

FINANCIAL SUMMARY

(For the Three Months Ended June 30, 2008)

August 12, 2008

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo, Osaka
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/e/>

1. Consolidated Operating Results for the Three Months Ended June 30, 2008 (April 1, 2008 – June 30, 2008)

(1) Results of Operations

Note: Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent. % changes are presented in comparison with the same term of the previous year.

| | Ordinary Revenues | % change | Ordinary Profit | % change | Net Income | % change |
|----------------------------------|-------------------|----------|-----------------|----------|-----------------|----------|
| Three months ended June 30, 2008 | ¥675,657 million | - | ¥31,079 million | - | ¥9,099 million | - |
| Three months ended June 30, 2007 | ¥635,229 million | 0.4 | ¥66,537 million | 15.5 | ¥28,323 million | 5.1 |

| | Net Income per Share | Net Income per Share (Fully Diluted) |
|----------------------------------|----------------------|--------------------------------------|
| Three months ended June 30, 2008 | ¥36.96 | - |
| Three months ended June 30, 2007 | ¥115.02 | - |

(2) Financial Conditions

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|----------------------|---------------------|------------------|--------------|----------------------|
| As of June 30, 2008 | ¥13,270,407 million | ¥725,650 million | 5.5% | ¥2,939.76 |
| As of March 31, 2008 | ¥13,366,056 million | ¥677,273 million | 5.1% | ¥2,743.16 |

Note: Equity: as of June 30, 2008: ¥723,849 million; as of March 31, 2008: ¥675,453 million

2. Dividends

| | Dividends per Share | | | | |
|---------------------------------------|---------------------|--------------------|-------------------|----------|--------|
| | First Quarter-End | Second Quarter-End | Third Quarter-End | Year-End | Annual |
| Year Ended March 31, 2008 | - | - | - | 65.00 | 65.00 |
| Year Ending March 31, 2009 | - | - | - | - | - |
| Year Ending March 31, 2009 (Forecast) | - | - | - | 65.00 | 65.00 |

Note: Revisions to dividend forecasts in this term: None

3. Consolidated Forecasts for the Year Ending March 31, 2009 (April 1, 2008 - March 31, 2009)

Note: % changes are presented in comparison with the same term of the previous year.

| | Ordinary Revenues | Ordinary Profit | Net Income | Net Income per Share |
|--------------------------------|---------------------------|--------------------------|-------------------------|----------------------|
| Six months ending Sep.30, 2008 | ¥1,080,000 million (5.1)% | ¥59,000 million (41.4)% | ¥20,000 million (39.5)% | ¥81.22 |
| Year ending March 31, 2009 | ¥2,100,000 million (9.9)% | ¥115,000 million (26.1)% | ¥39,000 million 6.1% | ¥158.39 |

Note: Revisions to financial forecasts in this term: None

4. Others

- (1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): None
- (2) Adoption of Simple Accounting Methods and Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Principles, Procedures and Presentation Methods for Quarterly Consolidated Financial Statements:

1. Changes due to the revision of accounting standards: Applicable
2. Changes due to other factors: Applicable

Note: For details, please refer to T&D Holdings' "Financial Review 5.Others" section in this material "Financial Summary for the Three Months Ended June 30, 2008".

- (4) Number of Outstanding Shares (Common Stock)

1. Number of outstanding shares including treasury stock at the end of the term: as of June 30, 2008: 246,330,000
as of March 31, 2008: 246,330,000
2. Number of treasury stock at the end of the term: as of June 30, 2008: 102,778
as of March 31, 2008: 98,215
3. Average number of outstanding shares during the term: for the three months ended June 30, 2008: 246,229,732
for the three months ended June 30, 2007: 246,248,809

1. *The above forecasts for the year ending March 31, 2009 reflect the Company's current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses. Please refer to T&D Holdings' "Financial Review 4. Forecasts for the Year Ending March 31, 2009(April 1, 2008 – March 31, 2009)" section in this material "Financial Summary for the Three Months Ended June 30, 2008" about consolidated forecasts and non-consolidated forecasts.*
2. *Effective from this fiscal year, ASBJ Statement No.12 "Accounting Standard for Quarterly Financial Reporting" and ASBJ Guidance No. 14 "Guidance on Accounting Standard for Quarterly Financial Reporting" have been adopted. Under Article 61 and 82 of the "Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial Statements", the quarterly consolidated financial statements have been prepared in accordance with the "Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial Statements" and the "Enforcement Regulation of the Insurance Business Law."*

5. Financial Review

1. Consolidated Results of Operations

For the three months ended June 30, 2008, ordinary revenues increased ¥40.4 billion, or 6.4 percent from the level of the same term of the previous fiscal year, to ¥675.6 billion, which was a total of income from insurance premiums of ¥394.8 billion (down 7.8 percent), investment income of ¥132.0 billion (down 15.4 percent), other ordinary income of ¥148.7 billion (up 193.9 percent) and others.

Ordinary expenses increased ¥75.8 billion, or 13.3 percent from the level of the same term of the previous fiscal year, to ¥644.5 billion, which was a total of insurance claims and other payments of ¥514.8 billion (up 12.1 percent), investment expenses of ¥54.0 billion (up 36.4 percent), operating expenses of ¥52.4 billion (up 1.7 percent), other ordinary expenses of ¥22.9 billion (up 28.4 percent) and others.

