5

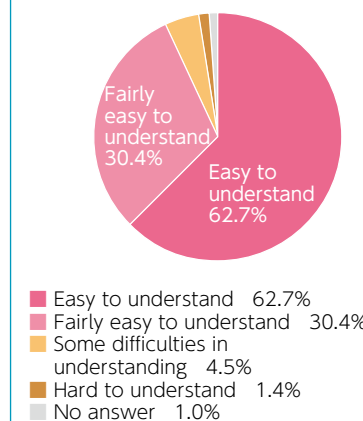
● System for Rapidly Responding to Customer Voices



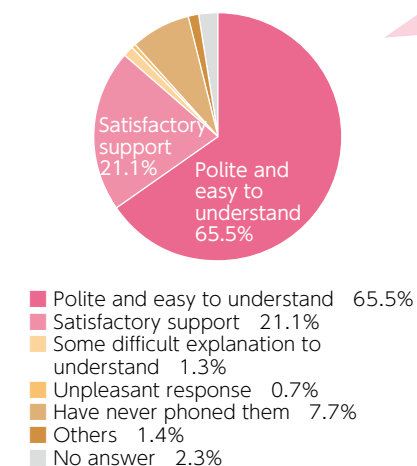
● Customer Survey

T&D Financial Life conducts a 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 and understandability of application forms and documents involved in various procedures. Results of customer surveys are available on our website.

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



Q. How did you feel about the quality of call handling by our Customer Service Center staff?



Regarding application forms, 93.1% of respondents said that they were "Easy to understand" or "Fairly easy to understand." Regarding the manner in which our Customer Service Center staff handle calls, 86.6% of respondents reported that they were "Polite and easy to understand" or provided "Satisfactory support."

Outline of survey

Methodology : The survey was sent to the customers, together with documents for procedures, who purchased insurance policies through financial institution agents and requested insurance conservation procedures.
 Survey period : January 15, 2015 to March 31, 2015 (Responses received by the end of April 2015 were processed.)

No. of surveys sent : 2,026
 Valid responses : 710
 Response rate : 35.0%

● Provision of Information on the Internet

T&D Financial Life discloses a summary of the response situation and its replies to customer feedback such as frequently made complaints, comments and requests on the website.

● Customer Complaints by Type

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

Type of feedback	FY2012		FY2013		FY2014	
	No. received	%	No. received	%	No. received	%
New contracts	187	14.3	152	11.5	243	16.0
Payment of premiums, etc.	40	3.1	32	2.4	65	4.3
Procedures after making a contract	533	40.8	415	31.4	534	35.2
Insurance claims and benefits	222	17.0	516	39.1	412	27.1
Others	324	24.8	205	15.5	264	17.4
Total	1,306	100.0	1,320	100.0	1,518	100.0

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

■ Providing Wholehearted Reassurance

1-6 Support for Areas Struck by the Great East Japan Earthquake EC8

Shortly after the Great East Japan Earthquake, the T&D Life Group began offering support toward recovery in the disaster-hit areas. The Group promptly dispatched its executives and employees to the affected areas, where they participated in volunteer activities such as removing rubble, bringing in relief goods, and rebuilding individual homes and temples/shrines. In fiscal 2014, the fourth fiscal year after the disaster, the Group provided a broad range of support including making donations.

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. Life insurance companies maintain the fairness of life insurance system by adding some conditions such as additional premiums, or in the worst cases by not offering products, for those whose expected mortality rates or insurance accident rates exceed certain limits, rather than accepting them unconditionally. Having said so, the Group's three life insurance companies and other Group members respect customers' human rights and their needs for insurance, and 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 2.2 PR5 FS7

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**
[Examples of products that offer combinable options]
 - A product that provides the protection of long-term care level 2 or above under Japan's Long-term Care Insurance System or the designated assisted-living care **Seikatsu Ohen Hoken (nursing care and monthly payout type), Seikatsu Kaigo Hoken (Type 2)**
 - A product that provides the protection of long-term care level 1 or above under Japan's Long-term Care Insurance System or the designated mild level of long-term care **Keido Kaigo Hoken**
 - Medical insurance that covers hospitalization due to a confirmed diagnosis of cancer in situ or acute myocardial infarction and cerebral stroke, in addition to the protection which had been previously offered for cancer, acute myocardial infarction and cerebral stroke **Specified disease treatment insurance (Type II), Specified disease treatment insurance (Type I)**
- Medical insurance that can be purchased by only a simple notification, even by people who have been hospitalized or undergone surgery in the past or who are currently visiting a hospital as an outpatient **Hoken Kumikyoku Best Kisei Kanwa**
- Medical insurance that can be purchased without requiring a notification or review by a physician, even by people who have been hospitalized or have undergone surgery in the past or who are currently visiting a hospital as an outpatient **Taiyo Life No Yasashii Hoken**
- Juvenile insurance that can prepare the funds needed along with the growth of the child **Waku Waku Pokke**

Daido Life

- A range of term life insurance plans designed to support smooth business succession in the event of death of the business owner [Term life insurance with high protection and low premiums] **R-Type, Z-Type, D-Type**
[Term life insurance with protection and wealth-building] **L-Type, L-Type (for daily living disability protection), Low SV-L-Type, Shin-Teizo 50**
- Critical illness insurance plan for business owner with living benefit that covers cancer, acute myocardial infarction, and cerebral stroke **J-Type**
- Disability insurance plan for business owners with living benefit that covers severely incapacitating disability that prevents them from working **T-Type**
- Comprehensive medical insurance plan offering a broad-coverage of hospitalization benefits that can be used as working capital during the temporary absence of the insured business owner **M-Type**
- Savings-type single premium whole life insurance plan designed to support smooth inheritance of property to family **Life Gift α**
- Income protection insurance during nursing care and whole life nursing care insurance plan to cover living expenses and nursing care costs in the event that nursing care is required **Shunyu Relief, Kaigo Relief**
- Calculation of standard protection amount
We calculate the amount of funds to be required by the insured in the event of death, or other grave circumstances, of directors of small- and medium-sized enterprises or individual business owners, which we call the "standard protection amount." The respective calculations are based on preparation for funds for business continuity ("business protection funds"), preparation for funds for family ("lifestyle protection funds") and preparation for funds for nursing care ("nursing care funds"). Based on the standard protection amount so calculated, we offer advice and consultation that best meets the needs of each insured enterprise as a part of their risk management.

T&D Financial Life

- A single premium whole life insurance plan that determines the prescribed amount of the accumulated policy value annually throughout the lifetime of the insured, as a preparation for post-retirement expenditures **Shougai Premium Series (two plans)**
- A single premium whole life insurance plan that is designed to be simple and easy to understand with increases in the death benefit a predetermined number of times every five years **Minna Ni Yasashii Shushinhoken**
- An income protection insurance plan which provides a monthly survivor annuity or similar over a fixed period to the bereaved family, responding to customers' needs to review their insurance plans **Kei Ni Yasashii Shunyuoshou**
- A level premium whole life insurance plan which specializes in death protection, responding to customers' needs to pass on their assets by transferring wealth to the next generation **Kazoku Wo Tsunagu Shushinhoken**

Pet and Family Small-amount Short-term Insurance

- Insurance offering protection against illness or injury of pets, as a family member Pet medical insurance: **Genki Number One**
Pet medical insurance (Deductible type): **Genki Number One Slim**

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

1-9 Establishment of Solicitation Policy PR6 FS15

The Group's three life insurance companies and other Group members have established individual Solicitation Policies for offering life insurance and other products. Under these policies, each Group company strives to develop and offer appropriate products that meet customers' needs and circumstances.

Solicitation Policies (In the case of Taiyo Life)

The following are the Taiyo Life's basic solicitation policies for offering financial products, including life insurances, to customers. We always endeavor to develop and offer products in a proper and appropriate manner in due consideration of customers' desires, circumstances and privacy in order to provide customers with proper services through consultation.

- We will comply with the applicable laws, rules and regulations in solicitation activities.
- We will endeavor to carry out appropriate solicitation activities in consideration of the customer's circumstances.
- We will give due consideration to the time and the place for solicitation 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 solicitation 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 disclose them on their websites. In addition, T&D Information Systems, a Group company that supports the information system of the T&D Life Group, handles various data, including personal information, appropriately and keep them in strict confidence. In May 2005, T&D Information Systems obtained Privacy Mark certification, which is given to the enterprises that take appropriate measures to protect personal information. In addition, in March 2007 the company acquired a certification for ISO 27001, an international standard for information security management systems, and in March 2015 it moved to the new standard. The information service firm has continued to renew both of these certifications as part of its efforts to maintain a high level of information security.



1-11 Efforts to Offer Customer-oriented Services

2.2 FS15

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.

◆ Awards for Customer Service

2.10

UCDA Award 2014, Special Award by the Executive Committee (Taiyo Life)

Taiyo Life is working on a review of all documents and forms (about 3,000), including policy leaflets, policy provisions, pamphlets and contract overviews, aiming to create easy-to-see and easy-to-understand documents and forms. We have improved the legibility of our materials by a smaller number of characters and easy-to-read fonts. As a result of these initiatives, the Executive Committee for Special Awards has obtained the UCDA Award 2014 bestowed by Universal Communication Design (UCDA).

At the Time of Making a Contract

Major Documents

- Clearly worded "Product Pamphlet"
- "Insurance Specification Documents" (contract summary) describing insurance plans tailored to individual needs of customers
- "Notifications of Important Matters," as a reminder, and "Warning Information," 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

After-sales Services

We 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
- Distribution of service guidebooks
- Notification of account transfer payment
- Accounting method guidance service
- Confirming policy details by visiting customers

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 expenses for obtaining a medical certificate in the event that the related insurance claim is completely rejected despite that insurance and benefit claims
- Waiving the requirement of submitting medical certificates for claims in cases in which certain criteria are met
- Improvement of explanation and advice at Customer Service Center (call center) and branch offices
- Introduction of designated proxy application option to allow the pre-registered proxy to file insurance claims in the event that the policyholder is unable to file the claim for a certain reason
- Periodic follow-up of customers who take a long time to submit claim documents despite having declared an intention to make insurance claims

1-12 Working toward Better After-sales Service

PR1 PR5

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 2014, 301 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. Daido Life dispatches sales representatives and agents to individual customers to conduct after-sale activities, particularly to ask customers to confirm the current insurance policy through explanation of the policy details and the amount of protection needed by companies, as well as to meticulously provide advice and plans to help customers address a range of risks facing their business, including introduction of risk management measures.

1-13 Other Services

2.2 PR1 FS15

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

● T&D Club Off

T&D Club Off provides a range of services for promoting health and off-time activities to the policyholders of the three life insurance companies and Pet and Family Small-amount Short-term Insurance.

Examples of Services

T&D Club Off members may use domestic and overseas hotels, leisure facilities, car rentals, etc., at special preferential rates.

- ◆ Domestic resort hotels: at about 700 locations ◆ Overseas selected hotels: at about 20,000 locations
- ◆ Leisure facilities: at about 300 locations
- ◆ Living support services (a wide variety of services useful for customers' lives)
- ◆ Various toll-free telephone consultation services (in such areas as legal and tax matters, investment, pension, child-rearing, and dietary life)

For more details about these services, please visit each company's website.



● Customer Service Center Open for Inquiries 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, is open and handles inquiries on Saturdays and Sundays from 9:00 to 17:00 as well.

● Provision of Services through a Support Center, Taiyo Life

Taiyo Life established its Support Center in December 2011. Using the videophone functions built into the portable terminals carried by sales representatives, the Support Center can respond in real time to inquiries concerning specific details and other matters originating from customers. The Support Center is open and handles inquiries from 9:00 to 21:00, seven days a week, including Saturday and Sunday.

● Services Useful for SMEs, Daido Life

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

Examples of Services

- ◆ Providing reports on management strategies, industry trends and other useful business information
- ◆ Providing a standard form of company regulations
- ◆ Complimentary assessment of possibility to receive public subsidies and supports
- ◆ Complimentary assessment of employment regulation ◆ Providing information on public supports
- ◆ Health counseling and second-opinion service ◆ Health screening referral service

* For more details, please contact the customer service center of Daido Life.

FS14

● Services through the Internet

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 change of 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, such as change of address, request for adding designated proxy application option, change of password
- ◆ Request for application forms for change of account, change of first/family name, loan repayment
- ◆ Services to raise convenience of policyholders, such as fund transfer for policyholder loans, withdrawal of accumulated dividends and deferred funds
- ◆ Reissue of insurance certificates, annuity payment certificates, deferred fund payment certificates and 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 guidance on insurance premiums accounting method

T&D Financial Life

- ◆ Inquiries about summary 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 certificates for life insurance premium payment, etc.

* For more details, please contact the respective customer service centers of the Group's three life insurance companies.

Nurture Our Staff and Develop Better Services Together with Our Staff

1-14 Development of Service Staff Skills

LA11 PR1 FS4

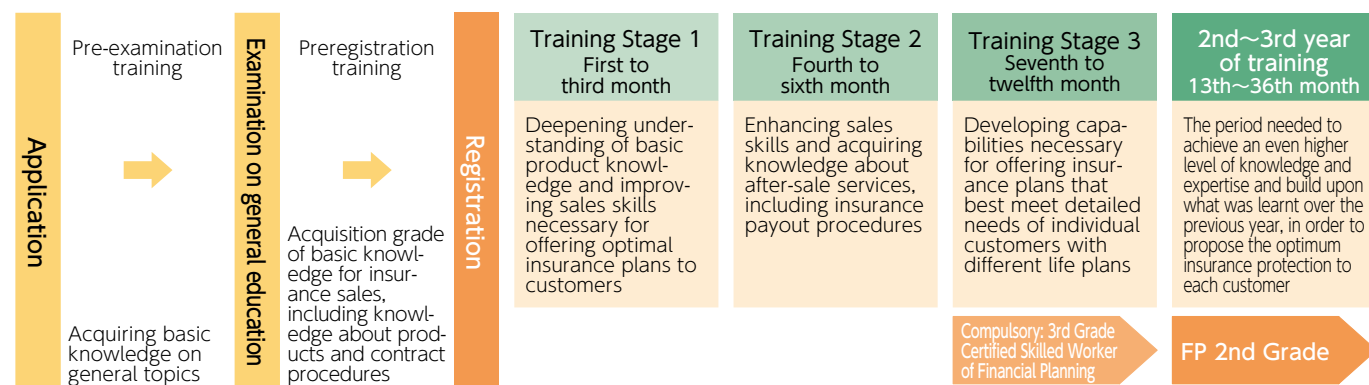
The Group's three life insurance companies are working to enhance the skills of their customer service staff to increase customer satisfaction focusing on basic and specialist knowledge about life insurance as well as compliance. The three life insurance companies have diverse staff members such as sales 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 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's 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 (new-employee education programs and financial planner education programs)

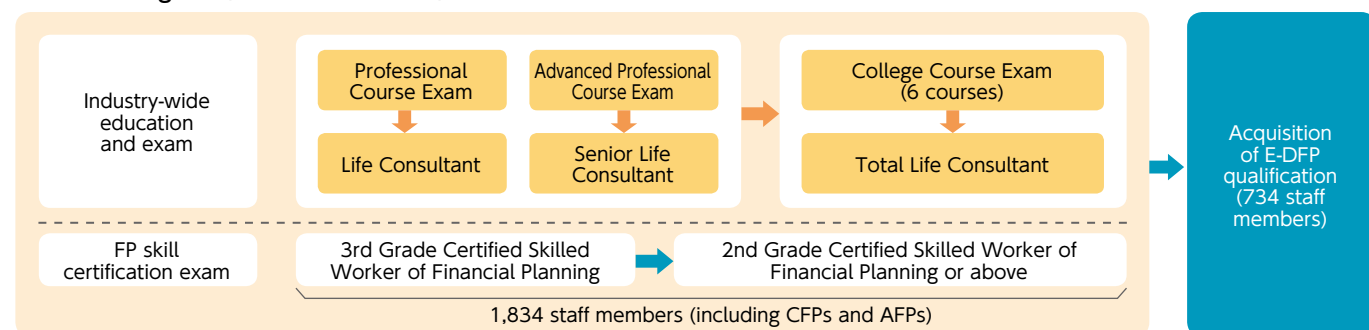


1-16 E-DFP (Executive Daido Financial Planner) Program Daido Life

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. The E-DFP qualification is awarded to those who have passed all six life insurance college course examinations and are ranked as 2nd Grade Certified Skilled Worker of Financial Planning or above, including AFPs and CFPs.

E-DFP Program (As of March 2015)



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 acquire broad knowledge on the compliance and insurance business.

1-18 Business Partner Meetings Daido Life

LA11 PR1 FS4

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.

1-19 Wholesaler Activities T&D Financial Life

LA11 PR1 FS4

T&D Financial Life carries out elaborate support activities for the sales agents, such as financial institutions, through its staff (wholesalers) assigned to assist sales agents 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 as well as presentation skills for accurately explaining features of our products to customers and sales agents.