As a result, ordinary profit decreased ¥35.4 billion, or 53.3 percent from the level of the same term of the previous fiscal year, to ¥31.0 billion. Ordinary profit decreased mainly due to a decrease in income from interest and dividends and a decrease in net capital gains/losses including gains/losses from monetary trusts.

Extraordinary gains increased 983.0 percent, to ¥0.7 billion, and extraordinary losses decreased 75.0 percent, to ¥1.9 billion. Extraordinary losses mainly consisted of provision for reserve for price fluctuations of ¥1.7 billion (down 74.7 percent).

After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, net income decreased ¥19.2 billion, or 67.9 percent from the level of the same term of the previous fiscal year, to ¥9.0 billion.

2. Consolidated Financial Position

(1) Balance Sheets

As of June 30, 2008, total assets amounted to ¥13,270.4 billion (down 0.7 percent from March 31, 2008), mainly consisting of securities centered on public and corporate bonds amounting to ¥9,293.5 billion (up 0.5 percent), loans of ¥2,356.1 billion (down 0.3 percent), monetary claims purchased of ¥512.4 billion (up 19.0 percent), cash and deposits of ¥308.3 billion (down 0.0 percent) and tangible fixed assets of ¥306.3 billion (down 0.9 percent).

Total liabilities were ¥12,544.7 billion (down 1.1 percent), and policy reserves accounting for a substantial portion of them amounted to ¥12,007.9 billion (down 1.1 percent).

Total net assets were ¥725.6 billion (up 7.1 percent), of which net unrealized gains on securities was ¥302.4 billion (up 22.5 percent).

(2) Cash Flows

Cash flows for the three months ended June 30, 2008, were as follows.

Net cash used in operating activities was ¥162.8 billion in expenditure, up ¥111.3 billion from the level of the same term of the previous fiscal year. This was mainly due to a decrease in income from insurance premiums and an increase in insurance claims and other payments.

Net cash provided by investing activities was ¥152.6 billion in revenue, up ¥96.8 billion from the level of the same term of the previous fiscal year. This was mainly due to an increase in gains on sales and redemptions of securities.

Net cash used in financing activities was ¥10.1 billion in expenditure, up ¥7.8 billion from the level of the same term of the previous fiscal year. This was mainly due to a decrease in income from short-term debenture.

As a result, cash and cash equivalents as of June 30, 2008 totaled ¥961.1 billion, down ¥21.4 billion from the beginning of the fiscal year.

3. Operations of Three Life Insurance Companies (Non-consolidated Basis)

(1) Results of Operations

Taiyo Life Insurance Company:

For the three months ended June 30, 2008, Taiyo Life's ordinary revenues decreased ¥2.9 billion, or 1.0 percent from the level of the same term of the previous fiscal year, to ¥283.6 billion, which was a total of income from insurance premiums of ¥172.2 billion (down 4.0 percent), investment income of ¥50.5 billion (down 16.1 percent), and other ordinary income of ¥60.7 billion (up 29.9 percent).

Ordinary expenses increased ¥13.9 billion, or 5.4 percent from the level of the same term of the previous fiscal year, to ¥272.4 billion, which was a total of insurance claims and other payments of ¥220.6 billion (up 2.2 percent), investment expenses of ¥18.5 billion (up 33.2 percent), operating expenses of ¥19.7 billion (up 4.3 percent) and others.

As a result, ordinary profit decreased ¥16.8 billion, or 60.1 percent from the level of the same term of the previous fiscal year, to ¥11.1 billion. Ordinary profit decreased mainly due to a decrease in income from interest and dividends and gains on sales of securities.

Net income decreased ¥8.2 billion, or 68.0 percent from the level of the same term of the previous fiscal year, to ¥3.9 billion.

Core profit (a measure of underlying profitability from core insurance operations on a non-consolidated basis) for the three months ended June 30, 2008, recorded ¥9.6 billion, down 34.7 percent compared with the same term of the previous year, after compensating for a negative spread of ¥7.3 billion (up 70.5 percent).

Daido Life Insurance Company:

For the three months ended June 30, 2008, Daido Life's ordinary revenues increased ¥44.4 billion, or 14.1 percent from the level of the same term of the previous fiscal year, to ¥360.4 billion, which was a total of income from insurance premiums of ¥203.0 billion (up 1.3 percent), investment income of ¥62.5 billion (down 19.5 percent), and other ordinary income of ¥94.7 billion (up 151.0 percent).

Ordinary expenses increased ¥63.2 billion, or 23.0 percent from the level of the same term of the previous fiscal year, to ¥338.3 billion, which was a total of insurance claims and other payments of ¥273.6 billion (up 26.0 percent) and investment expenses of ¥30.6 billion (up 19.3 percent), operating expenses of ¥29.2 billion (up 2.9 percent) and others.

As a result, ordinary profit decreased ¥18.8 billion, or 46.1 percent from the level of the same term of the previous fiscal year, to ¥22.0 billion. Ordinary profit decreased mainly due to a decrease in income from interest and dividends and an increase in devaluation losses on securities.

Extraordinary gains increased 1,829.3 percent, to ¥0.6 billion, and extraordinary losses decreased 29.8 percent, to ¥1.8 billion. Extraordinary losses mainly consisted of provision for reserve for price fluctuations of ¥1.6 billion (down 3.9 percent).

Net income decreased ¥11.7 billion, or 62.9 percent from the level of the same term of the previous fiscal year, to ¥6.9 billion.

Core profit was ¥22.9 billion, a decrease of 26.5 percent compared with the same term of the previous fiscal year. A negative spread was ¥1.8 billion, turned from a positive spread of ¥3.5 billion yen for the same term of the previous fiscal year.

T&D Financial Life Insurance Company:

For the three months ended June 30, 2008, T&D Financial Life's ordinary revenues decreased ¥31.4 billion, or 43.0 percent from the level of the same term of the previous fiscal year, to ¥41.8 billion, which was a total of income from insurance premiums of ¥19.4 billion (down 59.8 percent), investment income of ¥19.5 billion (down 12.4 percent), and other ordinary income of ¥2.7 billion (up 10.7 percent).

Ordinary expenses decreased ¥30.9 billion, or 41.0 percent from the level of the same term of the previous fiscal year, to ¥44.5 billion, which was a total of insurance claims and other payments of ¥20.6 billion (down 21.9 percent), provision for policy reserve of ¥15.6 billion (down 62.9 percent), investment expenses of ¥4.8 billion (up 112.3 percent), and operating expenses of ¥2.9 billion (down 28.1 percent) and others.

As a result, ordinary losses increased ¥0.5 billion, or 26.6 percent from the level of the same term of the previous fiscal year, to ¥2.7 billion.

Net loss increased ¥0.3 billion, or 22.9 percent from the same term of the previous fiscal year, to ¥1.9 billion.

Core profit was ¥2.3 billion, an increase of 107.2 percent compared with the same term of the previous fiscal year. A negative spread was ¥0.9 billion (down 10.1 percent).

(2) Financial Position

Taiyo Life Insurance Company:

As of June 30, 2008, total assets amounted to ¥6,174.6 billion (down 0.2 percent from March 31, 2008), mainly consisting of securities centered on public and corporate bonds amounting to ¥4,199.0 billion (up 1.1 percent), loans of ¥1,485.0 billion (up 0.2 percent), tangible fixed assets of ¥161.3 billion (down 0.5 percent), and monetary claims purchased of ¥156.3 billion (down 2.6 percent).

Total liabilities were ¥5,897.2 billion (down 0.6 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,681.6 billion (down 0.9 percent).

Total net assets were ¥277.4 billion (up 9.1 percent) of which net unrealized gains on securities was ¥163.3 billion (up 20.0 percent).

Taiyo Life's solvency margin ratio (a measure of insurance companies' financial soundness) was 999.0 percent (1,000.6 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets (adjusted assets at fair value less liabilities, excluding quasi-equity liabilities) amounted to ¥656.9 billion (¥659.7 billion posted at the previous fiscal year-end).

Daido Life Insurance Company:

As of June 30, 2008, total assets amounted to ¥5,946.8 billion (down 1.7 percent from March 31, 2008), mainly consisting of securities centered on public and corporate bonds amounting to ¥4,143.7 billion (down 0.4 percent), loans of ¥880.1 billion (down 1.1 percent), monetary claims purchased of ¥356.0 billion (up 31.8 percent), cash and deposits of ¥164.9 billion (down 2.7 percent) and tangible fixed assets of ¥138.8 billion (down 1.2 percent).

Total liabilities were ¥5,545.1 billion (down 2.3 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,297.4 billion (down 1.8 percent).

Total net assets were ¥401.6 billion (up 7.3 percent) of which net unrealized gains on securities was ¥140.4 billion (up 25.5 percent).

Daido Life's solvency margin ratio was 1,103.8 percent (1,096.3 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets amounted to ¥823.2 billion (¥777.2 billion posted at the previous fiscal year-end).

T&D Financial Life Insurance Company:

As of June 30, 2008, total assets amounted to ¥1,061.2 billion (up 1.2 percent from March 31, 2008), mainly consisting of securities of ¥953.0 billion (up 2.0 percent), call loans of ¥27.5 billion (down 6.8 percent), monetary trust of ¥27.2 billion (down 9.8 percent) and cash and deposits of ¥21.6 billion (up 5.0 percent).

Total liabilities were ¥1,036.3 billion (up 1.4 percent), and policy reserves accounting for a substantial portion of them amounted to ¥1,026.2 billion (up 1.5 percent).

Total net assets were ¥24.8 billion (down 7.6 percent), of which net unrealized gains on securities was a loss of ¥1.3 billion (up 10.1 percent).

T&D Financial Life's solvency margin ratio was 891.2 percent (912.4 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets amounted to ¥60.4 billion (¥63.7 billion posted at the previous fiscal year-end).

(Reference) Sales Results

Taiyo Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the three months ended June 30, 2008 increased 10.0 percent compared with the same term of the previous fiscal year, to ¥501.8 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 15.1 percent compared with the same term of the previous fiscal year, to ¥314.3 billion.