1-20 Best Senior Service

FS14

Based on the social situation that the aging of society is progressing, we are carrying out Group-wide efforts to improve the convenience and satisfaction of our elderly customers. At Taiyo Life and Daido Life, this initiative was named Best Senior Service, and through this initiative, we are developing a variety of service improvements.

《Main Initiatives of Taiyo Life》

- ① Home visit service**
From July 2014, we began our customer support activities to give security and relief to seniors, those who are 70 years old or older, by visiting their homes more than once every year. Through this activity, we explain insurance matters carefully and comprehensively, including confirmation of policy details and examination of missed insurance claims, in order to deliver security and relief to each individual senior customer.
- ② Provision of easy-to-read and easy-to-understand guidance and procedure documents**
We are working on a review of all documents and forms (about 3,000 kinds), aiming to improve the ease of looking at them and understanding them. Through this initiative, we have obtained the *Tsutawaru Design Mark* (UCDA certification) for versions of our procedure guidebooks and product pamphlets, the first such materials in the industry that take into consideration the aging of customers.
- ③ Improvement of treatment of customers and hospitality**
We have been working to improve the services we offer to our senior customers. We have established a specialized telephone service for seniors, and train call center staff who will receive inquiries from senior customers to speak at a pitch and speed that is easy to listen to while using plain words. Our senior support desk for providing security and relief to seniors uses a videophone to enable the customer to reconfirm policy details when making policy contract.

《Main Initiatives of Daido Life》

- ① Establishment of a system by which customers can perform necessary procedures reliably and quickly regardless of the environment**
<Designated proxy application option>
We propose the addition of a designated proxy application option to an insurance policy, under which a person who has been designated in advance (a pre-registered proxy) may file claims for payment, etc., if the insured person eligible for receiving insurance benefits is unable to make claims due to illness or accident.
<Family registration system>
We propose our individual customers to register their family members in the "family registration system," under which a family member registered in advance may make an inquiry about policy details when the policyholder is unable to do so, and will be answered in the same manner as the policyholder would have been answered.
- ② Provision of easy-to-read and easy-to-understand guidance and procedure documents**
We have reviewed our internal standards for guidance and procedures documents, and are making improvements such as increasing the font size.
Through these initiatives, we have obtained the *Tsutawaru Design Mark* (UCDA certification) for our "New contract application procedure webpage" and "Notification of policy details" that were revised in October 2015, and for our "Insurance claim leaflet (individual annuity)" that will be revised in May 2016.
- ③ Improvement of treatment of customers and hospitality**
In order to provide courteous and careful service in response to customers' situations, we formulated and use a service manual taking into account the general characteristics of our senior customers, such as changes in physical abilities and psychological aspects, as well as visual teaching materials. Through these means, we are striving to provide an environment in which our customers can complete necessary procedures with peace of mind.

2-1 Basic Concept

As stated in "3. Respect for Human Rights" of the Group CSR Charter, "T&D Life Group will respect the individuality of all its employees and develop its human resources." The T&D Life Group believes that creating a comfortable work environment where employees are able to work to meet the social needs is an important corporate responsibility that goes beyond respecting human rights and leads to the growth of the company and vitalization of society.

■ Utilization and Development of Human Resources

2-2 Human Resources Development Policy

FS4

Since its establishment, the T&D Life Group has been promoting the "creation of a corporate culture that encourages demonstration of diverse talents" under the Group policy of pursuing the improvement of corporate value by allowing each Group company to pursue its own unique and specialized business strategies. Under these shared goals, each Group company has formulated its training programs to develop and enhance the skills and capabilities of employees.

2-3 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.

2-4 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 company-wide perspective by experiencing various jobs within the organization. Young employees acquire basic knowledge and improve their skills through experiencing different positions, for example, by changing workplace from the Head Office to branches or changing jobs from sales to administrative works, or vice versa, for a certain interval after joining the company. At the managerial level, employees who have served as Head Office division managers are to serve as branch general managers, or branch managerial staff are transferred to Head Office positions in a job rotation 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 career development.

Taiyo Life, Daido Life, T&D Financial Life

● In-house Recruiting

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

● Personnel Exchange within the Group

Personnel exchange is promoted among Group companies for facilitating the sharing of the well-developed skills and useful knowhow possessed by each Group company.

Phase I: (2008-2012) Temporary transfer or transfer to other Group company for 1 to 2 years

· Number of participants for 5 years from 2008 to 2012 50 employees (47 men, 3 women)

Phase II: (2013-) Short-term training program for a maximum period of 1 month was introduced

· Number of participants in fiscal 2013 (including long-term transfer programs) 17 employees (3 men, 14 women)

· Number of participants in fiscal 2014 (including long-term transfer programs) 28 employees (8 men, 20 women)

Taiyo Life

● Working Experience at Different Workplaces

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

Daido Life

● Career Challenge System

As a framework to support employees' career formation, the Group provides its employees with opportunities to enhance their abilities by gaining a wide range of business experience beyond what is available in their existing career paths. These opportunities include in-house internships that allow the area-based employees, who have very few transfer opportunities, to experience other duties away from their own workplaces for a short period of time, job assignments outside the company, and the chance to apply for posts using an in-house free agent system.

■ Diversity Promotion Initiatives

2-5 Employment of People with Disabilities and Seniors

LA11

LA13

As of the end of March 2015, a total of 321 employees with disabilities, including 34 new recruits for fiscal 2014, worked at the Group's three life insurance companies, which account for 2.20 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 and promote employment of the disabled.

The Group's three life insurance companies have introduced a re-employment program for employees reaching the mandatory retirement age. Under this program, individuals 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.

● Employment of People with Disabilities at the Three Life Insurance Companies

	FY2012	FY2013	FY2014
Employment rate of people with disabilities (%)	2.04	2.15	2.20

2-6 Human Rights Education

HR3

FS4

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

2-7 Initiatives to Support Active Roles for Female Employees

LA11

The T&D Life Group has promoted efforts to create a corporate culture that diverse human resources will find engaging to work in and that enables them to reach their full potential.

The entire Group is working as one to vigorously promote the active participation of female employees through measures such as appointing motivated and talented female employees to management positions and holding seminars designed to enhance their career consciousness.

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

● **Action plan: Promote active roles for women at the three life insurance companies of Taiyo Life, Daido Life, and T&D Financial Life**

Initiatives	Taiyo Life	Daido Life	T&D Financial Life
Implement systematic cultivation and promotion of female employees to management positions	Systematically cultivate and promote motivated and talented female employees Examples of initiatives ● Provide female employees with opportunities to assume larger roles and gain new business experience	Promote diverse work styles and support new challenges Examples of initiatives ● Provide an expansive range of career development paths and long-term career development using various systems	Become a company where female workers can work free from anxiety and reach their full potential Examples of initiatives ● Regularly hold training programs on career, capability, and upward skill development
Enhance career development and work-life-balance support measures	● Provide female manager candidates with training for management positions	● Improve the motivation of female employees and transform the mindset of supervisors through training and other programs	● Implement job rotations
Transform the mindset of managers	● Transform the mindset of managerial employees through training for managers and other programs, etc.	● Introduce innovative work styles using various systems, including working from home, etc.	● Enrich initiatives to promote diverse and flexible work styles, etc.
Targets set for promoting female employees to management positions Ratio of female managers (Achievement deadline)	More than 20% (April 2018)	More than 15% ~ Double 2013's 7% ~ (April 2020)	More than 10% (April 2019)

● **Joint Group Co-working/Training with Supervisors for Female Employees**

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

Taiyo Life	Daido Life	T&D Financial Life
<p>● Training for Manager Candidates A management development program is in place under which group training is provided to competent managerial candidates selected from among mid-career employees at offices across the country. Candidacy for the program is not restricted to any career category (clerical versus career-track) or gender.</p> <p>● Training for Newly Appointed Female Managers The Group provides management training for newly appointed female managers to ensure that they can efficiently perform the duties of their management roles.</p> <p>● Promoting Diversity The Diversity Promotion Project Team conducts company-wide activities aimed at expanding the roles and responsibilities of female employees, as well as promoting their appointment to management positions.</p>	<p>● The "Women's Challenge Workshop" Daido Life created a four-month workshop attended by female employees only. Under the guidance of an external instructor (Ms. Satoko Gibbs), the participants learned about the mindset and skills needed by women to continue working vibrantly, and conducted study and research activities as a group.</p> <p>● Female Manager Development Training Daido Life provides female manager development training for area-based section managers and group leaders at its head office and affiliate companies. The purpose of this training is to foster a stronger career consciousness eyeing future appointment as managers and the mindset needed to demonstrate leadership.</p>	<p>● Training to Support Women's Active Participation In order for female employees to gain a clear image of the leadership they should pursue and to acquire the skills required of such leaders, the company is offering periodic collective training on various themes, including "Communication with the people around you," "Demonstrating leadership" and "Guidance and cultivating subordinates and juniors."</p>

Worker-friendly Work Environment

2-8 Work-life Balance Initiatives

LA2 LA3 LA15

Individual companies belonging to the T&D Life Group have been enhancing various efforts aimed at enabling employees to demonstrate their capabilities and improve their performance at work while at the same time fulfilling their responsibilities at home, such as childcare, nursing care and household, by improving the childcare leave system and reducing total work hours. In order to promote the active participation of female employees, the Group as a whole is promoting work-life balance initiatives with an awareness of the need to create workplaces where female employees can continue working for a long time while experiencing life events such as marriage and childbirth.

Taiyo Life

Taiyo Life is supporting various work styles by promoting a flexible work system, for instance, through expanding the scope of employees eligible for the flextime system and improving the system, as well as introducing a short working hour system for employees engaged in childcare and nursing care, while making continuous efforts toward reducing total work hours.

Daido Life

Daido Life supports a diverse range of work styles through the use of IT. Since April 2014, Daido Life has introduced a homeworking system for office work at its headquarters, and more than 100 employees have taken advantage of the system as of September 30, 2015. Many staff members who have used the system have said that the system has made a real difference in terms of improving their work-life balance and productivity.

T&D Financial Life

Aiming at fostering a corporate culture that enhances the job satisfaction of employees, T&D Financial Life has been making efforts to provide a workplace that allows employees to realize work-life balance. Specific measures taken include introduction of a short working hour system, promotion of the use of the flextime system, reduction in overtime working hours through establishment of no overtime day, etc.

● **Acquisition of Maternity and Childcare Leave at the Three Life Insurance Companies**

	FY2012	FY2013	FY2014
No. of employees taking maternity leave	213	236	234
No. of employees taking childcare leave	247	273	366
Male	51	71	153
Female	196	202	213
No. of employees taking nursing care leave	5	11	6
Male	0	0	0
Female	5	11	6

* The number of administrative personnel of the three life insurance companies who have returned to work after taking childcare leave is as follows.
Fiscal 2012 125 (89.9%) (Men 52 (100%), Women 73 (83.9%))
Fiscal 2013 155 (97.5%) (Men 71 (100%), Women 84 (95.5%))
Fiscal 2014 220 (97.8%) (Men 143 (100%), Women 77 (93.9%))

● **Number of Administrative Personnel of the Three Life Insurance Companies Taking Paid Leave**

	FY2012	FY2013	FY2014
Average number of paid leave days taken	10.3	10.3	11.0

● **Turnover**

	FY2012	FY2013	FY2014
Turnover (number)	419	365	348
Voluntarily turnover	301	206	192
Male	221	199	198
Female	116	57	66
Voluntarily turnover	198	166	150
Male	185	149	126
Female			

* Number of administrative staff at the Group's three life insurance companies who left.

* The number of turnover includes those who left the Company upon reaching the compulsory retirement age, took up an executive position, passed away, etc.

● Measures to Support Raising Next-Generation Children

Since the enforcement of the Act on Advancement of Measures to Support Raising Next-Generation Children in April 2005, the T&D Life Group has formulated a unified action plan every two years to enhance the childcare support system and promote work-life balance. Regarding support for the development of young people, the Group's three life insurance companies received certification as meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children (Kurumin certification) for five consecutive biennial periods starting from the first period from April 1, 2005 to March 31, 2007. T&D Asset Management has obtained the Kurumin certification for two consecutive biennial periods starting from the fourth period from April 1, 2011 to March 31, 2013. Additionally, in April 2008, T&D Information Systems became the first company with 300 or fewer employees in the information services sector in Saitama Prefecture to acquire the same certification. The company received certification under the same initiative for four consecutive periods after renewing its certification in May 2015. Moreover, the Platinum Kurumin System was initiated on April 1, 2015. This certification is awarded only to Kurumin-certified companies that have satisfied certain requirements by undertaking even more advanced activities. All three of the Group's life insurance companies obtained the "Platinum Kurumin" mark in recognition of their proactive initiatives as enterprises that support child raising activities.

T&D Life Group companies have been certified as being companies that support the raising of children



T&D Asset Management Co., Ltd.

T&D Information Systems, Ltd.

* The Kurumin ☆ mark indicates the number of times the company has received the Kurumin certification.

● Sixth Action Plan (April 2015 to March 2017)

Five companies, namely, T&D Holdings, the three life insurance companies and T&D Asset Management, have set a unified target and are promoting actions to achieve the target as a group.

- Target 1** ➔ Foster a corporate culture in which female employees can build careers without losing opportunities due to childbirth, child-raising or similar circumstances, and work to support such career formation.
- Target 2** ➔ Strive to entrench measures to reduce total working hours by continuously implementing the initiatives to reduce work hours and encourage staff to take paid leave, etc.
- Target 3** ➔ Strive to foster a work environment that is conducive for male employees to participate in child-raising, while instilling measures to encourage male employees to take childcare leave.
- Target 4** ➔ Establish various systems based on the laws and regulations known to employees in order to foster a workplace culture that shows consideration for childbirth and child-raising.

2-9 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.

● Labor Unionization of the Administrative Personnel of the Three Life Insurance Companies

	FY2012	FY2013	FY2014
Labor unionization rate (%)	80.5	81.4	82.5

2-10 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.

2-11 CSR Questionnaires for Employees

3.5

4.16

FS4

T&D Holdings attaches importance to communication within the Group, and seeks to grow together with every employee, each of whom it sees as an important stakeholder, in the course of fulfilling the Group's public mission and social responsibilities. Within the Group, the T&D Life Group CR Report serves as a mirror that reflects the Group's situation. Therefore, the report is put to good use in improving our awareness about corporate social responsibility (CSR). The Group distributed copies of CR Report 2014 to corporate officers and employees, and conducted a questionnaire in order to further improve the Group's CSR activities.

[Questionnaire respondents]

T&D Life Group corporate officers and employees * Questionnaires are completed anonymously.

[About the entire report]

■ Commendable sections

Toward a society where people can live with total peace of mind	18.1%
Toward a society where everybody has an active role to play	17.1%
Major contribution activities for local communities and society	15.0%
Value creation process of the T&D Life Group	11.4%
Toward a sustainable society	11.3%
Others	26.7%

■ Conclusions drawn from the opinions and requests received

Questionnaire participants strongly supported the Group's explanation of its basic CSR approach: contributing to society and fulfilling social responsibilities through business activities. Meanwhile, some expressed the view that the report was difficult to read through because it contains too much information.

■ How we responded to their opinions and requests

The feedback received shows that understanding of the Group's CSR activities is penetrating throughout the organization. However, in response to the feedback and to further enhance employees' awareness to CSR, we incorporated more articles on employees' views than ever, adjusted the amount of information contained in the report, and adopted the following key editorial policies for the report: "present CSR as a more familiar, everyday activity" and "make the report easier to read."

2-12 Health Promotion for Employees

LA8

LA9

● Initiatives by the Human Resources Department

The T&D Life Group has a clinic at headquarters, and promotes the health of its employees through periodic health committee meetings at each branch office in collaboration with industry physicians and the labor union. The Group companies also take care of the mental health of their employees and, by contracting external physicians, provide a system for consultation and medical service that employees can utilize free from anxiety.

● Health Insurance Societies

The Group's three life insurance companies have their own independent health insurance societies, which work to prevent lifestyle diseases, promote good health and engage in other activities to help society members manage their health. The societies cover medical costs for the members and their dependents; conduct 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.

3-1 Basic Concept

EC8

With a strong awareness of the public and social nature of its core business of life insurance, the T&D Life Group implements a variety of initiatives aimed at contributing to society and conserving the environment. In addition, the Group supports the volunteer activities of its employees and gets involved in social programs by partnering with the foundations. Our efforts focus primarily on “improving health, medical care and welfare,” “developing a sound society, including sound growth of young people responsible for the next generation” and “protecting the global environment,” the themes considered highly relevant in view of our commitment to fulfilling our public mission and meeting our social responsibilities with the ultimate aim of achieving sustained growth in step with society.

* The protection of the global environment is described in “5 Environmental Perspectives” on page 36.

■ Improving Health, Medical Care and Welfare

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 2014, a total of 415 directors and employees of the Group donated blood during the drive.

3-3 Supporting the Japan Down Syndrome Society Taiyo Life

EC8

Taiyo Life and Friends of Taiyo Life Goodwill Circles support the Japan Down Syndrome Society.