As a result, the total policy amount in force of individual insurance and annuities as of June 30, 2008 decreased 2.0 percent from the level of the same term of the previous fiscal year, or increased 0.1 percent from the previous fiscal year-end, to ¥17,198.8 billion.

Daido Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the three months ended June 30, 2008 decreased 14.4 percent compared with the same term of the previous fiscal year, to ¥964.6 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities increased 0.9 percent compared with the same term of the previous fiscal year, to ¥920.6 billion.

As a result, the total policy amount in force of individual insurance and annuities as of June 30, 2008 decreased 0.0 percent from the level of the same term-end of the previous fiscal year, or decreased 0.5 percent from the previous fiscal year-end, to ¥39,713.1 billion.

T&D Financial Life Insurance Company:

The new policy amount of individual insurance and annuities for the three months ended June 30, 2008 (there is no net increase from conversions) decreased 65.2 percent compared with the same term of the previous fiscal year, to ¥12.6 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 23.7 percent compared with the same term of the previous fiscal year, to ¥36.9 billion.

As a result, the total policy amount in force of individual insurance and annuities as of June 30, 2008, decreased 11.1 percent from the level of the same term of the previous fiscal year, or decreased 1.3 percent from the previous fiscal year-end, to ¥2,231.1 billion.

4. Forecasts for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

Since the business results for the three months that ended June 30, 2008 are in line with our plan, earnings forecasts for the fiscal year ending March 31, 2009 have not been changed from those announced on May 19, 2008.

The consolidated forecasts for the year ending March 31, 2009 are as follows:

| | Ordinary revenues | Ordinary profit | Net income |
|--------------------|-------------------|-----------------|------------|
| Second quarter-end | 1,080 | 59 | 20 |
| Change | (5.1%) | (41.4%) | (39.5%) |
| Year-end | 2,100 | 115 | 39 |
| Change | (9.9%) | (26.1%) | 6.1% |

Reference: Forecasts for the Year Ending March 31, 2009, of Three Life Insurance Companies (Non-consolidated Basis)

| | Taiyo Life | Daido Life | T&D Financial Life |
|------------------------|------------|------------|--------------------|
| Ordinary revenues | 930 | 1,020 | 270 |
| Change | (7.0%) | (10.2%) | 49.6% |
| Ordinary profit (loss) | 29 | 96 | (14) |
| Change | (49.2%) | (8.3%) | 44.8% |
| Core profit (loss) | 46 | 107 | (4) |
| Change | (13.3%) | (14.3%) | (78.0%) |
| Net income (loss) | 13 | 34 | (10) |
| Change | 7.9% | 11.6% | 44.1% |

5. Others

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation)

None

(2) Adoption of Simple Accounting Methods and Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Principles and Procedures and Presentation Methods for Quarterly Consolidated Financial Statements

Adoption of Accounting Standard for Quarterly Financial Reporting

Effective from this fiscal year, ASBJ Statement No.12 “Accounting Standard for Quarterly Financial Reporting” and ASBJ Guidance No. 14 “Guidance on Accounting Standard for Quarterly Financial Reporting” have been adopted.

Under Article 61 and 82 of the “Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial Statements”, the quarterly consolidated financial statements have been prepared in accordance with the “Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial

Statements” and the “Enforcement Regulation of the Insurance Business Law”.

Adoption of Accounting Standard for Lease Transactions

(a) As lessee

Prior to April 1, 2008, the accounting treatment for finance lease transactions not involving the transfer of ownership (nonownership-transfer finance leases) had been permitted to be accounted for as operating lease transactions. However, the adoption of the “Accounting Standard for Lease Transactions (Statement No.13)” and the “Guidance on Accounting Standard for Lease Transactions (Guidance No.16)” was allowed regarding the quarterly consolidated financial statements on or after April 1, 2008. Therefore, the Company has adopted these standards and guidance effective from this fiscal year, and the accounting treatments for such transactions follow the method for ordinary purchase and sales transactions.

In addition, lease assets with respect to nonownership-transfer finance leases are amortized by the straight-line method at rates based on lease term, without any residual value.

The accounting treatment for nonownership-transfer finance leases which commenced before the first fiscal year in which the Accounting Standard for Lease Transactions is applied continuously follows the method for operating lease transactions.

The impact of this change on ordinary profit and net income is so limited.

(b) As lessor

Prior to April 1, 2008, the accounting treatment for nonownership-transfer finance leases had been permitted to be accounted for as operating lease transactions. However, the adoption of the “Accounting Standard for Lease Transactions (Statement No.13)” and the “Guidance on Accounting Standard for Lease Transactions (Guidance No.16)” was allowed regarding the quarterly consolidated financial statements on and after April 1, 2008. Therefore, the Company has adopted these standards and guidance effective from this fiscal year, and the accounting treatments for such transactions follow the method for ordinary purchase and sales transactions.

The impact of this change on ordinary profit and net income is so limited.

Unaudited Consolidated Balance Sheets

(Millions of yen)

| | As of June 30, | As of March 31, |
|--|-------------------|-------------------|
| | 2008 | 2008 |
| | Amount | Amount |
| Assets: | | |
| Cash and deposits | 308,330 | 308,428 |
| Call loans | 160,300 | 279,800 |
| Monetary claims purchased | 512,409 | 430,592 |
| Monetary trusts | 124,296 | 134,769 |
| Securities | 9,293,592 | 9,244,528 |
| Loans | 2,356,133 | 2,363,476 |
| Tangible fixed assets | 306,387 | 309,279 |
| Intangible fixed assets | 23,840 | 23,755 |
| Due from agencies | 1,285 | 1,382 |
| Due from reinsurers | 7,517 | 8,472 |
| Other assets | 141,831 | 199,089 |
| Deferred tax assets | 38,347 | 66,419 |
| Reserve for possible loan losses | (3,866) | (3,940) |
| Total assets | 13,270,407 | 13,366,056 |
| Liabilities: | | |
| Policy reserves | 12,007,928 | 12,137,756 |
| Reserve for outstanding claims | 72,088 | 75,264 |
| Policy reserve | 11,751,622 | 11,875,618 |
| Reserve for policyholder dividends | 184,216 | 186,873 |
| Due to agencies | 200 | 280 |
| Due to reinsurers | 351 | 491 |
| Short-term debenture | 29,970 | 27,971 |
| Subordinated bonds | 20,000 | 20,000 |
| Other liabilities | 215,170 | 232,992 |
| Reserve for bonus to directors and corporate auditors | 52 | 210 |
| Reserve for employees' retirement benefits | 117,065 | 116,849 |
| Reserve for directors' and corporate auditors' retirement benefits | 3,858 | 4,242 |
| Reserve for price fluctuations | 139,018 | 137,269 |
| Deferred tax liabilities | 439 | 10 |
| Deferred tax liabilities on land revaluation | 10,700 | 10,708 |
| Total liabilities | 12,544,757 | 12,688,782 |
| Net assets: | | |
| Common stock | | |
| Authorized - 966,000,000 shares | | |
| Issued - 246,330,000 shares | 118,595 | 118,595 |
| Capital surplus | 106,106 | 106,106 |
| Retained earnings | 245,044 | 251,934 |
| Treasury stock | (668) | (638) |
| Total stockholders' equity | 469,077 | 475,998 |
| Net unrealized gains on securities | 302,496 | 246,874 |
| Deferred gains on hedging instruments | 363 | 571 |
| Land revaluation | (48,029) | (48,014) |
| Foreign currency translation adjustments | (57) | 24 |
| Total valuation and translation adjustments | 254,771 | 199,455 |
| Minority interests | 1,800 | 1,820 |
| Total net assets | 725,650 | 677,273 |
| Total liabilities and net assets | 13,270,407 | 13,366,056 |

Unaudited Consolidated Statements of Operations

(Millions of yen)

| | Three months ended June 30, 2008 |
|---|-------------------------------------|
| | Amount |
| Ordinary revenues | 675,657 |
| Income from insurance premiums | 394,842 |
| Investment income | 132,029 |
| Interest, dividends and income from real estate for rent | 62,523 |
| Gains on investment in trading securities, net | 13,443 |
| Gains on sales of securities | 32,672 |
| Other investment income | 637 |
| Gains on separate accounts, net | 22,753 |
| Other ordinary income | 148,770 |
| Reversal of policy reserve | 123,995 |
| Other ordinary income | 24,775 |
| Equity in net income of affiliated companies | 14 |
| Ordinary expenses | 644,577 |
| Insurance claims and other payments | 514,852 |
| Insurance claims | 216,917 |
| Annuity payments | 52,472 |
| Insurance benefits | 83,698 |
| Surrender payments | 112,018 |
| Other payments | 49,746 |
| Provision for policy and other reserves | 225 |
| Interest portion of reserve for policyholder dividends | 225 |
| Investment expenses | 54,083 |
| Interest expenses | 496 |
| Losses from monetary trust, net | 5,010 |
| Losses on sales of securities | 7,785 |
| Devaluation losses on securities | 10,690 |
| Losses from derivatives, net | 23,964 |
| Foreign exchange losses, net | 1,044 |
| Write-off of loans | 9 |
| Depreciation of real estate for rent | 1,364 |
| Other investment expenses | 3,717 |
| Operating expenses | 52,475 |
| Other ordinary expenses | 22,939 |
| Ordinary profit | 31,079 |
| Extraordinary gains | 729 |
| Gains on disposal of fixed assets | 647 |
| Reversal of reserve for possible loan losses | 48 |
| Recoveries of bad debts previously written-off | 32 |
| Other extraordinary gains | 0 |
| Extraordinary losses | 1,979 |
| Losses on disposal of fixed assets | 229 |
| Provision for reserve for price fluctuations | 1,748 |
| Other extraordinary losses | 0 |
| Provision for reserve for policyholder dividends | 10,507 |
| Income before income taxes | 19,322 |
| Current income taxes | 12,628 |
| Deferred income taxes | (2,409) |
| Minority interests | 3 |
| Net income | 9,099 |

Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

| | Three months ended June 30, 2008 |
|--|-------------------------------------|
| | Amount |
| Cash flows from operating activities: | |
| Income before income taxes | 19,322 |
| Depreciation of real estate for rent | 1,364 |
| Impairment loss | 3,248 |
| Decrease in reserve for outstanding claims | (3,175) |
| Decrease in policy reserve | (123,995) |
| Increase in interest portion of reserve for policyholder dividends | 225 |
| Increase in provision for reserve for policyholder dividends | 10,507 |
| Decrease in reserve for possible loan losses | (50) |
| Decrease in reserve for bonus to directors and corporate auditors | (157) |
| Increase in reserve for employees' retirement benefits | 216 |
| Decrease in reserve for directors' and corporate auditors' retirement benefits | (383) |
| Increase in reserve for price fluctuations | 1,748 |
| Interest, dividends and income from real estate for rent | (62,523) |
| Gains on investment securities | (50,393) |
| Interest expense | 496 |
| Exchange losses | 1,127 |
| Gains on disposal of tangible fixed assets | (622) |
| Equity in net income of affiliated companies | (14) |
| Decrease in amount due from agencies | 97 |
| Decrease in amount due from reinsurers | 955 |
| Increase in other assets (excluding investment activities-related and financing activities-related) | (4,282) |
| Decrease in amount due to agencies | (79) |
| Decrease in amount due to reinsurers | (139) |
| Decrease in other liabilities (excluding investment activities-related and financing activities-related) | (1,011) |
| Other, net | 32,184 |
| Subtotal | (175,334) |
| Interest, dividends and income from real estate for rent received | 65,291 |
| Interest paid | (839) |
| Policyholder dividends | (13,291) |
| Other, net | (883) |
| Income taxes paid | (37,755) |
| Net cash used in operating activities | (162,812) |
| Cash flows from investing activities: | |
| Net increase in short-term investments | (630) |
| Investments in monetary claims purchased | (16,120) |
| Proceeds from sale and redemption of monetary claims purchased | 23,754 |
| Investments in monetary trusts | (4,700) |
| Proceeds from monetary trusts | 13,479 |
| Purchase of securities | (979,370) |
| Sale and redemption of securities | 1,114,257 |
| Investments in loans | (120,967) |
| Collection of loans | 128,846 |
| Other, net | (6,779) |
| Subtotal | 151,769 |
| Total of net cash used in operating activities and investment transactions as above | (11,043) |
| Purchase of tangible fixed assets | (454) |
| Proceeds from disposal of tangible fixed assets | 1,343 |
| Net cash provided by investing activities | 152,658 |
| Cash flows from financing activities: | |
| Income from short-term debenture | 1,981 |
| Proceeds from debt | 3,000 |
| Repayments of debt | (1,854) |
| Payment of lease obligations | (2) |
| Purchase of treasury stock | (32) |
| Sale of treasury stock | 1 |
| Dividends paid | (13,201) |
| Dividends paid to minority interests | (31) |
| Net cash used in financing activities | (10,140) |
| Effect of exchange rate changes on cash and cash equivalents | (1,112) |
| Net decrease in cash and cash equivalents | (21,407) |
| Cash and cash equivalents at beginning of year | 982,596 |
| Cash and cash equivalents at end of period | 961,189 |

(Reference) Unaudited Consolidated Statements of Operations for the Three Months Ended June 30, 2007

(Millions of yen)

| | Three months ended June 30, 2007 |
|--|-------------------------------------|
| | Amount |
| Ordinary revenues | 635,229 |
| Income from insurance premiums | 428,477 |
| Investment income | 156,119 |
| Interest, dividends and income from real estate for rent | 75,117 |
| Gains from monetary trusts, net | 4,861 |
| Gains on investment in trading securities, net | 14,800 |
| Gains on sales of securities | 32,606 |
| Other investment income | 647 |
| Gains on separate accounts, net | 28,085 |
| Other ordinary income | 50,621 |
| Reversal of policy reserve | 30,083 |
| Other ordinary income | 20,537 |
| Equity in net income of affiliated companies | 11 |
| Ordinary expenses | 568,692 |
| Insurance claims and other payments | 459,339 |
| Insurance claims | 199,212 |
| Annuity payments | 48,477 |
| Insurance benefits | 84,701 |
| Surrender payments | 99,591 |
| Other payments | 27,357 |
| Provision for policy and other reserves | 229 |
| Interest portion of reserve for policyholder dividends | 229 |
| Investment expenses | 39,642 |
| Interest expenses | 574 |
| Losses on sales of securities | 5,131 |
| Devaluation losses on securities | 1,168 |
| Losses from derivatives, net | 23,955 |
| Foreign exchange losses, net | 1,212 |
| Write-off of loans | 17 |
| Depreciation of real estate for rent | 1,418 |
| Other investment expenses | 6,163 |
| Operating expenses | 51,617 |
| Other ordinary expenses | 17,862 |
| Ordinary profit | 66,537 |
| Extraordinary gains | 67 |
| Reversal of reserve for possible loan losses | 50 |
| Recoveries of bad debts previously written-off | 16 |
| Other extraordinary gains | 0 |
| Extraordinary losses | 7,904 |
| Losses on disposal of fixed assets | 986 |
| Impairment loss | 1 |
| Provision for reserve for price fluctuations | 6,916 |
| Provision for reserve for policyholder dividends | 12,106 |
| Income before income taxes | 46,594 |
| Current income taxes | 20,534 |
| Deferred income taxes | (2,289) |
| Minority interests | 26 |
| Net income | 28,323 |