《Main Activities》

- ◆ The company supports activities as a co-sponsor.
- ◆ The company provides its meeting rooms for seminars as well as 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.

3-4 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 when the foundation was authorized as a public interest corporation, 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 study and research regarding lifestyle diseases and the health care and welfare of the elderly.

《Cumulative Grants from Establishment to FY2014》 1,813 grants, 1,164.87 million yen

● Main Activities in FY2014

Aiming to fulfill its key founding objective of contributing to improved social welfare, the foundation continued offering grants to projects undertaken by volunteer groups working resolutely to enhance the welfare of local communities, and to projects to support reconstruction of the areas affected by the Great East Japan Earthquake. The foundation also awards research grants to study and research programs seeking to improve the welfare of the elderly and so on.

In fiscal 2014, a total of 72 grants (worth 22.44 million yen) were offered to 65 volunteer/NPO projects (19.44 million yen) and 7 study/research projects (3.0 million yen).

3-5 Activities of the Daido Life Welfare Foundation

EC8

《Purpose of Establishment》

The foundation was established in 1974 by Daido Life with the aim of contributing to public health and welfare by providing grants to programs designed to address health problems arising from the deterioration of environment and various issues associated with the sharp increase in the number of elderly people.

《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 health, 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 and 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 FY2014》 3,494 grants, 1,563.57 million yen

● Publication of the “Environment and Health” Series Brochures

Published 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, 70 brochures have been published. To ensure that these brochures are accessible to many more people, publications that are in particularly strong demand were digitized and made public on the foundation's website.

● Home Care/Nursing Consultation and Workshop

A video mostly depicting scenes from the home care/nursing workshop is available on DVD and can be borrowed free of charge.

■ Developing a Sound Society, including Fostering of Young People

3-6 Nationwide Clean Campaign Taiyo Life

EC8

As a part of its activities for contribution to the local community, Taiyo Life began an annual 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 2014, the Campaign attracted 8,127 participants (executives, employees, and their families) from the Head Office, affiliated firms, and branches. The Head Office, based in the Shiodome district in Tokyo, organized a joint street cleanup campaign in cooperation with the Minato Ecoconscious Consortium (mecc) based in Minato Ward in Tokyo, of which Taiyo Life is a member. Employee volunteers from Group companies (Daido Life, T&D Financial Life, T&D Asset Management, Pet & Family, T&D Holdings) and Taiyo Life's affiliates as well as from the mecc member companies participated in the event.

3-7 Sponsorship to the Japan Junior High School Rugby Football Tournament Taiyo Life

EC8

Since fiscal 2011, Taiyo Life has been a special sponsor of the Japan Junior High School Rugby Football Tournament hosted by the Japan Rugby Football Union (JRFU). Taiyo Life chose this sponsorship in sympathy with the basic spirit of Rugby, "all for one, one for all" which is common to the basic principal of life insurance. In full endorsement of the objective of the tournament, which can be summarized as "helping young rugby players and other youth to develop the quality and skills necessary for shaping a sound society," we are supporting the sound development of young people through promoting junior high school rugby in cooperation with the JRFU.

3-8 Supporting Sports for People with Disabilities Daido Life

EC8

Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities every year since the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in 1992, when Daido Life celebrated its 90th anniversary. It is the largest sports event for people with disabilities in Japan, aiming at helping the disabled experience the joy of playing sports, 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 and Taiyo Life work as volunteers to support this event.

In January 2015, Taiyo Life commenced initiatives to further spread and develop sports for people with disabilities in its capacity as an official partner of the Japanese Para-Sports Association.

* 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 Festival for People with Disabilities since then.

3-9 Endowed Open Courses at Universities Daido Life

EC8

As an expression of gratitude to its many supporters, Daido Life began annually endowing open courses at universities in fiscal 2002 as part of the company's centenary celebrations. These courses offer a lineup of topics that include a mixture of theory and practice, and provide managers of small- to medium-sized businesses with opportunities for acquiring knowledge and skills relevant to management and business. The courses have been very well received by those who have attended them, with over 10,000 people participating over the past 13 years.

In fiscal 2014, open courses were held at:

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

3-10 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 Taiyo Life and its affiliates, has 8,466 members as of March 31, 2015. In order to support social contribution 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 local community-based social contribution activities driven by branches nationwide and Head Office departments, environmental conservation activities in cooperation with NPOs and the like, and educational support. Details of the activities are posted in Taiyo Life's in-house journal, through which the company is calling for a broader participation by executives and employees in the activities.

《Main Activities in FY2014》

- **Contribution to Local Communities:** Participation in a concert hosted by an NPO that supports the lives of people with disabilities; and collection and donation of pull tabs, aluminum cans and PET bottle caps.
- **Educational Support:** Donation of school bags to children in Afghanistan through JOICFP (a Japan-based international NGO)

3-11 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 Daido Life's executives and employees, works to promote and support fund-raising activities and volunteer activities. In addition, since 1994, the Club has 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 the people with physical disabilities, who are rarely able to go outside in everyday life, so that they can 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 and so forth.

《Main Activities in FY2014》

- **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 Club also assisted the Ecocap Movement to fund vaccines for the children in the developing world while contributing to the global environment.
- **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.

3-12 Hosting Internship Program Daido Life

EC8

FS16

Daido Life provides college students with internship opportunities in order for them to understand the life insurance business, both for general business operations and specialized operations such as actuary and asset management. Through the internship program, where the participants can practice working experience in the workplace related to their university major and career interest, they will be motivated to work and deepen their understanding of the required knowledge and skills and a typical workplace environment, and utilize them as a basis for designing a specific career plan and for considering their aptitude.

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》

- **Presentation of Daido Life Foundation Awards for Area Studies**
To encourage the area studies globally, the Foundation gives "Daido Life Foundation Awards for Area Studies" and "Daido Life Foundation Encouragement Awards for Area Studies" to researchers who have achieved superior results in area studies. Daido Life Foundation Area Studies Special Awards are presented to individuals who have made a distinguished contribution to deepening international mutual understanding.
- **Translation and Publication Activities**
With the aim of helping Japanese people deepen their understanding of the history, cultures and customs of other Asian countries and facilitate friendship between them, the foundation undertakes translation of literature published in the region; 64 contemporary Asian works including novels, poems, essays, etc. from 12 countries were translated into Japanese and donated to universities and public libraries across Japan. With a view to increasing readers of and interest in these works, the foundation has digitized these publications, including new and past projects, since fiscal 2012 and has made them available for free in an electronic form via the foundation's website. On the other side, Japanese literature and biographies of Japanese figures are translated into various Asian languages in a bid to help people in the region to develop a better understanding of Japan and its culture. A total of 34 Japanese works have been translated into local languages for publication in 8 countries and donated to local universities and libraries.
- **Educational Support Activities**
The foundation offers support to improve educational environments in Southeast Asian countries by sponsoring school construction projects (20 schools constructed in five countries as of March 2015) and donating books and school supplies in the hope to raise awareness of the importance of school-based education in local communities. In commendation of its efforts and contributions to education over the years, the foundation was conferred a Third Order of Labor Merit by the government of Laos in February 2013.

3-14 Disaster Relief Fund Donations

EC8

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

4-1 Shareholder Return Policy

EC1

T&D Holdings' basic policy is to provide stable returns to shareholders as part of enhancing shareholder value, while retaining sufficient internal reserves to ensure the business soundness of T&D Holdings and the Group's companies. On this basis, the Group flexibly returned profits to shareholders based on the situations regarding profits and expenses together with equity capital, through a combination of paying cash dividends, with an awareness concerning maintaining stability, and conducting share buybacks.

4-2 Information Disclosure

4.16

T&D works proactively to disclose information to all stakeholders so that they can understand the current situation and future business development of the T&D Life Group.

- **Annual Reports** An annual report is published in English every year for overseas institutional investors. T&D Holdings also publishes a Japanese version of its annual report on its website so that it can be read by Japanese investors including individual investors as well as securities analysts. Moreover, from fiscal 2015 the Group will publish the Annual Report (Integrated Version).
- **Disclosure Documents** The disclosure documents of each company that have been made in accordance with the Insurance Business Act of Japan have been posted on our website.
- **Shareholder Newsletters** The brochures that we send out to our shareholders reporting our business performance and circumstances along with various topics, etc., have been posted on our website.
- **Annual Securities Report** Annual Securities Report and suchlike made and submitted based on the provisions of the Financial Instruments and Exchange Act have been posted on our website.

For more details about these reports, please visit "Investor Relations" on our website.
(URL: <http://www.td-holdings.co.jp/en/ir/>)



4-3 IR Activities

4.16

FS5

T&D Holdings proactively engages in IR activities based on the principles of timeliness, fairness, and accuracy in information disclosure, and works to make continuous and comprehensible information disclosure on the Group's management and financial situations. More specifically, we hold business results briefings, teleconferences, in-person visits to domestic and overseas investors and actively engage in exchanging opinions with securities analysts. Valuable feedback from investors received through IR activities is regularly communicated to the management team.

● Details of Activities

Main Activities	
Presentations for Individual Investors	We held presentations for individual investors where the Representative Director and President and/or the executive in charge of IR made a presentation.
Presentations for Institutional Investors and Securities Analysts	We held conference calls chaired by the executive in charge of IR for each quarterly earnings announcement, and IR meetings by the Representative Director and President for each interim and yearly earnings report. The Representative Director and President and the executive in charge of IR also held individual meetings with institutional investors and securities analysts.
Presentations for Overseas Investors	In Europe, the U.S. and Asia, the Representative Director and President and the executive in charge of IR made individual visits to overseas institutional investors, and also conducted individual meetings such as conferences for overseas institutional investors organized by securities companies.
IR Information Posted on Our Website	On our website, we have posted IR information for individual investors, financial information, timely disclosure materials other than financial information, IR presentation materials, and video and audio materials of IR presentations.

4-4 Shareholder Meetings

4.4

4.16

T&D Holdings views shareholder meetings as important opportunities for communicating with its shareholders and endeavors to make these events sufficiently accessible and open to all shareholders. Prior to the shareholders' meeting, we strive to send out the convocation notice even earlier, posting it on our website before sending it out, and we prepare an English translation on our website so that shareholders can sufficiently examine the resolutions in advance. In addition, we have introduced an online electronic voting system to improve shareholder convenience. At the shareholder meetings, the President reports on agenda items using charts and images displayed on a large screen. In the Q&A session that follows, the directors respond to questions and opinions from the floor respectfully and appropriately, with the intention of enhancing shareholders' understanding of our business.

4-5 Inclusion in SRI Indexes

T&D Holdings is included in various SRI (socially responsible investment) indexes. SRI is an investment approach to select investment targets not only on the basis of financial considerations but also of 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 September 2015)**
FTSE4Good Index Series (UK), MSCI Global Sustainability Indexes (US) and Morningstar Socially Responsible Investment Index (Japan)



2015 Constituent
MSCI Global
Sustainability Indexes



5-1 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 and has promoted various activities to reduce our environmental impacts based on the policy. In addition, based on the above environmental policy, the Group has set out its Green Purchasing Standards and Detailed Rules and gives priority to the purchase of products and services that help reduce its environmental impact in procuring a diverse group of goods ranging from office furniture, equipment and consumable supplies to real estate facilities and system equipment as well as in printing product brochures and policy documents.

* The T&D Life Group Environmental Policy is available on page 5.

5-2 Environmental Initiatives

EN7 EN18

Reduction of CO₂ Emissions

As more than 90% of the CO₂ emissions derive from electricity use at the T&D Life Group, we have set targets for electricity use and are taking actions to cut our energy consumption.

Power Saving Efforts

Each year the T&D Life Group participates in a "Cool Biz" campaign from May to October (setting thermostats of air conditioners at 28°C) and a "Warm Biz" campaign from November to March (maintaining a room temperature at 20°C). In addition, as a power-saving measure to prevent global warming, the Group turns off or reduces the lighting in offices, meeting rooms, hallways and other areas when they are not in use.

"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 switch-off of all the lights in offices twice a year, in July and December. This activity has been conducted in support of the "Reduce CO₂: 'Lights Down' Campaign" initiated by the Ministry of the Environment to address for lit up facilities and individual homes to turn off lights in order to help combat global warming.

Efforts for Achieving the Group-wide Targets

Electricity Consumption

In addition to the power-saving activities described in the preceding sections, we implement a multitude of measures to reduce electricity consumption. These efforts range from introducing a power demand monitoring system for controlling peak-time use in each building and setting a "no overtime day," encouraging employees to put their computers into standby mode when they are away from their desk, ceasing elevator use in some buildings, to turning off printers and multifunction machines when leaving offices.

Office Paper Use

To decrease the use of office paper, we ensure efficient paper use, such as 2-in-1 and two-sided printing and test printing before printing a large quantity.

Green Purchasing Ratio

When procuring office supplies and stationery, we promote green purchasing by giving priority to products that are compliant with the Act on Promoting Green Purchasing and Eco Mark products.

5-3 Forest Conservation Activities Taiyo Life

EN13

Forest Conservation Activities

Life insurance companies use vast amounts of paper including office paper, life insurance pamphlets, policy provisions and others in the course of its business operations. To restore forest resources and preserve greenery, Taiyo Life conducts afforestation projects. It has established "Forests of Taiyo Life" in Nasushiobara (Tochigi Prefecture) and Takashima (Shiga Prefecture). The first Forest of Taiyo Life was established in March 2006 in Nasushiobara as a project under the Forestry Agency's "Corporate Forest" program. In cooperation with the Enna District Forest Office and others, we conducted forest improvement activities including forest thinning and the maintenance of walking trails in July, September and October. In addition, in May, we invited members of the Japan Down Syndrome Society and their families to take part in a forest studies class experience (total number of participants for the year: approx.187). Our second corporate forest (Kutsuki Forest of Taiyo Life) was established in Takashima, Shiga Prefecture in November 2007. For this forest, we collaborated with the Asosatoyama Center, a local NPO, in conducting forest improvement activities, including improvement of forest roads and biotopes, in June and July, and hosted the "Acorn Project" in October and December. For the Acorn Project, local elementary students grow broad-leaf seedlings from acorns and then plant them in the forest at the time of graduation (total number of participants for the year: approximately 248).

Name of Forest	Forest of Taiyo Life (Tochigi Prefecture)	Kutsuki Forest of Taiyo Life (Shiga Prefecture)
Date of Establishment	March 2006	November 2007
Area	Approx. 4.8 ha	Approx. 12.7 ha
CO ₂ Absorption	19 t (Estimate by the Forestry Agency)	81 t (Estimate by Takashima City)

Forest Conservation Initiative: Use of Timber from Forest Thinning

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

- ◆ "Chopsticks Project" launched to promote the use of disposable chopsticks made from domestic timber derived from forest thinning and wood scraps
Our employees and executives made use of 468,685 pairs of chopsticks in aggregate from September 2006 to March 2015.
- ◆ Active Use of "3.9 Paper"*
Chopstick paper cases for "Wood Thoughtfulness Chopsticks," etc.

* "3.9 Paper" is a project launched to promote the use of domestic timber from forest thinning. Under this project, the costs of the transportation of timber from the forest to the wood chip mill are borne by the users of the paper in printing.

5-4 Environmental Communications and Educational Activities

FS4

T&D Holdings endorses the activities of a Japanese environmental NGO that produces the Japanese edition of *Our Planet*, published by the United Nations Environment Programme (UNEP). This publication is distributed to all companies in the T&D Life Group as well as to local elementary and junior and senior high schools, public libraries, and other parties to raise awareness of environmental issues.



5-5 Environmental Performance Data

EN4 EN8 EN10

The T&D Life Group discloses its measurements of CO₂ emissions, electricity consumption, water consumption, and waste generated and recycling rate. (The applicable scope and calculation methods of this data are described on page 40 in section 5-7 Scope of Environmental Performance Data and Applicable Scope and Calculation Methods of Group-wide Targets and Results.)

● CO₂ Emissions EN16 EN17 EN18

	FY2012	FY2013	FY2014 ★
Scope 1 (Direct emissions)	2,598 t	2,388 t	2,358 t
Scope 2 (Indirect emissions)	54,184 t	57,520 t	55,677 t
Scope 3 (Others)	6,994 t	6,654 t	6,357 t
Category 3 (Fuel- and energy-related activities)	4,268 t	3,974 t	3,751 t
Category 5 (Waste generated by business activities)	62 t	98 t	82 t
Category 6 (Business trips)	2,665 t	2,583 t	2,524 t
Total	63,776 t	66,562 t	64,392 t

★ Indicates limited verification has been carried out by a third party. (Section 5-8 Independent Assurance Report on page 41.)

● Electricity Consumption EN4 EN8 EN10

	FY2012	FY2013	FY2014 ★
Electricity consumption	106,440 MWh	99,302 MWh	95,866 MWh

★ Indicates limited verification has been carried out by a third party. (Section 5-8 Independent Assurance Report on page 41.)

● Water Consumption EN4 EN8 EN10

	FY2012	FY2013	FY2014 ★
Water consumption (Utility + reclaimed water)	78,600 m ³	73,900 m ³	71,100 m ³
Reclaimed water usage rate	24.7%	25.0%	23.7%

★ Indicates limited verification has been carried out by a third party. (Section 5-8 Independent Assurance Report on page 41.)

● Waste Generated & Recycling Rate 3.11 EN22

① Paper waste	FY2012	FY2013	FY2014 ★
Total amount	415 t	658 t	549 t
Recycling rate	82.9%	78.5%	78.2%
② Non-paper waste	FY2012	FY2013	FY2014 ★
Total amount	151 t	205 t	193 t
Recycling rate	66.2%	66.2%	66.7%

* From fiscal 2013, waste from the Taiyo Life Urawa Building was added to the calculation.

★ Indicates limited verification has been carried out by a third party. (Section 5-8 Independent Assurance Report on page 41.)

5-6 Group-wide Targets and Results

The T&D Life Group has set Group-wide targets for electricity consumption, office paper consumption, and the green purchasing ratio, and is working to mitigate its environmental impact. (The applicable scope and calculation methods of this data are described on page 40 in the section 5-7 Scope of Environmental Performance Data and Applicable Scope and Calculation Methods of Group-wide Targets and Results.)

● Electricity Consumption EN4 EN5 EN7

Baseline: FY2009 value (Electricity consumption per unit of floor space) (123 kWh/m²)

Target: Five-year average of FY2013 to FY2017 at least 10% below baseline value.

	Baseline	FY2013	FY2014	Progress made (Average value of FY2013-FY2014)
Electricity consumption	68,163,000 kWh	53,898,000 kWh	52,365,000 kWh ★	53,132,000 kWh
Total floor space	554,000 m ²	531,000 m ²	526,000 m ²	528,000 m ²
Per unit of floor space	123 kWh/m ²	101 kWh/m ²	99 kWh/m ²	100 kWh/m ²
Compared to baseline	—	82.5%	80.9%	81.7% (18.3% reduction from the baseline value)

* The average floor space of the fiscal year shall be used in cases where the total floor space changes during the year.

★ Indicates limited verification has been carried out by a third party. (Section 5-8 Independent Assurance Report on page 41.)

● Office Paper Consumption EN1

Baseline: Five-year average from FY2009 to FY2013 (183.6 t)

Target: Cut five-year average from FY2014 to FY2018 by 9% compared to the baseline value.

	FY2012	FY2013	FY2014 ★	Progress made (FY2014)
	162.1 t	163.2 t	160.2 t	87.3% (12.7% reduction from the baseline value)

* Total amount of office paper purchased

★ Indicates limited verification has been carried out by a third party. (Section 5-8 Independent Assurance Report on page 41.)

● Green Purchasing Ratio

Target: Keep the green purchasing ratio for office stationery and supplies at a minimum of 80%.

	FY2012	FY2013	FY2014
	95.7%	95.4%	96.0% (Target exceeded by 16%)

5-7

Scope of Environmental Performance Data and Applicable Scope and Calculation Methods of Group-wide Targets and Results

3.6 3.7
3.9 3.11

● Scope of Environmental Performance Data and Applicable Scope of Group-wide Targets and Results

Category	Environmental performance data		Group-wide targets and results	
	CO ₂ emissions	Electricity consumption	Green purchasing ratio	Office paper consumption
T&D Holdings	Each business site	Each business site	Each business site	Each business site
Taiyo Life	Each business site (moved in as tenants) + owned building	Each business site	Each business site	Each business site (Excluding sales offices and branch offices)
Daido Life	Each business site (moved in as tenants) + owned building	Each business site	Each business site	Each business site (Excluding sales offices and branch offices)
T&D Financial Life	Each business site	Each business site	Each business site	Each business site
T&D Asset Management	Each business site	Each business site	Each business site	Each business site
T&D Information Systems	Each business site	—	—	—

Category	Environmental performance data	
	Water consumption	Waste generated & recycling rate
Shiodome Shiba-Rikyu Building	Water consumption and waste generation of the entire building (including tenants other than the T&D Life Group)	
Daido Life Osaka Head Office Building	Water consumption and waste generation by the T&D Group	
Taiyo Life Urawa Building	Water consumption and waste generation by the T&D Group	

Disclosure item		Calculation method
Environmental performance data		
CO ₂ emissions	Scope 1 (Direct emissions)	The figures were calculated by multiplying the measured energy input by the predetermined coefficient in accordance with the Greenhouse Gas Emission Volume Calculation, Reporting, and Disclosing System. (The measured energy input comprises the measured gas, heavy oil, and kerosene.)
	Scope 2 (Indirect emissions)	As above. (The measured energy input comprises the measured electric power, steam, and hot and cold water.)
	Group-wide	Basic Guidelines Ver. 2.2 regarding the measurement of greenhouse gas emissions generated by the supply chain. They are measured on the basis of directives from the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
	Scope 3 (Others)	
	Category 3 (Fuel- and energy-related activities)	The figures were calculated by multiplying the measured input of electric power, steam, and hot and cold water by the predetermined coefficient.
	Category 5 (Waste generated by business activities)	Calculated by multiplying the waste generated by the predetermined coefficient.
	Category 6 (Business trips)	Calculated by multiplying the number of Group personnel at the end of the fiscal year by the predetermined coefficient.
Total		The total emissions from the sum of Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Others).
Electricity consumption		The annual amount of office-use electricity purchased from each energy-supplying company is calculated in accordance with the law on the rationalization of energy consumption.
Water consumption		The reportable item according to the environmental reporting guidelines of the Ministry of the Environment comprises the amount used on the invoices received from the water supply authorities.
Waste generated & recycling rate	Group-wide	Measured based on the Waste Disposal & Public Cleansing Law and other laws concerned with waste disposal and cleaning.
	Waste generated	Calculated according to the invoices received from waste disposal companies.
	Recycling rate	The recycled amount is calculated according to the invoices received from waste disposal companies, and the recycling rate is calculated by dividing the recycled amount by the waste generated.
Group-wide targets and results		
Electricity consumption		The calculation excludes the amount used by tenants of the Group's buildings, and is calculated using the annual amount of office-use electricity purchased in accordance with the relevant energy-saving laws.
Office paper use		A reportable item according to the environmental reporting guidelines of the Ministry of the Environment, and is calculated from the purchasing system data.

5-8

Independent Assurance Report

3.13

The T&D Life Group obtained third-party assurance from Ernst & Young Sustainability Co., Ltd. for fiscal 2014 data presented in section 5-5 Environmental Performance Data on page 38 and section 5-6 Group-wide Targets and Results on page 39 in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and 3410 (International Auditing and Assurance Standards Board).



Mr. Tetsuhiro Kida
Representative Director and President
T&D Holdings, Inc.

Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

October 9, 2015

Independent Assurance Report

Shohei Harada Representative Director
Kenji Sawami Executive Officer
Ernst & Young Sustainability Co., Ltd. Tokyo

We, Ernst & Young Sustainability Co., Ltd., have been commissioned by T&D Holdings, Inc. (hereafter "the Company") to provide limited assurance on the Key Environmental Performance Indicators (hereafter "the Indicators") of the Company and its major subsidiaries for the year ended March 31, 2015 included in 5-5 Environmental Performance Data and 5-6 Group Environmental Performance Targets and Results of the Company's Corporate Responsibility Report 2015 (hereafter "the Report"). The scope of our work was limited to assurance over the information marked with the symbol "★" in the Report.

1. The Company's Responsibilities

The Company is responsible for preparing the Indicators in accordance with the Company's own criteria determined in consideration of Japanese Environmental Laws. The criteria represent Data in 5-7 Scope and calculation method of Environmental Performance Data and Group Environmental Performance Targets and Results of the Report. Greenhouse gas (GHG) emissions are estimated by using emission factors, which are uncertain because the scientific ground of the factors are not established and different instruments for measuring GHG emissions have different characteristics in terms of functions and presumed parameters.

2. Our Independence and Quality Control

We have complied with the independence requirements defined in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants in March 2013, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior. In addition, as a member of Ernst & Young ShinNihon LLC, our parent company, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board in April 2009.

3. Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised)- Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board in December 2003, Practical Guidelines for the Assurance of Sustainability Information, revised in December 2014 by the Japanese Association of Assurance Organizations for Sustainability Information and, in respect of GHG emissions, the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board in June 2012.

The procedures, which we have performed according to professional judgment, include inquiries, observing processes, inspecting documents, analytical procedures, agreeing with records of basic information on the Indicators, as well as the following:

- Inquiries about Company's own criteria determined in consideration of Japanese Environmental Laws and evaluating their appropriateness;
 - Inspecting relevant documents with regard to the design of the Company's internal controls of the Indicators and inquiring of personal responsible thereof at the headquarters and one major subsidiary visited;
 - Performing analytical procedures on the Indicators at the headquarters and one major subsidiary visited; and
 - Agreeing to supporting documents and re-calculating with part of the Indicators at the headquarters and one major subsidiary visited on a test basis.
- The procedures performed in a limited assurance engagement are more limited in nature, timing or extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is not as that obtained if we had performed a reasonable assurance engagement.

4. Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that caused us to believe that the Indicators included in the Report have not been measured and reported in accordance with Company's own criteria determined in consideration of Japanese Environmental Laws.

6-1

Signing Principles for Responsible Investment (PRI)

4.9 4.12 FS12

Signatory of:



The two companies of Taiyo Life and T&D Asset Management have become signatories of the PRI*.

Taiyo Life Insurance Company

In order to further fulfill its social responsibility as an institutional investor, Taiyo Life determined that it was essential to exert its influence for the betterment of society and the global environment through investment and lending activities to a greater extent and to contribute to the realization of a sustainable society.

In line with this thinking, in March 2007, Taiyo Life became the first Japanese life insurance company to sign the Principles for Responsible Investment (PRI)*, which are supported by the United Nations.

Based on these principles, Taiyo Life gives due consideration to ESG issues, namely, environmental (E), social (S), and governance (G) issues, and promotes asset management to achieve a sustainable society.

T&D Asset Management Co., Ltd.

As an institutional investor that engages in the investment management business, T&D Asset Management works to fulfil its fiduciary responsibility. Accordingly, the company endorses the concept of the United Nations-backed PRI, and signed them in March 2012. By doing so, the company is committed to adequately grasping the circumstances of its investee companies, including the incorporation of ESG factors in its investment processes. T&D Asset Management is also committed to pursuing the sustained growth of these investee companies, particularly through holding constructive dialogues with them and through the exercise of voting rights, with the aim of increasing the medium- and long-term investment returns on the funds entrusted to it by customers.

The status of each Group company's PRI initiatives is reported in the English-language RI Transparency Report. (URL: <http://www.unpri.org/signatories/signatories/>)



* The Principles for Responsible Investment (PRI) is a code of conduct for the global financial industry that was proclaimed by Kofi Annan, the Secretary-General of the United Nations in 2005. A commitment to these principles has been signed by over 1,300 financial institutions worldwide, and by 33 in Japan, including the above two companies. (As of September 2015.)

6-2

Policy of Socially Responsible Investment and Investment Decision-Making

4.12

Taiyo Life, Daido Life and T&D Asset Management have incorporated the viewpoint of socially responsible investment in their investment and lending processes.

Taiyo Life Insurance Company

Hitherto, Taiyo Life has handled the insurance premiums entrusted to it by customers from the viewpoints of profitability, stability, and the public interest. Since signing its commitment to PRI, in addition to this existing approach, Taiyo Life has adopted another basic attitude of considering ESG issues in the form of the rules applied to asset management, as described in the following. In line with this basic attitude regarding this type of asset management, Taiyo Life reflects its PRI thinking in its investment and lending processes when it invests in stocks and bonds or lends to companies.

《Basic attitude regarding asset management》

1. Based on the principle of self-responsibility of management, Taiyo Life works to enhance and strengthen its risk management system and asset management system on the basis of internal control systems that can provide mutual checks and balances, and of the financial environment.
2. On the basis of the character of the life insurance business, Taiyo Life gives further consideration to the viewpoints of the public and social nature of the business, including strictly refraining from investing in speculative transactions or unsound entities.
3. As regards investment and lending, Taiyo Life acts after considering the impacts both on capital and financial markets in Japan and overseas, and on the local financial situation and economy when investing and lending overseas.
4. Taiyo Life provides guidance by also acting from the viewpoints of the social and public nature of asset management regarding subsidiaries and other companies with a special relationship determined by a Cabinet Office Ordinance.
5. Taiyo Life works to contribute to the sustained development of society and financial markets after giving consideration to issues of the environment, social responsibility, and corporate governance.
6. As a responsible institutional investor, Taiyo Life works to appropriately fulfil its stewardship responsibilities mainly through constructive dialogues with investee companies.

Daido Life Insurance Company

Daido Life recognizes the business of a life insurance company is highly social and public, and conducts asset management founded on the insurance premiums entrusted to it by customers. Based on these, Daido Life gives consideration to the ESG issues of companies receiving investment and lending as one judgement criterion for investing and lending.

In detail, the screening process for investment and lending incorporates various confirmations, including the ESG-related initiatives of the companies receiving investment and lending, and associated problems.

Moreover, Daido Life gives consideration to non-financial information such as ESG in addition to financial information when holding dialogues with companies in which it has investment in their shares. Daido Life has also stated and announced this position in its basic policy on the Japanese version of the Stewardship Code.

T&D Asset Management Co., Ltd.

As an institutional investor engaged in the asset management business, T&D Asset Management tackles ESG issues in a manner consistent with meeting the long-term interests of customers.

T&D Asset Management believes that environmentally friendly, socially conscientious companies with excellent corporate governance are superior companies from the viewpoint of sustainability. Based on this belief, T&D Asset Management has assigned ESG survey specialists to conduct ESG surveys of companies in Japan. ESG information is provided to personnel in charge of handling domestic shares and domestic industrial bonds as materials for making investment judgements.

Furthermore, T&D Asset Management cooperates with the major U.S. SRI company Domini Social Investments LLC to grasp overseas ESG trends by means of information exchanges.

6-3

Examples of Key Socially Responsible Investment Initiatives

4.9 4.12

Taiyo Life, Daido Life and T&D Asset Management are implementing the following initiatives.

Taiyo Life Insurance Company

① Providing funds for the purchase of a solar power generation facility

As part of its initiatives to address environmental issues, Taiyo Life is providing funds for the purchase of a solar power generation facility.

② Investing in a wind and solar power generation investment fund

In recent years, with the aim of responding to the issues of global warming, environmental protection, and the depletion of energy and other resources, there has been much interest in the introduction and promotion of renewable energy, including solar power, water power, wind power, and geothermal energy. On the basis of this rising interest, T&D Asset Management is investing in an investment fund targeting large-scale wind power generation and solar power generation businesses (mega solar businesses) that can contribute to global environmental protection and saving energy.

③ Real estate involvement that gives consideration to the environment and the aging society

T&D Asset Management examines and introduces initiatives that give consideration to the environment and the aging society when it constructs new real estate projects and large-scale renovations. Moreover, it considers making building exteriors beautiful and in harmony with their surroundings, while at the same time taking the opportunity of building projects and renewals to reduce CO₂ emissions and suchlike from the viewpoint of giving attention to environmental protection.

④ Investment that contributes to realizing a sustainable society

T&D Asset Management gives adequate consideration to ESG issues, and promotes asset management aimed at realizing a sustainable society. As part of this approach, in September 2014, the company invested in so-called EYE bonds that contribute to education and supporting youth and employment in Central and South America and Caribbean countries.

Daido Life Insurance Company

① Investment and lending for infrastructure business, including the renewable energy field

Daido Life invests in an infrastructure fund to conduct highly public and social investment and lending from the viewpoint of making loans to electric power generation businesses that use renewable energy and can contribute to protecting the environment, and contributing to the formation of social capital.

② Investment and lending for funds providing business support to small- and medium-sized enterprises (SMEs)

Daido Life continuously supplies investment and loans to funds that support the growth and development of the SMEs underpinning the Japanese economy.

③ Contribution to the global environment and local communities through company-owned buildings

Daido Life is promoting energy conservation from a building management perspective by implementing measures to upgrade physical assets, such as introducing highly-efficient, energy-saving equipment, in tandem with measures to address non-physical aspects, such as reducing certain lighting in common areas. In addition, Daido Life is contributing to cultural enrichment and other aspects of communities by installing atriums and providing relaxing public spaces connected to neighboring parks at certain buildings.

T&D Asset Management Co., Ltd.

① Investment in a Chinese environment-related business fund (Green China)

Via Green China, its Chinese environment-related investment fund, T&D Asset Management invests in companies that demonstrate superiority in terms of resources and environment-related competitiveness such as efficient use of energy and water, reducing environmental pollution, and participation in afforestation activities in the greater China area.

② Investment in Green Infrastructure Fund 1303 (Green Infrastructure Fund)

Via its Green Infrastructure Fund 1303 (the Green Infrastructure Fund) (with prohibition of resale to entities other than qualified institutional investors), T&D Asset Management invests in companies that generate, supply and sell electricity from renewable sources, etc.

Joint Group-wide Initiatives

As part of efforts to engender cooperation among the Group companies and help solve social issues through business activities, Taiyo Life and Daido Life have invested in T&D Japan Equities ESG Research Fund*, a fund set up and managed by T&D Asset Management (fund management began in July 2015).

* This fund selectively invests in companies with superior ESG performance by choosing stocks based on ESG research, with the aim of generating returns in excess of the market average over the medium and long terms. In parallel, the fund seeks to contribute to the formation of a sustainable society by investing in companies that are helping to reduce adverse environmental impact and achieve a healthy society.

The Principles for Responsible Institutional Investors (the Japanese Version of the Stewardship Code)

4.9	4.12
FS5	FS12

Three of the Group's companies, Taiyo Life, Daido Life and T&D Asset Management, endorsed and expressed their commitment to the Principles for Responsible Institutional Investors (the Japanese version of the Stewardship Code) in May 2014.

Details of each company's basic policies, policy on exercising voting rights, and status of exercising voting rights with respect to the Principles for Responsible Institutional Investors are disclosed on the companies' respective websites (Japanese only).

Taiyo Life Insurance Company	https://www.taiyo-seimei.co.jp/company/activity/ssc.html https://www.taiyo-seimei.co.jp/company/activity/exercise.html
Daido Life Insurance Company	http://www.daido-life.co.jp/about/info/topics/ssc.html http://www.daido-life.co.jp/about/info/topics/voting.html
T&D Asset Management Co., Ltd.	http://www.tdasst.co.jp/company/principles/stewardship/ http://www.tdasst.co.jp/company/principles/voting/

* T&D Financial Life has not expressed its commitment to the Principles for Responsible Institutional Investors because it does not hold any listed stocks in Japan.

Policy on Exercising Voting Rights

Taiyo Life and Daido Life

When exercising their voting rights, Taiyo Life and Daido Life endeavor to make voting decisions based not only on formal decision-making criteria such as financial information, but also on non-financial information such as ESG considerations. Moreover, the two companies foster the sustainable growth of investee companies by conducting purposeful dialogue with those companies on a daily basis. Based on this basic approach, the two companies exercise their voting rights strictly in accordance with the Guidelines for Exercising Voting Rights established to ensure the appropriate exercise of voting rights. In order to further enhance measures to exercise voting rights, those guidelines were revised in June 2015 in line with the purport of "Japan's Corporate Governance Code—Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term."

《Main Focal Points for Carefully Examining Proposals, Engaging in Dialogues and Making Voting Decisions》

- Has the investee company decided to pay no dividends despite having ample funds for dividend payments? Is the dividend payout ratio extremely low (or high)?
- Does the investee company face problems in connection with any activities against public order and common decency (willful tax evasion, collusion, bribery, etc.) and/or antisocial activities such as environmental destruction (actions deemed questionable in light of ESG problems)?
- From the standpoint of requesting investee companies to ensure corporate governance is functioning effectively in management, does the investee company present problems in terms of any of the following:
 - Level of ROE
 - Number and independence of outside directors
 - Attendance rate of corporate officers at meetings of the Board of Directors and the Audit & Supervisory Board
 - Length of service of audit & supervisory board members
 - Eligible recipients of retirement benefit payments
 - Eligible recipients of stock options

T&D Asset Management

T&D Asset Management believes that exercising voting rights is an effective means for shareholders to increase the corporate value of investee companies by giving the shareholders a say in corporate governance, which has a pivotal impact on corporate management. Based on this belief, T&D Asset Management has clearly codified guidelines in its internal rules for expressing its voting intentions on proposals put forward to the general meeting of shareholders. This is in order to fulfill the company's fiduciary responsibility of maximizing shareholder returns when investing its funds under management.

In addition, the company carefully examines all proposals put forward based on the Guidelines for Exercising Voting Rights.

1. Appointment of corporate officers (directors, audit & supervisory board members, and audit and other committee members)
2. Compensation and retirement benefits for corporate officers
3. Stock options
4. Capital policies
5. Amendments to the Articles of Incorporation
6. Antitakeover measures
7. Shareholder proposals

Status of Exercising Voting Rights (Status of Stewardship Activities)

Taiyo Life and Daido Life

Based on the Guidelines for Exercising Voting Rights, Taiyo Life and Daido Life exercised their voting rights for all proposals put forward to general meetings of shareholders held from July 2014 to June 2015, after engaging in dialogue with the investee companies as necessary.

《Status of Dialogue》

Taiyo Life and Daido Life emphasize dialogue with investee companies. Through proactive dialogue with investee companies, Taiyo Life and Daido Life work to verify the circumstances faced by management and share an awareness of issues while continuously taking steps to help increase shareholder value.

■ Examples of companies with whom Taiyo Life and Daido Life engaged in dialogue from July 2014 to June 2015

- Companies whose ROE fell below a certain threshold
- Companies that gave priority to retaining internal reserves over returning profits to shareholders for no compelling reason
- Companies planning to reappoint outside directors who had a low attendance rate at Board of Directors Meetings
- Companies that do not have an independent director serving on their Board of Directors
- Companies planning to reappoint audit & supervisory board members who have served for extensive periods of time
- Companies that have proposed granting retirement benefits to corporate officers even while not returning profits to shareholders
- Companies that have been involved in misconduct or other such incidents
- Companies providing inadequate disclosure on the status of activity of outside corporate officers and suchlike in their business reports

《Status of Exercising Voting Rights》

Taiyo Life and Daido Life reject proposals in cases where problems are not rectified despite constructive dialogue, cases where shareholder value is highly likely to be impaired and in certain other circumstances.

■ Examples of proposals that Taiyo Life and Daido Life rejected from July 2014 to June 2015

- Proposals for appropriation of surplus that pay no dividends despite having ample funds for dividend payments
- Proposals to reappoint directors despite persistently low profitability indicators
- Proposals to reappoint outside directors who have a low attendance rate at Board of Directors Meetings
- Proposals to grant retirement benefits to corporate officers even while not returning profits to shareholders
- Proposals to amend certain Articles of Incorporation to raise the upper limit on the number of directors

T&D Asset Management

《Status of Dialogue》

T&D Asset Management views individual meetings, small meetings and other such forums with companies as opportunities to engage in constructive dialogue. This dialogue seeks to foster sustained growth principally from the viewpoints of business strategies, capital efficiency and shareholder returns, as well as from ESG perspectives. Examples of such dialogue undertaken with companies since April 2014 are as follows:

- ① T&D Asset Management discussed the appropriateness of specific measures to achieve a medium-term management plan of a retail business with the company's managers. The meeting allowed T&D Asset Management to share an awareness of the status of progress on various initiatives and various issues facing the company. It also enabled T&D Asset Management to confirm the interim targets of the medium-term management plan for the company's core businesses as of the fiscal 2015 year-end.
- ② T&D Asset Management requested a company that had a consistently low dividend payout ratio despite abundant cash on hand to step up the return of profits to shareholders. The request was made after confirming that the company's business results were on a growth trajectory. Based on its emphasis on stable dividends, the company decided to forgo raising its dividend payout ratio to the market average level. However, the company conducted a buyback of its own shares. For this reason, T&D Asset Management believes that its dialogue with the company had a beneficial impact to a certain extent.
- ③ T&D Asset Management requested a company that had planned to increase the number of outside directors to explain the reasons for appointing the new outside directors and their qualifications. In its response, the company noted that it would carefully examine and select managers with global business experience in order to drive future overseas business expansion. In addition, T&D Asset Management was able to share in the company's awareness of the importance of training programs for the new directors and audit & supervisory board members.

《Status of Exercising Voting Rights》

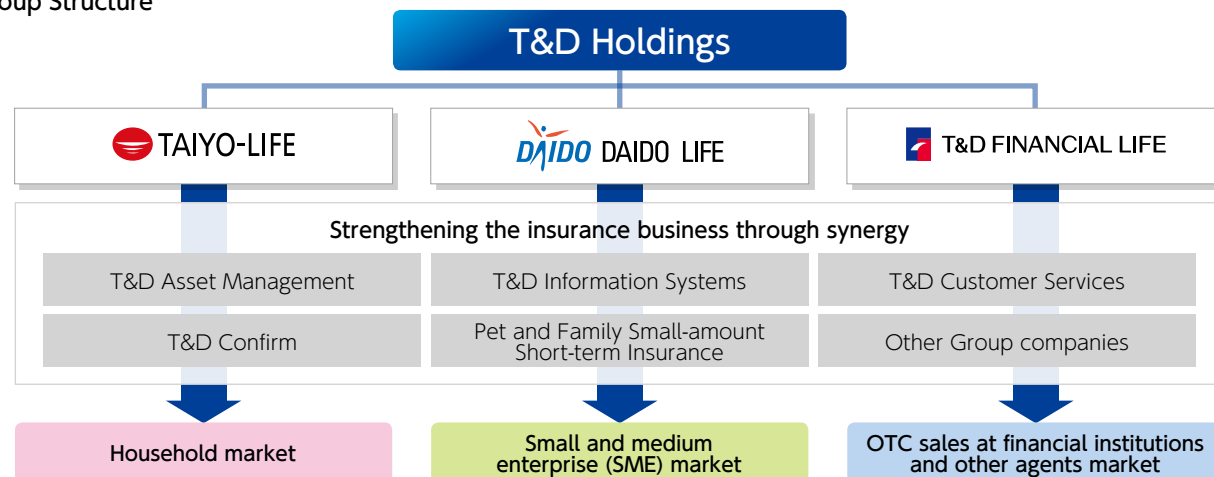
- ① With regard to proposals to appoint corporate officers, T&D Asset Management closely examined the investee company's need to increase the number of internal directors, among other considerations. T&D Asset Management made voting decisions on proposals to appoint outside corporate officers primarily based on whether the independence of the candidate was assured, and whether the candidate could be expected to fulfill his or her duties as an outside corporate officer.
- ② T&D Asset Management opposed proposals on compensation for corporate officers in cases where, for example, the process for determining compensation and the total amount of compensation were unclear.
- ③ With regard to shareholder proposals, T&D Asset Management approved proposals that it judged would improve management transparency through the disclosure of information, plus proposals it judged would put in place checks and balances over management through such means as appointing outside directors.

1-1 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



1-2 T&D Life Group Companies and Foundations

3.6 3.7

● Organizational Structure

The T&D Life Group consists of T&D Holdings, 15 consolidated subsidiaries and 2 affiliated companies that are engaged in life insurance and other businesses as described 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	<ul style="list-style-type: none"> ● Taiyo Life Insurance Company http://www.taiyo-seimei.co.jp/ ● Daido Life Insurance Company http://www.daido-life.co.jp/ ● T&D Financial Life Insurance Company http://www.tdf-life.co.jp/ ● Pet and Family Small-amount Short-term Insurance Company http://www.petfamilyins.co.jp/ 	
	Insurance-related	<ul style="list-style-type: none"> ● T&D Confirm Ltd. ● Toyo Insurance Agency Co., Ltd. http://www.sonpo.co.jp/toyohkdaiko/ ● Daido Management Service Co., Ltd. http://www.dms-hp.co.jp/ 	
Investment-related Businesses (6 companies)	Investment Management and Advisory	<ul style="list-style-type: none"> ● T&D Asset Management Co., Ltd. http://www.tdasset.co.jp/en/ 	
	Other Investment-related	<ul style="list-style-type: none"> ● T&D Lease Co., Ltd. http://www.taiyo-life-lease.co.jp/ ● T&D Asset Management Cayman Inc. http://www.taiyo-sinyo-hosyo.co.jp/ ● Taiyo Credit Guarantee Co., Ltd. http://www.aicapital.co.jp/english/ ◆ Alternative Investment Capital Ltd. ◆ AIC Private Equity Fund General Partner, Ltd. 	
General Affairs and Administrative Support-related Businesses (4 companies)	General Affairs-related	<ul style="list-style-type: none"> ● T&D Customer Services Co., Ltd. 	
	Administrative Support and Calculation-related	<ul style="list-style-type: none"> ● T&D Information Systems, Ltd. http://www.td-system.co.jp/ ● Nihon System Shuno, Inc. http://www.nss-jp.com/ ● Zenkoku Business Center Co., Ltd. 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/	

1-3 Corporate Profile (as of March 31, 2015)

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 88
 Independent auditor Ernst & Young ShinNihon LLC
 Description of business
 Holding company for the T&D Life Group as well as for a small-amount short-term insurance company, conducting the following:

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

《Taiyo Life Insurance Company》

Established February 1948 (Founded May 1893)
 Head office location 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan*1
 Capital stock 62.5 billion yen
 No. of employees Sales: 8,432
 Customer service: 301
 Administrative: 2,457
 Total: 11,190

《Daido Life Insurance Company》

Established July 1947 (Founded July 1902)
 Head office locations 1-2-1 Edobori, Nishi-ku, Osaka 550-0002, Japan
 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan*1
 Capital stock 110 billion yen
 No. of employees Sales: 3,790
 Administrative: 3,104
 Total: 6,894

《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*2
 Capital stock 56 billion yen
 No. of employees 235

*1 Scheduled to be relocated to the Tokyo Nihombashi Tower in Nihonbashi 2-chome, Chuo-ku, Tokyo (in December 2015).
 *2 Scheduled to be relocated to the Hamamatsucho Building in Shibaura 1-chome, Minato-ku, Tokyo (in January 2016).

Industry association to which the three life insurance companies belong
 The Life Insurance Association of Japan

4.13

1-4 Shareholders

2.6

● Proportion of Shares Held (as of March 31, 2015)

Shareholder category	Financial institutions	Financial product dealers	Other corporations	Foreign corporations, etc.	Individuals and others	Total
No. of shares held (1,000 shares)	190,387	21,381	141,376	271,740	56,593	681,480
Proportion of shares held (%)	27.94	3.14	20.75	39.88	8.30	100.00

* Figures for the proportion of shares held are rounded off to two decimal places.

● Principal Shareholders (as of March 31, 2015)

Name	No. of shares held (1,000 shares)	Percentage of shares held vs outstanding shares (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	32,328	4.74
The Master Trust Bank of Japan Ltd. (Trust Account)	28,074	4.12
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,650	3.03
THE BANK OF NEW YORK MELLON SA/NV 10	13,290	1.95
RBC IST-OMNIBUS 15.315 NON LENDING-CLIENT ACCOUNT	10,798	1.58
Trust & Custody Services Bank, Ltd. (Trust Collateral Account)	9,321	1.37
STATE STREET BANK AND TRUST COMPANY 505225	9,196	1.35
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,908	1.31
Komatsu Ltd.	8,167	1.20
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	7,594	1.11
Total	148,330	21.77

* In addition to the above, the T&D Life Group holds 16,632,000 treasury shares (2.44%).

1-5 Number of Directors

4.3 4.6

Chairman of the board of directors	President
Directors	11
Male	10
Female	1
Outside directors	2 (including one female)
Outside directors' role	They are involved in the deliberation of the agenda at the board meetings based upon their specialist knowledge in their capacities as a lawyer and a university professor.

1-6 Number of Audit & Supervisory Board Members

4.3 4.6

Audit & supervisory board members	4
Male	4
Female	0
Outside audit & supervisory board members	2
Outside audit & supervisory board members' role	The outside audit & supervisory board members offer advice during deliberation of agenda items at meetings of the Board of Directors, etc., based upon their specialist knowledge in their capacity as lawyers.

1-7 Number of Employees

2.8 LA1 LA13

● Number of Employees (T&D Holdings, Consolidated)

Business sector	March 31, 2013	March 31, 2014	March 31, 2015
Insurance and insurance-related businesses	19,211 (1,724)	18,595 (1,506)	18,156 (1,427)
Investment-related businesses	460 (36)	471 (31)	483 (32)
Administration-related businesses	826 (191)	802 (160)	779 (157)
Total	20,497 (1,951)	19,868 (1,697)	19,418 (1,616)

* 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.

* The figures for part-time workers differ from the "Financial Report" due to the rounding-off process.

● Number of Employees and Number of People Hired by the Group's Three Life Insurance Companies

	No. of employees			No. of employees hired		
	March 31, 2013	March 31, 2014	March 31, 2015	FY2012	FY2013	FY2014
No. of employees	19,455	18,806	18,319	4,139	3,802	3,727
Male	3,991	3,852	3,702	101	111	113
Female	15,464	14,954	14,617	4,038	3,691	3,614
Sales representatives	12,799	12,436	12,222	4,022	3,650	3,565
Male	419	376	335	36	26	23
Female	12,380	12,060	11,887	3,986	3,624	3,542
Customer service	453	369	301	0	0	0
Administrative	6,203	6,001	5,796	117	152	162
Male (Managers)	3,572 (2,054)	3,476 (2,065)	3,367 (2,063)	65	85	90
Female (Managers)	2,631 (261)	2,525 (263)	2,429 (275)	52	67	72

* Managers include section heads at head offices, deputy office heads and assistants to directors and other executives.

1-8 Reporting Segments Shown in Consolidated Financial Statements

2.8 3.6 EC1

T&D Holdings is an insurance holding company that exerts management control over life insurance subsidiaries under the Insurance Business Act of Japan. Its three life insurance companies operate the Group's core business of providing life insurance using their own product strategies and sales strategies. Thus, the T&D Life Group has three reporting segments: Taiyo Life Insurance Company, Daido Life Insurance Company and T&D Financial Life Insurance Company.

● Fiscal 2014 Ordinary Revenues and Profit/Loss of Each Reporting Segment

(Billion yen)

Item	Reporting segment				Other	Total	Adjustment	Amount in the consolidated financial statements
	Taiyo Life	Daido Life	T&D Financial Life	Total				
Ordinary revenues	1,060.0	980.7	382.1	2,422.8	28.2	2,451.1	(39.0)	2,412.1
Amount of internal transfer between segments	1.0	0.3	—	1.4	48.4	49.9	(49.9)	—
Total	1,061.1	981.0	382.1	2,424.3	76.7	2,501.1	(88.9)	2,412.1
Segment profit (loss)	67.6	97.4	22.4	187.5	28.3	215.8	(26.9)	188.9

* Amount of ordinary revenues is used in place of sales.

* Adjustment amounts are as follows:

(1) Adjustment amount ((39.0) billion yen) of ordinary revenues is the amount transferred from the reversal of policy reserves of 29.3 billion yen and reversal of reserves for outstanding claims of 6.1 billion yen in the ordinary revenues to provision for policy and other reserves and provision for reserves for outstanding claims in the consolidated profit and loss statement.

(2) Adjustment amount ((26.9) billion yen) of segment profit (loss) is mostly inter-company elimination of dividend income received from the Group companies.

* Segment profit (loss) is adjusted to ordinary profit in the consolidated profit and loss statement.

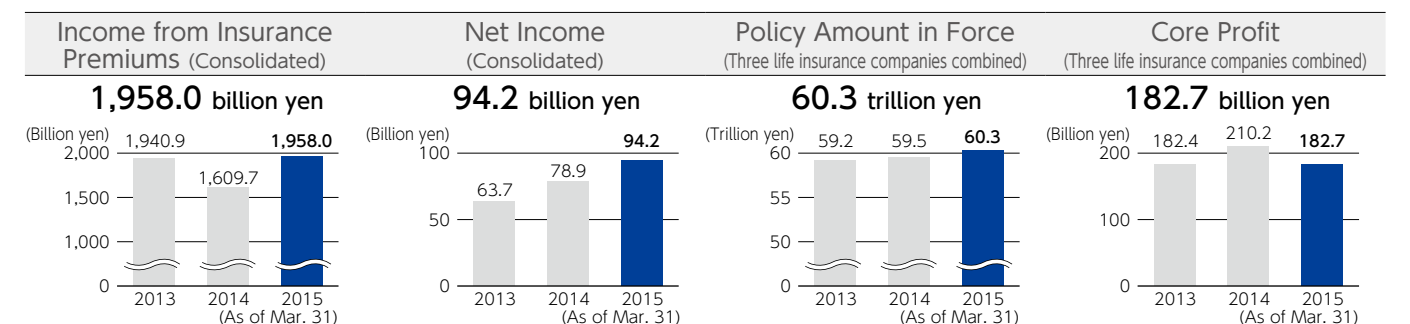
1-9 Financial Performance of the Group

2.8 EC1

	Year ended March 2013	Year ended March 2014	Year ended March 2015
Consolidated operating results	(Billion yen)		
Ordinary revenues	2,418.9	2,085.7	2,412.1
Income from insurance premiums	1,940.9	1,609.7	1,958.0
Ordinary profit	151.6	186.2	188.9
Net income	63.7	78.9	94.2
Consolidated balance sheet data	(Billion yen)		
Total assets	13,668.7	13,804.2	14,664.7
Net assets	919.7	1,020.3	1,344.9
Per share information	(Yen)		
Consolidated net income per share	94.52	117.42	141.35
Consolidated net assets per share	1,360.15	1,513.46	2,018.12
Annual dividend per share (T&D Holdings)	22.50	25.00	25.00
Management indicators	(Billion yen)		
Policy amount in force	59,221.2	59,506.8	60,353.3
New policy amount	6,722.4	6,167.0	6,570.2
Core profit (loss)	182.4	210.2	182.7
Return on equity (consolidated) (%)	8.0	8.2	8.0

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

* Core profit is a performance indicator used by life insurance companies. It shows the basic profit and loss status during the period, consisting of the insurance-related component, i.e. income from insurance premiums minus payments of insurance benefits and business expenses, and the investment-related component, mainly income from interest and dividends. It is similar to the operating profits of general business companies and net business profits of banks.



1-10 Solvency Margin Ratio

EC1

	As of Mar. 31, 2013	As of Mar. 31, 2014	As of Mar. 31, 2015
Taiyo Life (non-consolidated)	823.4	981.3	993.9
Daido Life (non-consolidated)	1,043.2	1,156.4	1,363.7
T&D Financial Life (non-consolidated)	648.4	1,051.2	1,271.9
Pet and Family Small-amount Short-term Insurance (non-consolidated)	543.5	305.9	405.8
T&D Holdings (consolidated)	943.8	1,115.0	1,220.7

1-11 Credit Ratings

EC1

Rating Agency	Taiyo Life	Daido Life	T&D Financial Life
Japan Credit Rating Agency (JCR)	AA-	AA-	AA-
Rating and Investment Information (R&I)	A+	A+	A+
Standard & Poor's (S&P)	A	A	
Fitch Ratings (Fitch)		A	
Moody's Japan (Moody's)	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 definitions of ratings are those 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.

Definitions of Ratings

- 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>
Rating A: Strong ability to pay insurance claims and excellence in some evaluation factors.
- Standard & Poor's (S&P) <Insurer Financial Strength Ratings>
Rating A: The insurance company 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.
- 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 Japan <Insurer Financial Ratings>
Rating A: Upper middle rank for debt with low credit risk.

1-12 Insurance Payout Amount

EC1

FY2014	Insurance claim	Benefit (hospitalization, surgery, etc.)	Annuity	Total
Group's three life insurance companies	354.5	177.4	457.5	989.5

1-13 Overview of Business in the Fiscal Year Ended March 2015

EC1

● Corporate Value (MCEV)

Since the fiscal year ended March 2004, the T&D Life Group has been disclosing its embedded value (EV) as one of the indicators of the corporate value of life insurance companies. The EV (Group MCEV) for the fiscal year ended March 2015 was 2,298.0 billion yen, an increase of 327.8 billion yen from the previous fiscal year.

	As of Mar. 31, 2013	As of Mar. 31, 2014	As of Mar. 31, 2015	Year-on-year change
Group MCEV*1	1,664.4	1,970.1	2,298.0	327.8
MCEV of covered business*2	1,638.0	1,943.4	2,271.2	327.8
Net asset value of non-covered business*3	26.4	26.7	26.7	△0
Value of new business	61.6	89.1	93.0	3.8

*1 MCEV stands for Market Consistent Embedded Value, and is one of the indicators of corporate value of life insurance companies.

*2 MCEV of the Group's life insurance business

*3 Net asset value of the Group's businesses other than life insurance, calculated based on Japanese GAAP

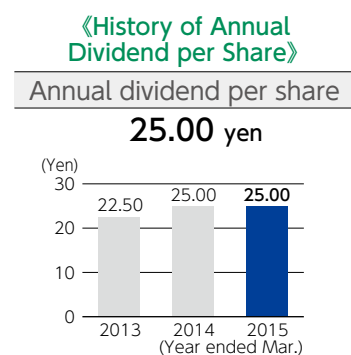
Please visit the T&D Holdings website for details.
(URL: <http://www.td-holdings.co.jp/en/ir/finance/data/>)



● Basic Policy Regarding Providing Returns to Shareholders

T&D Holdings' basic policy is to provide stable returns to shareholders as part of enhancing shareholder value, while retaining sufficient internal reserves to ensure the business soundness of T&D Holdings and the Group's companies. T&D Holdings paid an annual dividend per share of ¥25.00 for fiscal 2014, the same as the previous fiscal year.

* In order to increase shareholder returns, the Group has been acquiring its own shares amounting to approximately 3 billion yen in fiscal 2013, approximately 10 billion yen in fiscal 2014, and approximately 30 billion yen in the first half of fiscal 2015, in addition to payment of dividends.



For an operational review of business, please refer also to the Management Review section of the Annual Report.
(URL: <http://www.td-holdings.co.jp/en/ir/annual/>)



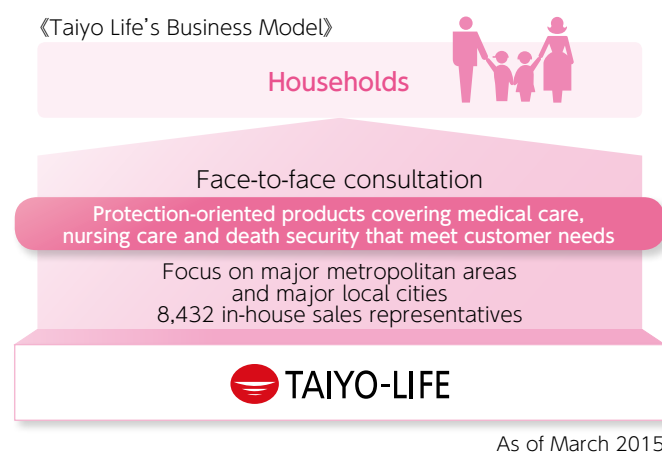
■ Life Insurance

2-1 Taiyo Life Insurance Company

2.2 2.3 2.7 FS6 FS7

● Supporting Households through Comprehensive Life Security

In the household market, Taiyo Life offers life security, such as price-competitive products that respond to the changing needs of individual families, and trustworthy services that provide peace of mind, to its key customers, homemakers who are in charge of family budgets. Specifically, in-house sales representatives, who are themselves housewives, visit customers at home and learn about their individual needs. They are then able to propose products that will provide the necessary security for the family from the point of view of the homemaker. Aiming to become a trusted lifelong partner of individual customers, we are continuing our efforts to offer optimal life security to homes through carefully crafted face-to-face consulting sales.

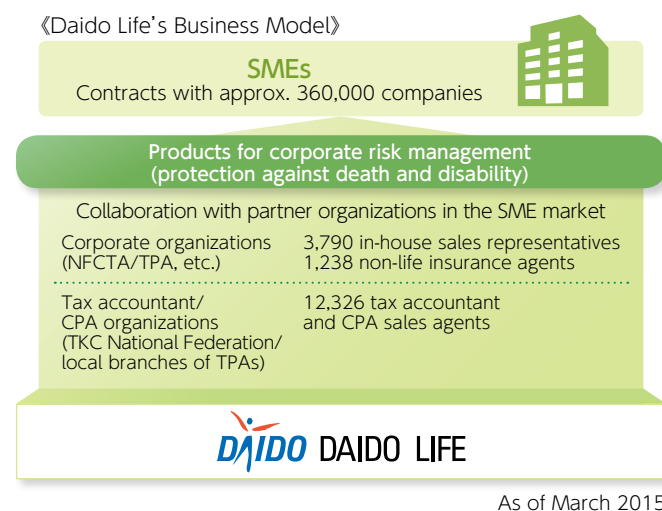


2-2 Daido Life Insurance Company

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 to corporate clients by tax accountants and certified public accountants belonging to the partner organizations as a part of their management advice. In fiscal 2014, over 90 percent of our new contracts were made with corporate clients, and as of the end of fiscal 2014 the number of corporate clients with whom Daido Life had contracts amounted to approximately 360,000 companies. We will continue developing and offering the insurance products that meet the needs of corporate owners in the SME segment.

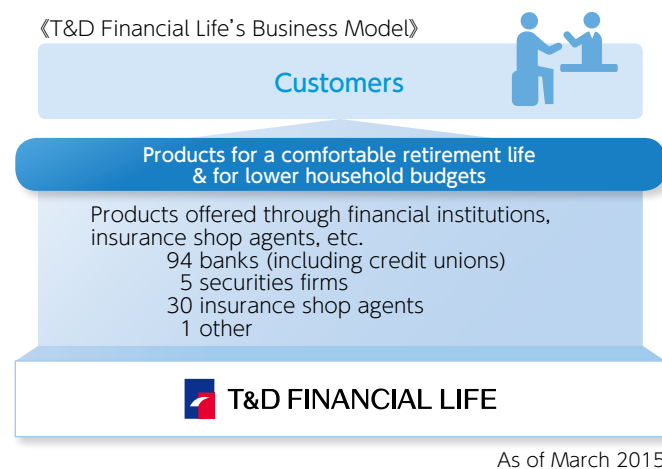


2-3 T&D Financial Life Insurance Company

2.2 2.3 2.7 FS6 FS7

● Supporting Customers to Lead a Comfortable Retirement Life and for Lower Household Budgets

T&D Financial Life specializes in OTC life insurance, offering insurance products mainly through financial institution agents. We maintain our management policy to: strengthen our compliance and internal control system to fully protect our customers' interests; to develop and offer new product packages that are highly appreciated by customers, thereby achieving continuous growth; and to increase the amount of insurance policies in force and improve profitability while maintaining sufficient financial soundness, we are working to develop new products that can offer differentiated benefit packages and the broaden product line up to meet diversifying customer needs, and to provide quality services through our "operators," who handle customer inquiries and benefit applications. Committed to maintaining a customer-oriented perspective, we will continue working hard to improve customer satisfaction.



■ Asset Management

2-4 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

2-5 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 attitude of pet owners is changing as they see their pets as family members. Against this backdrop, the pet insurance market is expected to continue growing. 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.

3-1 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 direct subsidiaries centered on the three life insurance companies of Taiyo Life, Daido Life, and T&D Financial Life, together with T&D Asset Management and Pet and Family Small-

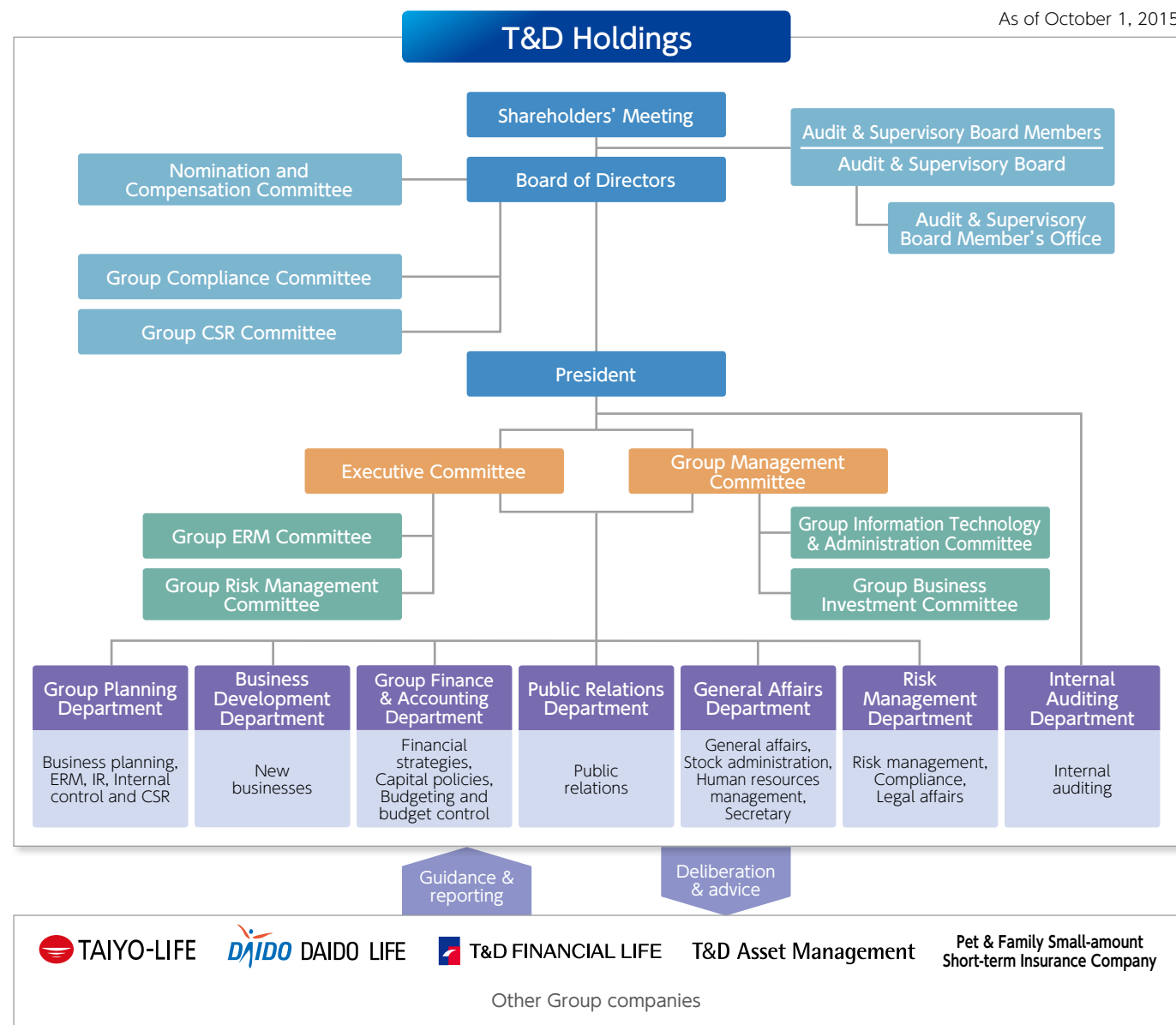
amount Short-term Insurance, to create a system for supervising Group management by thoroughly managing revenues and risks for the entire Group. Meanwhile, the subsidiaries, which have their own business strategies, develop marketing strategies leveraging their strengths, and conduct business operations 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 direct subsidiaries.

For details about corporate governance, please refer to the document Report Regarding Corporate Governance that T&D Holdings submitted to the Tokyo Stock Exchange. (URL: http://www.td-holdings.co.jp/company/group/governance/pdf/270629_governance.pdf)

WEB

3-2 Outline of Corporate Governance Structure

2.3 4.1



3-3 Corporate Governance Framework

4.1 4.10

Board of Directors

4.2 4.3 4.5 4.7

The Board of Directors at T&D Holdings makes decisions on important issues regarding its own operations, and as the holding company, on business strategies and allocation of management resources with regard to the entire Group. It also oversees the performance of directors and executive officers. Director candidates are appointed through assessments of their qualifications by the Board of Directors following the deliberations at the Nomination and Remuneration Committee, which consists of the President and Director and external directors. Outside directors are appointed as independent directors, who meet the criteria for independence set by the company and the Tokyo Stock Exchange, and do not present any risk of conflict of interest with general shareholders.

Audit & Supervisory Board

4.6

T&D Holdings has established an Audit & Supervisory Board. The audit & supervisory board members 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 Management Committee and Group CSR Committee, as well as by other means. Outside audit & supervisory board members are appointed as independent auditors, who meet the criteria for independence set by the company and the Tokyo Stock Exchange, and do not present any risk of conflict of interest with general shareholders. The Audit & Supervisory Board receives reports from individual auditors on important audit issues, and discusses or makes decisions on them.

Selection of Director and Audit & Supervisory Board Member Candidates

4.7

We select candidates for directors and audit & supervisory board members primarily based upon the following criteria. Candidates for director positions are required to have sufficient knowledge and experience to oversee the management of T&D Holdings in a proper, fair and efficient manner, and to have earned the trust of society. Audit & supervisory board member candidates are required to have sufficient knowledge and experience to conduct audits of the operating performance of directors in a proper, fair and efficient manner and to have earned the trust of society.

Director and Audit & Supervisory Board Member Compensation

4.5

The compensation for directors, excluding part-time directors and external directors, comprises monthly compensation, bonuses, and stock compensation-type stock options. The compensation for part-time directors and external directors comprises monthly compensation only.

The upper limit of annual compensation for directors was decided at the 8th annual shareholders' meeting held on June 27, 2012. The upper limit of the total amount of bonuses paid to directors each year is decided by the Board of Directors. In addition to the compensation described above, the upper limit of compensation via a stock option program is decided each year. The amounts of monthly compensation and bonuses paid to individual directors are discussed and determined by the Nomination and Compensation Committee, based on a review of the corporate performance as well as on the performance of the department in charge, in accordance with the assessment criteria determined by the Board of Directors.

In regard to stock compensation-type stock options, stock acquisition rights shall be allocated to directors other than part-time directors (such as outside directors who have an independent position from the execution of business), according to their rank, with the aim of boosting their motivation to further contribute to the improvement of corporate value.

Compensation for audit & supervisory board members consists of monthly compensation only. The upper limit of annual compensation was decided at the 8th annual shareholders' meeting held on June 27, 2012. Actual compensation is determined through discussion by the audit & supervisory board members within the predetermined upper limit.

Executive Committee and Group Management Committee

4.2

T&D Holdings has established an Executive Committee and a Group Management Committee. The Executive Committee is composed of the president, executive vice president and executive officers, and 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.

Executive Officer System

4.2

The Company has introduced an executive officer system for the purpose of bolstering its business execution capabilities. By sharply delineating responsibilities for oversight and execution, the Company shall strengthen the governance function of the Board of Directors.

3-4 Participation in Management by Outside Experts

4.14 4.16

The Group's three life insurance companies work toward ensuring 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)**

Outside expert committee members: Physicians, attorneys, academic experts and consumer affairs experts

Main themes examined: Management system for examination and payment of insurance claims and insurance benefits, understandability of various documents, including documents needed when insurance claims are made, and appropriateness of insurance claim payment operations

● **Committee for Responding to Customer Feedback (Taiyo Life)**

Outside expert committee members: Attorneys and consumer affairs experts

Main themes examined: Status of customer feedback, and initiatives to improve operations responding to the customer feedback

● **Advisory Council for Insurance Payment (Daido Life)**

Outside expert committee members: Attorneys and consumer affairs experts

Main themes examined: Appropriateness of responses to complaints about payments and handling of payment disputes, appropriateness of examinations and results of examinations that are judged ineligible for payment, and clarity of notification and explanatory documents provided to customers

● **Service Supervision Committee (T&D Financial Life)**

Outside expert committee members: Attorneys, consumer affairs experts and media representatives

Main themes examined: Comprehensive deliberations on protection of the interests of policyholders by securing appropriate systems for the payment of insurance claims, and on actions for improving customer satisfaction

3-5 Committees

4.1 4.9 3.7

● **Nomination and Compensation Committee**

The Company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors for the purpose of discussing the fairness and appropriateness of the appointment and compensation of directors and audit & supervisory board members, among other related issues, as well as for ensuring the transparency of management and enhancing accountability. The committee chairman of the Nomination and Compensation Committee is one of the outside directors and the committee members comprise President and outside directors.

In fiscal 2014, the committee held three meetings and reported the results of the deliberations to the Board of Directors.

● **Group Compliance Committee**

Positioned directly under the Board of Directors, this committee is charged with enhancing the compliance of both T&D Holdings and the entire T&D Life Group. The committee chairman is the representative director and president, and the vice chairman is the executive officer in charge of the Risk Management Department.

In fiscal 2014, the committee held four meetings and reported all the information shared and the issues deliberated and discussed to the Board of Directors.

● **Group CSR Committee**

Please see 2-1 Promotion Framework of CSR on page 7.

● **Group Risk Management Committee**

Positioned directly under the Executive Committee, the Group Risk Management Committee manages and controls risks that T&D Holdings and the T&D Life Group are exposed to, and ensures a thorough risk management. The committee chairman is the executive officer* in charge of the Risk Management Department.

In fiscal 2014, the committee held 18 meetings and reported the results of deliberations to the Executive Committee and the Board of Directors.

● **Group ERM Committee**

Positioned under the Executive Committee, this committee is charged with pursuing the steady and continuous growth of the Group's corporate value through the promotion and improvement of Enterprise Risk Management (ERM), a practice that integrates the management of profit, risk and capital on an economic value basis.

The committee chairman is the executive officer* in charge of the Group Planning Department and the vice chairmen are the executive officers* in charge of the Group Finance & Accounting Department and the Risk Management Department.

In fiscal 2014, the committee held 10 meetings and reported the results of deliberations to the Executive Committee, the Group Management Committee and the Board of Directors.

● **Group Business Investment Committee**

In regard to the business investments of the T&D Life Group, the Group Business Investment Committee is positioned directly under the Group Management Committee, and aims to conduct highly efficient and effective business operations by means of unified promotion and management of the Group. The committee chairperson is the executive officer* in charge of the Business Development Department. (Established on October 1, 2015.)

● **Group Information Technology and Administration Committee**

Positioned directly under the Group Management Committee, this committee responds to Group-wide issues involving information technology and administrative matters. The committee chairman is the executive officer* in charge of the Group Planning Department and the vice chairman is the director and president of T&D Information Systems, Ltd. In fiscal 2014, the committee held 6 meetings and reported the items of deliberation to the Group Management Committee.

* As of October 1, 2015, a director is in charge of each executive officer.

3-6 Internal Audit System

4.6 FS9

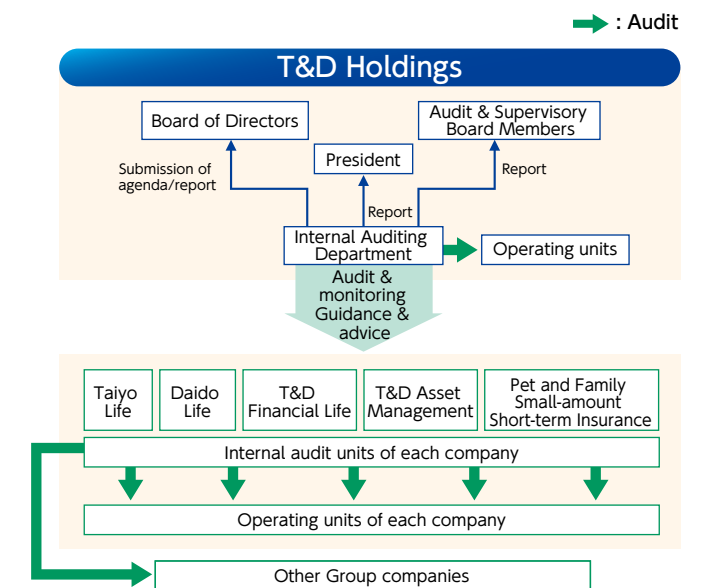
At the T&D Life Group, T&D Holdings and each of its subsidiaries have a separate internal audit unit operating independently from other business units. These internal audit units conduct audits of the operating units, specifically by examining and assessing the appropriateness and effectiveness of the internal management, identifying and raising issues, and providing the necessary advice for improvements to help the effective achievement of management objectives.

Meanwhile, the Internal Auditing Department of T&D Holdings grasps the status of the internal management system of the entire Group through auditing and monitoring of the internal audits implemented by its subsidiaries, and provides them with 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 International Standards.

*2 IIA International 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**



3-7 Internal Control

4.6 4.10

● **Improvement 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 and improve an internal control system, as stipulated under the Companies Act.

● **Responding to the Internal Control and Reporting System**

In accordance with the internal control and reporting system based upon the Financial Instruments and Exchange Act, the Group established a proper internal control system to ensure the appropriateness of accounting and financial reporting in the form of financial reports and so forth, and the top management himself assesses and reports its appropriateness and effectiveness, which are then verified through external auditing typically performed by certified public accountants.

ERM

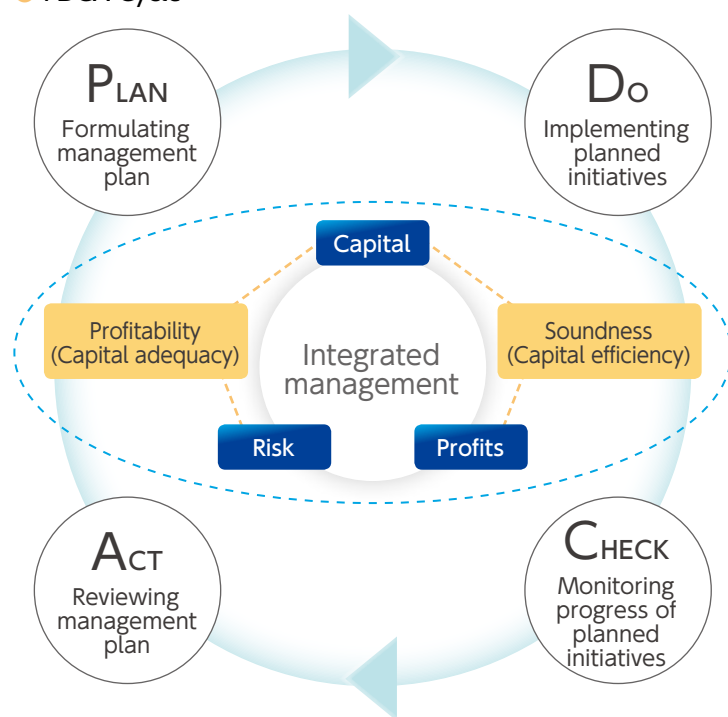
4-1 Promotion of ERM Approach

ERM stands for Enterprise Risk Management and refers to a strategic method of corporate management that seeks to maximize corporate value and profits while ensuring the soundness of business through integrated management of profit, risk and capital.

As opposed to conventional approaches designed primarily to avoid risks (losses), ERM takes a strategic stance with respect to risks, viewing them as a factor to be actively taken on in order to increase return (profit) and, as such, not something that should necessarily be reduced or eliminated. Using this new method, businesses can quantify profit, risk and capital on a uniform evaluation standard, helping manage these elements in an integral fashion and incorporate them into management decision-making, thereby allowing pursuit of growth in profitability while maintaining sound management of business operations.

The T&D Life Group has established the Group ERM Committee to implement ERM as a Group-wide initiative. With the committee providing leadership in promoting ERM throughout the Group, we will enhance the Group's corporate value in a stable and continuous manner while maintaining a sound business foundation. More specifically, we have built a system based on a PDCA cycle to promote ERM under which the Group's management plan is formulated (Plan) so as to meet the risk appetite set out in terms of soundness and profitability based on the assessment of profit, risk and capital on an economic value basis; a range of initiatives developed under the plan are implemented (Do); the progress of implementation of the plan is monitored (Check); and the plan is reviewed and revised as necessary (Act).

● PDCA Cycle



● Integrated Risk Management Activities

In order to promote ERM, it is critical to have a proper understanding of types and magnitude of risks. The T&D Life Group promotes the integrated risk management approach to achieve the management objectives by quantifying the risks affecting the Group by type of risks and assessing the impacts when making losses, and also by controlling all the risks associated with its operations, including unquantifiable risks.

Risk Management

4-2 Basic Concept for Risk Management

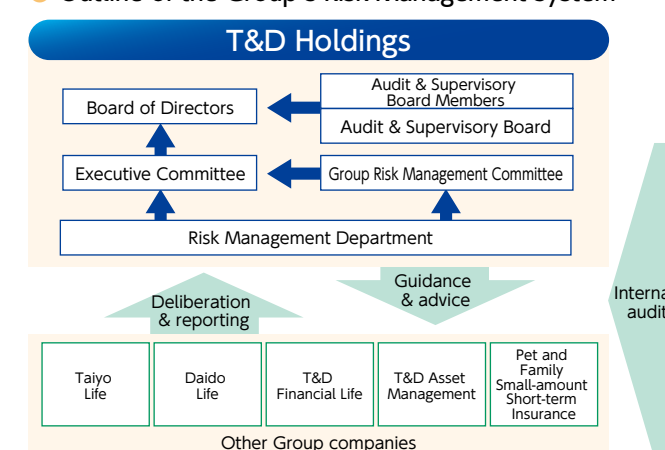
At the T&D Life Group, T&D Holdings has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management and, based on this policy, the three life insurance companies and other Group members have developed their risk management system that covers their affiliates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

agement 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.

4-3 Risk Management System

In light of the social and public nature of the life insurance business, the T&D Life Group views risk management as a key priority issue in order to ensure sound and appropriate business management. Under overall control by the holding company, T&D Holdings, each Group company implements the necessary risk management suited to their respective business model based on the principle of self-responsibility.

● Outline of the Group's Risk Management System



4-4 Risk Classification and Responses

The T&D Life Group classifies major management risks as shown on the right hand side. Risk management policies have been established for each of these risks, and efforts are made to prevent these risks from occurring or to confine them within certain acceptable levels.

Insurance Underwriting Risk	Investment Risk	Liquidity Risk
Operational Risk*	Reputation Risk	Affiliate-related Risk

* Operational risks above are classified into sub-categories, i.e. administrative risk, system risk, legal risk, labor and personnel risk, and hazard risk, and are managed separately.

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



4-5 Risk Awareness and Assessment (Risk Profile)

In order to respond to risks that are becoming more diverse and complex, the T&D Life Group is comprehensively sorting out the risks surrounding our Group's business using the risk profile*. By exhaustively sorting out all risks by category, the Group identifies and assesses those risks and comprehensively examines the criticality, potential impact and status of control for each risk. Through such a process, identified risks and necessary actions are prioritized and incorporated into management plans as necessary. In principle, the Group reviews the risk profile

quarterly to capture and adequately understand the emergence of new critical risks and major changes in known risks. The results of the quarterly review are reported to the Group Risk Management Committee and the Board of Directors.

* Risk profile is a general risk management tool to characterize risks from various factors such as nature, magnitude of risks, etc.
* In fiscal 2015, the T&D Life Group reviewed the additional risks corresponding to the Environmental, Social and Governance (ESG) issues.

4-6 Risk Review (ESR)

To determine risk appetite and tolerance, other than the statutory solvency margin ratio, the T&D Life Group uses the economic solvency ratio (ESR), a risk management indicator based on economic value. The ESR is calculated by dividing surplus, an economic value based net asset, by economic capital, which is the economic value-based risk volume computed by an internal model on the basis

of insurance underwriting risk, investment risk, operational risk, etc. We implement economic value-based risk management by controlling EC within a certain range of surplus. ESR and the statutory solvency margin ratio are monitored on a monthly basis and reported to the Group Risk Management Committee and the Board of Directors every month like other risk reviews.

4-7 Optimization of Risk Portfolio

(Risk measurement by internal models and complementary efforts by stress test, etc.)

4.9 4.11

The T&D Life Group optimizes its risk portfolio by measuring quantifiable risks using internal models as well as by drawing up risk profiles, including qualitative aspects of risks and performing stress tests for unquantifiable risks.

To complement the risk quantification model, stress tests are conducted with multiple scenarios reflecting long-term macro- and micro-economic projections.

4-8 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.

Compliance

4-9 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

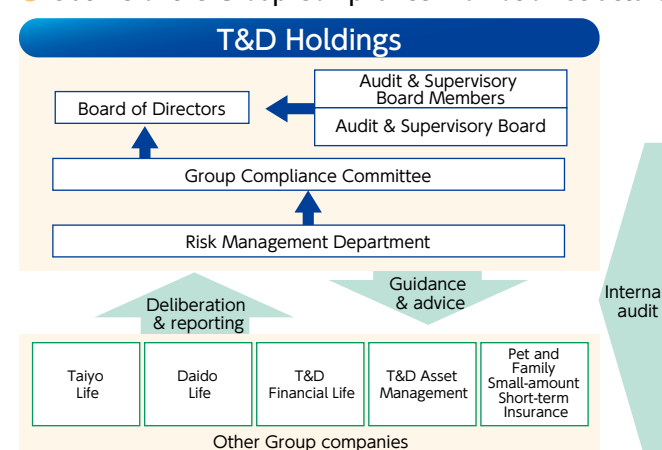
concept indispensable to carry out corporate responsibility activities, the Group promotes compliance by ensuring that all Group executives and employees thoroughly understand the T&D Life Group Compliance Code of Conduct and act accordingly.

4-10 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 was established to oversee and improve the Group's compliance arrangements. T&D Holdings also has a Risk Management 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 guidance and advice. The Group's three life insurance companies and other Group members also have a compliance promotion system mainly consisting of a compliance committee and a compliance control department.

Outline of the Group Compliance Promotion Structure



4-11 Compliance Promotion Activities

4.11 SO3 FS4

Compliance Programs

Each member company in the T&D Life Group takes measures to raise awareness of compliance in a way appropriate for the respective companies in terms of size and business characteristics, based on the Group's basic compliance policies. For example, T&D Holdings and the Group's three life insurance companies as well as other Group members have put in place their 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 provided to reinforce compliance in the course of business operations.

Compliance Manual

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

4-12 Prevention of Bribery and Corruption

4.11 SO3 FS4

The T&D Life Group emphasizes a strict adherence to laws and rules, and also to the restrictions on business entertainment and other activities in the T&D Life Group Compliance Code of Conduct as items that must be absolutely complied with. With respect to the restrictions on business entertainment, the code states that we shall refrain from providing or receiving any business entertainment beyond reasonable bounds under normal social conventions. Through compliance programs and the compliance manual, the Group ensures that all Group executives and employees thoroughly understand the importance of preventing bribery and corruption as well as the measures in place to prevent money laundering and corruption, including the embezzlement and diversion of funds. The Group's reward and punishment regulations stipulate bribery and corruption as being subject to the highest level of disciplinary action in view of the significant maliciousness and grave impact involved. All acts of wrongdoing (and concerns about possible wrongdoing), including bribery and corruption, are reported to the Board of Directors.

Extract from a Compliance Manual

[Risks Related to Bribery and Corruption]

In today's world, bribery and corruption impede the development and economic growth of the country or region in which they occur. Bribery and corruption not only have an undue negative impact on poor regions, they also give rise to serious legal and reputational risks for companies. Many of the acts that involve corruption, such as bribery, are not only illegal in the place where a company performs them, but there is an increasing number of cases where these acts are also illegal by the laws of the home country of the company. As regards reputational risks, even if a company is judged to be not involved with corruption by the final judgment of the court concerned, there are many cases in which the reputation of the company has been damaged merely because it was suspected of corruption. A company must also pay attention to the fact that they not only take responsibility for their own actions but also for the actions of any agents that are conducting business on their behalf in other countries.

4-13 Whistleblower System

4.4 4.11 HR11

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. Compliance-related reports are submitted by phone or online through an external independent company to help preserve anonymity. The helpline provides a venue for reporting actions that are problematic as regards compliance, that are violations or suspected violations of internal rules, or that damage the credibility or prestige of the Group.

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

Number of Calls Received by the T&D Life Group Helpline

FY2012	FY2013	FY2014
157	143	130

* Numbers shown above include inquiries about the system and reports on issues that reporters may find difficult to discuss with superiors such as harassment-related issues. Reports from whistleblowers are properly treated and reported to Group management by the third-party service provider in accordance with the legally prescribed procedures.

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

FY2014 Group CSR Activities Progress Report (A Partial Account of the Activities)

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



Initiatives (Plan)	Results Performance (Do)	Activities planned for FY2015 (Check/Action)
● Providing better products and services		
(Three life insurance companies) • Provide the best comprehensive coverage to households • Respond to the diversifying needs of SMEs comprehensively • Provide differentiated products through independent insurance agents such as financial institutions	• Expanded the scope of <i>Hoken Kumikyoku Best</i> nursing care coverage, and launched <i>Keido Kaigo</i> nursing care protection, featuring coverage starting from care support levels 1 & 2, and long-term care level 1. Expanded the eligible age for medical care insurance products • Launched the <i>T-Type</i> product covering the risk of retirement in case of physical disability (nonparticipating disability protection policy) • Added new types of annuity payments to income protection insurance, and expanded the eligible age of insured for mainstay single premium whole life insurance products	• Develop and provide products that meet changing customer needs • Further promote the Best Senior Service initiative to enhance convenience and satisfaction for elderly customers
● Respect for human rights		
[Human resources development initiatives] • Conduct personnel exchanges within the Group • Promote understanding and penetration of Group management among corporate officers and employees	• Conducted personnel exchanges through mutual personnel assignments among four Group companies • Implemented Group management training for approximately 500 mid-level employees, in addition to corporate officers and general managers, of the three core life insurance companies	• Expand personnel exchanges among Group companies
[Promoting the active participation of women] Further upgrade measures for promoting the active participation of women • Facilitate short-term exchanges of female employees within the Group • Set quantitative targets for promoting the active participation of women	• Continued implementation of exchange programs for female employees among Group companies • Implemented co-work training attended by pairs of female employees and their supervisors • Formulated and announced action plans including quantitative targets for appointing female employees to management positions at the three life insurance companies	• Foster information sharing regarding the initiatives and plans of the Group companies in preparation for the enactment of laws to promote women's active participation • Plan collaborative measures by the Working Group for Promoting the Active Participation of Women • Promote measures in the Group's unified action plan for the Act on Advancement of Measures to Support Raising the Next Generation of Children • Implement collaborative awareness-raising activities aimed at fostering a good workplace culture
[Promoting work-life balance] Integrated promotion of active participation of women and work-life balance • Upgrade and improve work-life balance support measures • Deliberate and implement measures to reduce work hours	• Formulated the Group-wide sixth action plan to address the extension of the Act on Advancement of Measures to Support Raising the Next Generation of Children • The three life insurance companies applied for certification for the "Platinum Kurumin" mark, whose approval is conditional upon achieving quantitative targets related to work hours	
● Global environmental protection		
[Reduction in electricity consumption] Period: FY2013-FY2017 (Baseline year: FY2009) Scope: Buildings owned, leased and used by T&D Holdings and core Group companies Target: More than 10% reduction in power consumption per floor space	Implemented a multitude of measures, including lights-out before business hours and during lunch breaks, and turning off office appliances, as well as setting a "no overtime day" and implementing Cool Biz and Warm Biz campaigns plus a Lights Down campaign	Steady progress through FY2014: A reduction of 18.3% from the baseline year Continue to implement the measures shown on the left in order to further reduce electricity consumption
[Reduction in office paper consumption] Period: FY2014-FY2018 Baseline: Average office paper consumption between FY2009 and FY2013 Scope: Paper used at T&D Holdings and head offices of core Group companies Target: 9% reduction from baseline	Promoted reduction in office paper consumption primarily by introducing paperless conferences, reducing meeting materials, utilizing 2-in-1 and two-sided printing and enforcing stricter control over use of copies	Steady progress: In FY2014, achieved 87.3% compared to the baseline level and 98.2% compared to FY2013 Continue to implement the measures shown on the left to reduce office paper consumption in addition to expanding paperless conferences
[Green purchasing ratio] Target: A green purchasing ratio for stationery and other office supplies of 80% or more Scope: T&D Holdings and core Group companies	Established Group-wide Green Purchasing Standards, and promoted preferential purchasing of green products	Continued to achieve target, with an actual FY2014 green purchasing ratio of 96.0%, compared with 95.4% in FY2013 Continue to implement initiatives that give priority to purchasing eco-friendly products
● Communication		
• Enhance CSR awareness among corporate officers and employees • Provide CSR information to stakeholders	• Conducted Group CSR seminars for corporate officers and general managers • Issued Group CR reports. Prepared a "Focus Edition" for customers and the general public, and a "Data Edition" primarily for investment professionals. Obtained third-party assurance regarding environmental data	• Conduct multiple seminars focused on themes tailored to the corporate officer and general manager level and the section manager level • Prepare and issue CR reports that address the interests and needs of readers
● Contribution to local communities		
• Clean campaigns (local community clean-up activities) • Group-wide blood donation activities	• Group companies participated in Taiyo Life's Nationwide Clean Campaign and the Tokyo Shiba District Clean Campaign • Blood donation campaigns held twice a year at the Shiodome head office building through cooperation with the Group. (In FY2014, 415 people in aggregate visited the sites for blood donation.)	• Continue to participate in clean campaigns as a group in FY2015 • Continue blood donation activities in FY2015

I expect the Group to evolve as a responsible institutional investor

Takeshi Mizuguchi

Professor, Faculty of Economics,
Takasaki City University of Economics



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

It was explicitly stated at the beginning of this report that the Group's CSR philosophy is to create value and contribute to people and society by means of conducting initiatives to resolve social issues. I understand this philosophy to mean that the Group has a commitment to the societies to which it belongs, and it should be evaluated in this regard. Moreover, this report contains more information than hitherto regarding the disclosure of the Group's activities as a responsible institutional investor. I would like to focus on these points and comment from a third party standpoint.

1. Contributing through its main business

I think it is a good thing that the Group is given direction and led by the important focus area of conducting CSR that provides better products and services. I believe that this is also consistent with its philosophy of contributing to people and society through business. In fact, I can commend the Group for offering a variety of products in accordance with many types of health conditions and needs out of consideration for both fairness in and the necessity for insurance. I think that the Group has also demonstrated good timing by having introduced new products related to nursing care insurance in this fiscal year. Looking ahead, I expect the Group to continue to provide appropriate products for people with a variety of standpoints.

Moreover, I have a lot of respect for the Group because it has incorporated customer feedback and developed finely tuned responses at the grass roots level, including by providing easy-to-understand explanations from the customer's perspective and by their Best Senior Service. In particular, since the essential nature of an insurance company is shown at time of making insurance payouts, I would like to ask the Group to respond from the customer's perspective in the future also.

Of course, customers join an insurance plan in the belief that they will definitely receive an insurance payout in the distant future. As a result, the fundamental social responsibility for insurance companies is to maintain a healthy state of management. In this respect, I can commend the Group for maintaining both a high solvency margin and high credit rating.

2. Respect for employees

I believe that it is because the Group has highly loyal employees that it is able to provide a variety of insurance products along with attentive service from its sales force in the field. This means it is important that the Group acts to create a comfortable workplace environment, especially regarding

achieving a work-life balance. In particular, I commend the Group not only for its explanations about its system for child-birth and childcare leave, but also on its positive attitude regarding disclosing relevant details about employees taking such leave. On a related topic, I think the Group is implementing a number of distinctive approaches in its promotion of women to higher positions, but because the overwhelming majority of its workforce is female, it's natural there is some questioning of the effectiveness of these efforts. As the Group has actually set quantitative targets for the promotion of female employees to management positions, I expect these to be steadily implemented.

3. Acting as a responsible institutional investor

I believe it is important that the Group has disclosed its basic attitude regarding asset management, and this includes clarifying its thoughts about ESG. (ESG is an abbreviation for environmental (E), social (S) and governance (G).) Moreover, I feel strongly encouraged that the Group has declared that it takes into account non-financial information such as ESG when it has dialogues with investee companies. In addition, I think it's a big step forward that, following the Group's announcement of its acceptance of Japan's Stewardship Code, the Group is now disclosing more information about the exercise of voting rights and the status of dialogues with investee companies. To give one example, the status of dialogues as regards T&D Asset Management was disclosed in a concrete and understandable manner.

From now on, I believe that the content and essential nature of these dialogues will be questioned more and more. In particular, the Group must firmly establish its basic stance toward each company for each specific ESG issue. The Group must consider a variety of aspects as regards its actions, including the long-term impact on investee companies, the social sustainability, and the benefits for insurance policyholders, who are its customers. In short, I think these things are inseparable when it comes to making a reality of the Group's philosophy of contributing to people and society through business, along with the provision of better products. As regards each individual ESG issue, I think that the best approach includes trying to listen to the voice of society, including by holding stakeholder dialogues. At the same time, institutional investors worldwide are implementing a variety of initiatives in cooperation with each other with respect to important social issues, including the climate change issue. I urge the Group to proactively participate in these initiatives and to make its presence felt on the world stage.

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.	1
1.2	Description of key impacts, risks, and opportunities.	1
2. Organizational Profile		
2.1	Name of the organization.	47
2.2	Primary brands, products, and/or services.	18-21, 46, 52-53
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	46, 52-54
2.4	Location of organization's headquarters.	47
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.	Activities in Japan only
2.6	Nature of ownership and legal form.	47
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	11, 46, 52-53
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	47-49
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.	20
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, 10, 29
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1, 40, 46, 49
3.7	State any specific limitations on the scope or boundary of the report.	1, 40, 46, 56
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.	40
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).	Not applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	38, 40
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	64-67
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).	41
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.	54-56
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).	55
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.	48, 55
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	29, 35, 61
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).	55
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	55, 57
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.	55
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.	2-5, 36
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.	5-7, 42-45, 56, 58-60
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	54-55, 57

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.	46, 58–61
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	5–6, 42–45
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	47
Stakeholder Engagement			
4.14		List of stakeholder groups engaged by the organization.	8, 56
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.	15–17, 29, 56
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.	14
5. Management Approach and Performance Indicators			
Economic			
		Disclosure on Management Approach	3, 58, 62
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.	34, 49–51
EC2	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.	59
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.	Not applicable
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.	18, 30–33
EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	—
Environmental			
		Disclosure on Management Approach	3, 5, 36–40, 62
Environmental			
Aspect: Materials			
EN1	CORE	Materials used by weight or volume.	39
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.	38–39
EN5	ADD	Energy saved due to conservation and efficiency improvements.	39
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.	Not applicable
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	13, 36, 39
Aspect: Water			
EN8	CORE	Total water withdrawal by source.	38
EN9	ADD	Water sources significantly affected by withdrawal of water.	Not applicable
EN10	ADD	Percentage and total volume of water recycled and reused.	38
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.	37
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.	38
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.	38
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	36–38
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.	38

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.	36
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	3–4, 24, 62
Labor Practices and Decent Work			
Aspect: Employment			
LA1	CORE	Total workforce by employment type, employment contract, and region broken down by gender.	48
LA2	CORE	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	27
LA3	ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	27
LA15	CORE	Return to work and retention rates after parental leave, by gender.	27
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.	22–26
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.	25, 48
LA14	CORE	Ratio of basic salary of men to women by employee category.	—
Human Rights			
		Disclosure on Management Approach	3–4, 12, 62
Human Rights			
Aspect: Investment and Procurement Practices			
HR1	CORE	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, 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	ADD	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	12, 25
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

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.	61
Society			
		Disclosure on Management Approach	3–4, 62
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.	59
SO3	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	61
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	3–4, 14–21
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.	14–23
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.	14–18, 20–21
Aspect: Marketing Communications			
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	19
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.	3–6, 36
FS2	CORE	Procedures for assessing and screening environmental and social risks in business lines.	59
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.	22–25, 29, 37, 60–61
FS5	CORE	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	14, 34, 44–45
FS6	CORE	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	52–53
FS7	CORE	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	18, 52–53
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.	57
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 policies applied to environmental or social issues for shares over which the reporting organization holds the right to voting shares or advises on voting.	42, 44–45
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.	21, 23
FS15	CORE	Policies for the fair design and sale of financial products and services.	18–21
FS16	CORE	Initiatives to enhance financial literacy by type of beneficiary.	33