(Reference) Unaudited Consolidated Condensed Statements of Cash Flows for the Three Months Ended June 30, 2007

(Millions of yen)

| | Three months ended June 30, 2007 |
|--|-------------------------------------|
| | Amount |
| Net cash used in operating activities | (51,427) |
| Net cash provided by investing activities | 55,839 |
| Net cash used in financing activities | (2,261) |
| Effect of exchange rate changes on cash and cash equivalents | (1,614) |
| Net increase in cash and cash equivalents | 535 |
| Cash and cash equivalents at beginning of period | 1,217,045 |
| Cash and cash equivalents at end of period | 1,217,581 |

(Reference)

**Non-Consolidated Financial Data of the Three Life Insurance Companies
for the Three Months Ended June 30, 2008**

1. Sales Results (Individual insurance and annuities)

(Billions of yen)

| Three Months Ended June 30, 2008 | Total (Sum of three companies) | | Taiyo Life | | Daido Life | | T&D Financial Life | |
|---------------------------------------|-----------------------------------|---------|------------|--------------|------------|------------|--------------------|--------------|
| | Amount | Change | Amount | Change | Amount | Change | Amount | Change |
| | New policy amount | 1,479.1 | (8.7%) | 501.8 | 10.0% | 964.6 | (14.4%) | 12.6 |
| Surrender and lapse amount | 1,271.8 | (4.5%) | 314.3 | (15.1%) | 920.6 | 0.9% | 36.9 | (23.7%) |
| Surrender and lapse rate | | | 1.83% | (0.27points) | 2.31% | 0.01points | 1.63% | (0.29points) |
| Policy amount in force | 59,143.1 | (1.1%) | 17,198.8 | (2.0%) | 39,713.1 | (0.0%) | 2,231.1 | (11.1%) |
| Annualized premiums of new policies | 26.8 | (16.0%) | 9.8 | 4.8% | 15.2 | (13.0%) | 1.7 | (65.7%) |
| 3rd sector products | 3.4 | (5.7%) | 2.5 | (4.9%) | 0.8 | (7.8%) | - | - |
| Annualized premiums of total policies | 1,416.2 | (1.8%) | 631.1 | (3.7%) | 685.4 | (0.7%) | 99.6 | 4.1% |
| 3rd sector products | 173.3 | (1.8%) | 110.9 | (0.9%) | 56.4 | (2.8%) | 5.8 | (9.9%) |

Notes:

1. New policy amount includes an increase from conversion.
2. Surrender and lapse rate is not annualized.
3. % Change is presented in comparison with the same term of the previous fiscal year (hereinafter, same if not mentioned otherwise).
4. Changes in policy amount in force from the previous fiscal year-end: Total: (0.3%); Taiyo Life: 0.1%; Daido Life: (0.5%); T&D Financial Life: (1.3%)

2. Summary of Operations

(Billions of yen)

| Three Months Ended June 30, 2008 | T&D Holdings Consolidated | | Taiyo Life | | Daido Life | | T&D Financial Life | |
|--|------------------------------|---------|------------|-----------|------------|----------|--------------------|---------|
| | Amount | Change | Amount | Change | Amount | Change | Amount | Change |
| | Ordinary revenues | 675.6 | 6.4% | 283.6 | (1.0%) | 360.4 | 14.1% | 41.8 |
| Income from insurance premiums and others | 394.8 | (7.8%) | 172.2 | (4.0%) | 203.0 | 1.3% | 19.4 | (59.8%) |
| Investment income | 132.0 | (15.4%) | 50.5 | (16.1%) | 62.5 | (19.5%) | 19.5 | (12.4%) |
| Ordinary expenses | 644.5 | 13.3% | 272.4 | 5.4% | 338.3 | 23.0% | 44.5 | (41.0%) |
| Insurance claims and other payments | 514.8 | 12.1% | 220.6 | 2.2% | 273.6 | 26.0% | 20.6 | (21.9%) |
| Investment expenses | 54.0 | 36.4% | 18.5 | 33.2% | 30.6 | 19.3% | 4.8 | 112.3% |
| Ordinary profit (losses) | 31.0 | (53.3%) | 11.1 | (60.1%) | 22.0 | (46.1%) | (2.7) | 26.6% |
| Extraordinary gains | 0.7 | 983.0% | 0.0 | 39,200.4% | 0.6 | 1,829.3% | 0.0 | - |
| Extraordinary losses | 1.9 | (75.0%) | 0.0 | (98.2%) | 1.8 | (29.8%) | 0.0 | 100.0% |
| Provision for reserve for policyholder dividends | 10.5 | (13.2%) | 3.2 | (11.8%) | 7.2 | (13.3%) | 0.0 | (91.8%) |
| Income (loss) before income taxes | 19.3 | (58.5%) | 7.8 | (58.9%) | 13.6 | (54.4%) | (2.7) | 23.6% |
| Income taxes | 10.2 | (44.0%) | 3.9 | (42.9%) | 6.7 | (40.5%) | (0.8) | 25.3% |
| Net income (loss) | 9.0 | (67.9%) | 3.9 | (68.0%) | 6.9 | (62.9%) | (1.9) | 22.9% |

Notes:

1. Income taxes include current income taxes and deferred income taxes.
2. T&D Holdings' consolidated figures do not always correspond to the sum of the three companies' figures. Simple sum of all three companies' income from insurance premiums and others is 394.8 billion yen.

3. Key Indicators

(Billions of yen)

| Three Months Ended June 30, 2008 | Total (Sum of Three Companies) | | Taiyo Life | | Daido Life | | T&D Financial Life | |
|-------------------------------------|-----------------------------------|----------|------------|--------|------------|----------|--------------------|---------|
| | Amount | Change | Amount | Change | Amount | Change | Amount | Change |
| | Core profit | 34.9 | (25.8%) | 9.6 | (34.7%) | 22.9 | (26.5%) | 2.3 |
| Amount of negative spread | 10.1 | (Note) - | 7.3 | 70.5% | 1.8 | (Note) - | 0.9 | (10.1%) |

Note: Daido Life has a positive spread (3.5 billion yen) in the same term of the previous fiscal year.

(Billions of yen)

| As of June 30, 2008 | Total (Sum of Three Companies) | | Taiyo Life | | Daido Life | | T&D Financial Life | |
|-------------------------------------|-----------------------------------|-----------------------------|------------|-----------------------------|-------------|-----------------------------|--------------------|-----------------------------|
| | Amount | Change from previous FYE | Amount | Change from previous FYE | Amount | Change from previous FYE | Amount | Change from previous FYE |
| | Solvency margin ratio | | | 999.0% | (1.6points) | 1,103.8% | 7.5points | 891.2% |
| Adjusted net asset | 1,540.6 | 39.8 | 656.9 | (2.8) | 823.2 | 46.0 | 60.4 | (3.3) |
| Net unrealized gains on securities | 467.1 | 35.1 | 267.0 | 0.3 | 201.1 | 37.3 | (1.1) | (2.6) |
| Domestic bonds | 26.7 | (68.7) | 20.0 | (43.1) | 7.7 | (22.9) | (1.1) | (2.6) |
| Domestic stocks | 391.8 | 66.4 | 258.3 | 47.8 | 133.4 | 18.6 | - | - |
| Foreign securities | (7.7) | (4.6) | (3.3) | (4.0) | (4.4) | (0.5) | 0.0 | 0.0 |
| Other securities | 52.6 | 47.3 | (7.6) | 3.3 | 60.3 | 43.9 | (0.0) | 0.0 |
| Monetary trusts | 3.4 | 3.1 | - | - | 3.4 | 3.1 | - | - |
| Net unrealized gains on real estate | 70.8 | (0.1) | 35.9 | 0.1 | 34.9 | (0.2) | - | - |

Notes:

1. Regarding net unrealized gains/losses on securities, the figures show only those of securities with market value. Also the figure include those of securities (excluding trading securities) under monetary trusts.
2. Taiyo Life's net unrealized gains on real estate is calculated based on the appraisal price and the posted price.
3. Daido Life's net unrealized gains on real estate is basically calculated based on the appraisal price. Less important properties are calculated based on the posted price.
4. Adjusted net worth on EEV (European Embedded Value) are as follows:
sum of three companies: 1,062.2 billion yen (up 5.0 billion yen from the previous fiscal year end); Taiyo Life: 470.4 billion yen (down 14.2 billion yen); Daido Life: 555.2 billion yen (up 22.2 billion yen); T&D Financial Life: 36.5 billion yen (down 2.9 billion yen).

(Reference)

Forecasts for the Year Ending March 31, 2009 (April 1, 2008 - March 31, 2009)

Full year forecasts for the year ending March 31, 2009 have not been changed as originally announced on May 19, 2008, being placed below as reference.

1. T&D Holdings (Consolidated)

(Billions of yen)

| | Year Ended March 31, 2008 | Forecast for the Year Ending March 31, 2009 | Percentage of Change (%) |
|-------------------|------------------------------|--|--------------------------|
| Ordinary revenues | 2,330.0 | 2,100 | (9.9%) |
| Ordinary profit | 155.7 | 115 | (26.1%) |
| Net income | 36.7 | 39 | 6.1% |

Projected annual dividend per share for the year ending March 31, 2009 is 65.00 yen.

2. Three Life Insurance Companies (Non-consolidated Basis)

The followings are the three life insurance companies' forecasts for the year ending March 31, 2009.

(Billions of yen)

| | Taiyo Life | Daido Life | T&D Financial Life |
|--------------------------|------------|------------|--------------------|
| Ordinary revenues | 930 | 1,020 | 270 |
| % change | (7.0%) | (10.2%) | 49.6% |
| Ordinary profit (losses) | 29 | 96 | (14) |
| % change | (49.2%) | (8.3%) | 44.8% |
| Net income (loss) | 13 | 34 | (10) |
| % change | 7.9% | 11.6% | 44.1% |

Note: "% change" represents the change from the year ended March 31, 2008.

The above forecasts for the year ending March 31, 2009 reflect the Company's current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses.