

T&D Life Group

Management Integration

October 10, 2003

Taiyo Life Insurance Company Daido Life Insurance Company
T&D Financial Life Insurance Company

Establishment of Holding Company

Overview of Holding Company

Name of Holding Company	: T&D Holdings, Inc.
Date of Establishment	: April 1, 2004
Location of Headquarters	: 2-7-9 Nihonbashi, Chuo-ku, Tokyo
Number of Directors and Auditors	: 8 Directors and 4 Auditors

Stock Transfer Ratios

- The number of T&D Holdings shares (no-par value) to be allotted per each share in the three companies -

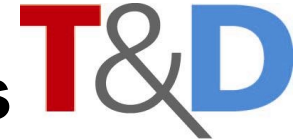
Daido 100 : Taiyo 55 : T&D Financial 15

*Adopted the *Tangen* or unitary share system: one unit = 50 shares

Methodology to Determine Stock Transfer Ratios

- Historical stock price is the primary factor for deciding the transfer ratio, supported by analysis of embedded value and others reflecting the result of due diligence
- Fairness opinions rendered by JP Morgan and Nomura Securities

Roles of Holding Company and Subsidiaries



T&D Life Group

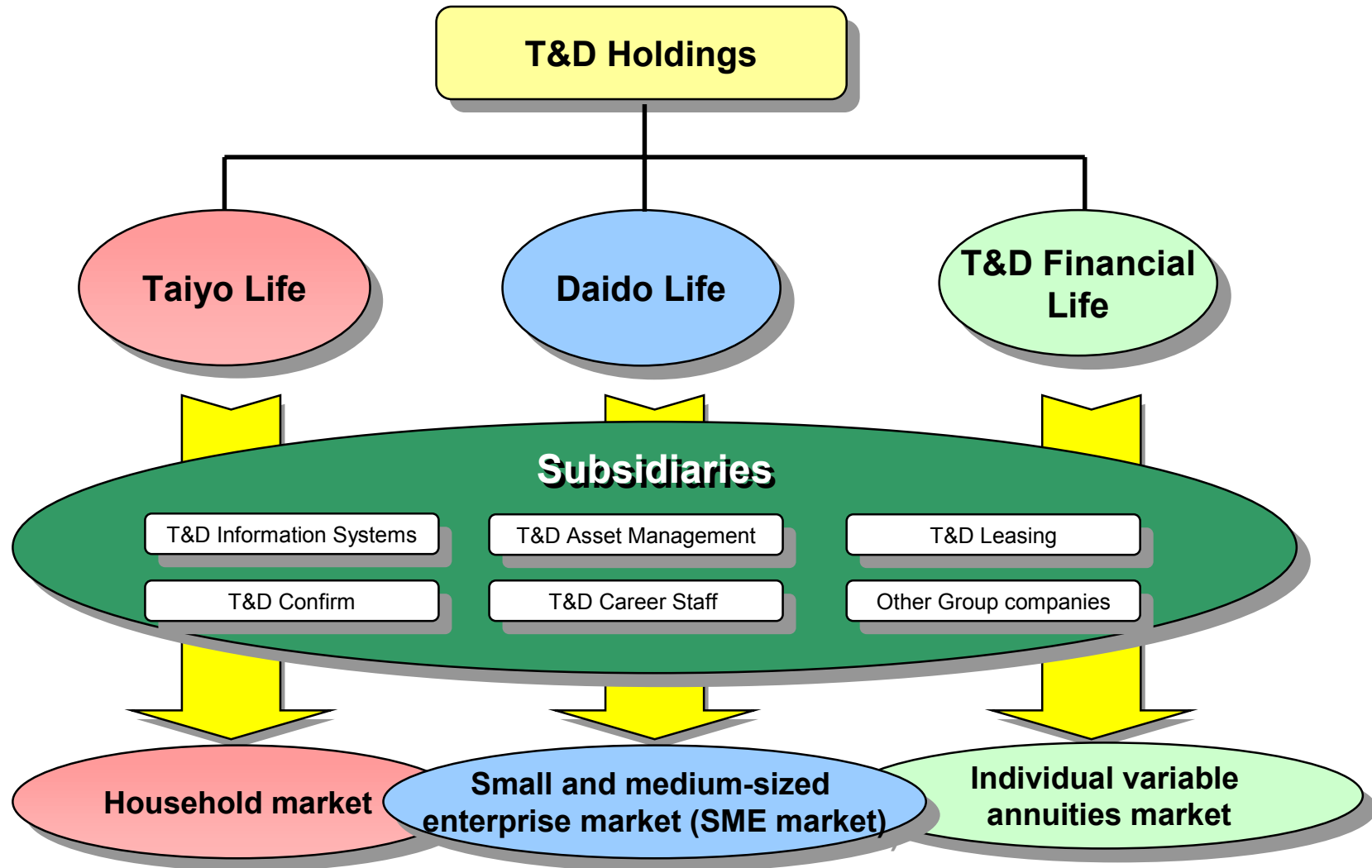
Role of Holding Company

- Enhance corporate value
- Group-wide Risk management through strong governance structure
 1. Determine Group strategy
 2. Profit control and Risk management
 3. Appropriate allocation of management resources
 4. Determine capital management

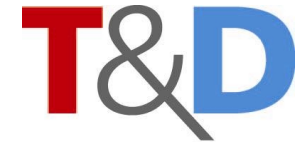
Role of Subsidiaries

- Profit Maximization
 1. Determine marketing strategy
 2. Conduct business at each business unit

Group Structure

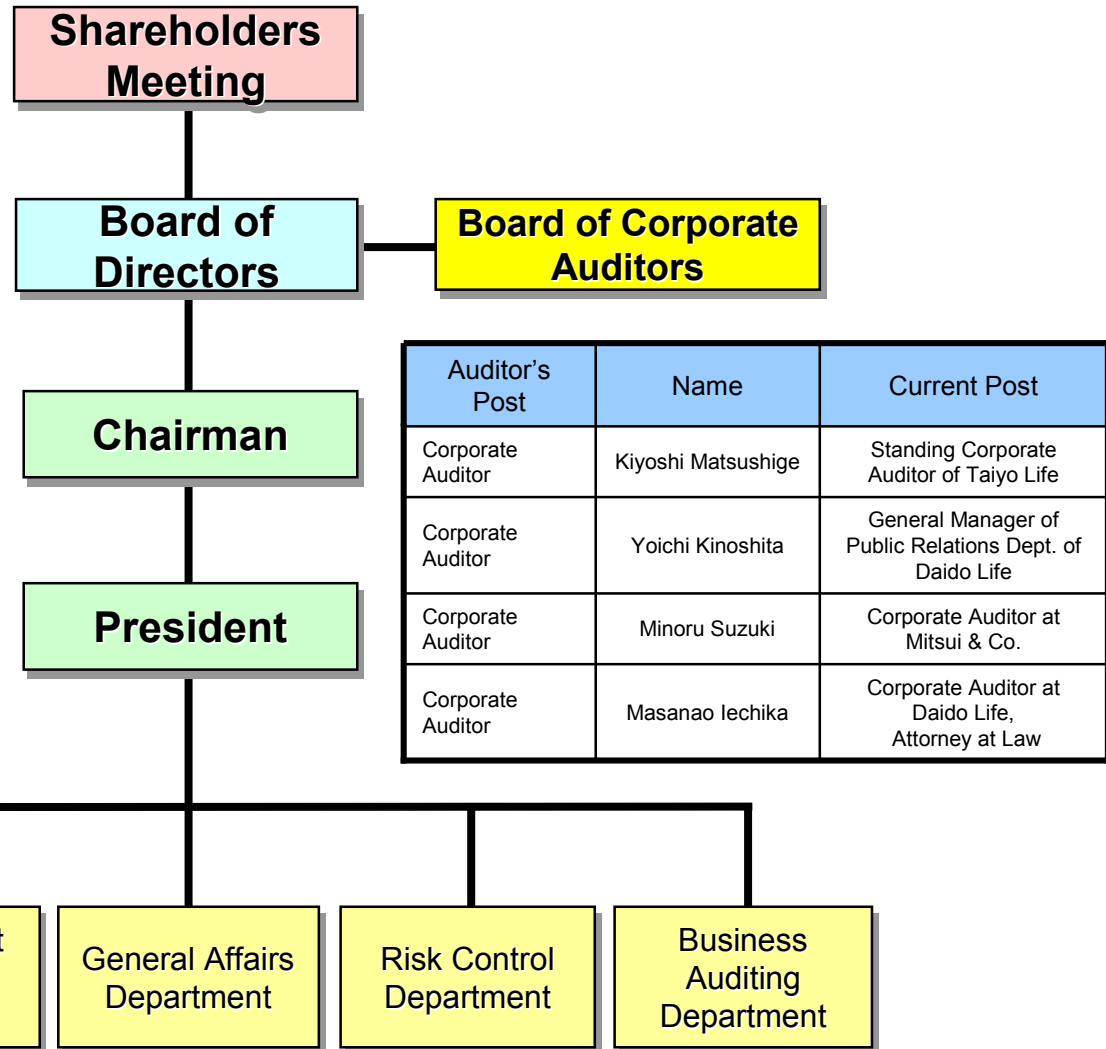


Holding Company Organization



T&D Life Group

Director's Post	Name	Current Post
Representative Director and Chairman	Masahiro Yoshiike	Representative Director and President of Taiyo Life
Representative Director and President	Naoteru Miyato	Representative Director and President of Daido Life
Senior Managing Director	Muneo Takeuchi	Senior Managing Director of Daido Life
Senior Managing Director	Kunio Ikeda	Senior Managing Director of Taiyo Life
Managing Director	Osamu Koyama	Managing Director of Daido Life
Managing Director	Kenji Nakagome	Managing Director of Taiyo Life
Director	Sounosuke Usui	Director of Daido Life
Director	Shigeru Kobori	Attorney at Law



Auditor's Post	Name	Current Post
Corporate Auditor	Kiyoshi Matsushige	Standing Corporate Auditor of Taiyo Life
Corporate Auditor	Yoichi Kinoshita	General Manager of Public Relations Dept. of Daido Life
Corporate Auditor	Minoru Suzuki	Corporate Auditor at Mitsui & Co.
Corporate Auditor	Masanao Iechika	Corporate Auditor at Daido Life, Attorney at Law

Management Integration Objectives through Holding Company Structure


Diversification of Business Portfolio

- Formation of multiple business units by strong niche players
- Avoidance of demerits of the merger

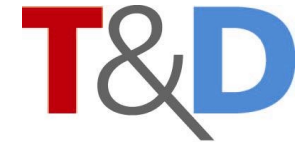
Increased Maneuverability

- Strategic allocation of management resources
- Facilitate M&A and new business development

Enhanced Competitiveness

- Improvement of management efficiency  Utilization of duplicate management resources
- Economy of scale for survival in the competitive market

Business Target: Sales



T&D Life Group

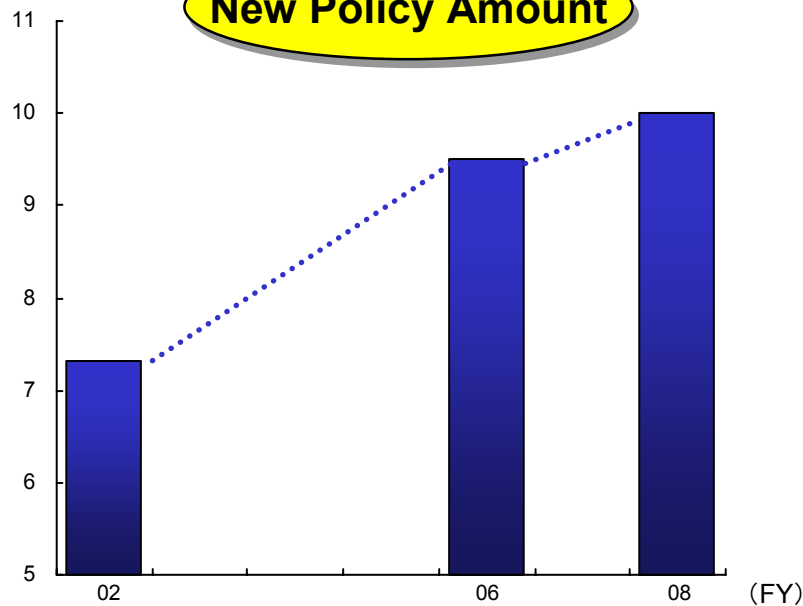
	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)	Percentage change compared with FY2002
New Policy Amount	7.3 Trillion Yen	9.5 Trillion Yen or more	10 Trillion Yen or more	135 % or more
Policy Amount In Force	57.9 Trillion Yen	65 Trillion Yen or more	70 Trillion Yen or more	120% or more

* FY 2002 (performance) is based on the companies' official finance index

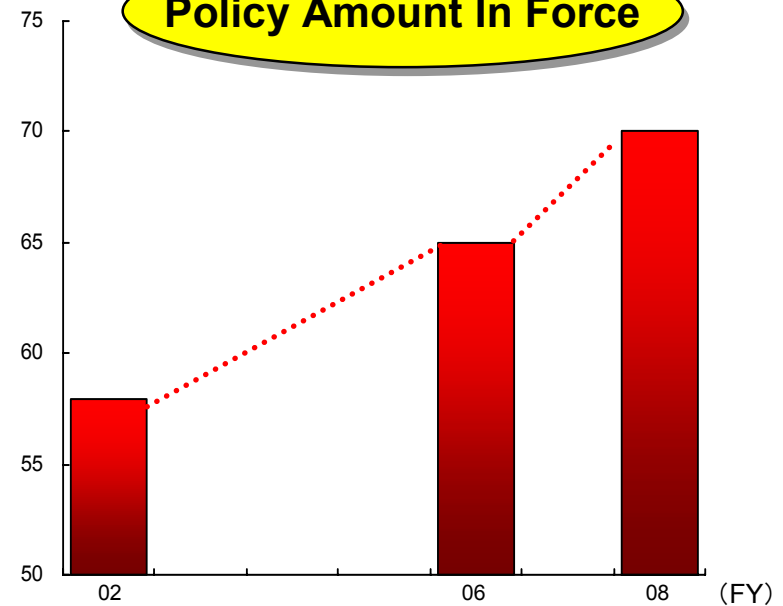
** Total of Individual life insurance and annuities

***Based on the simple addition of the non-consolidated data of each of the three companies

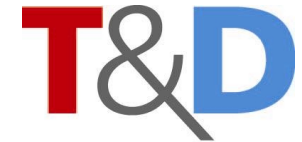
(Trillions of Yen)



(Trillions of Yen)



Business Target: Profits



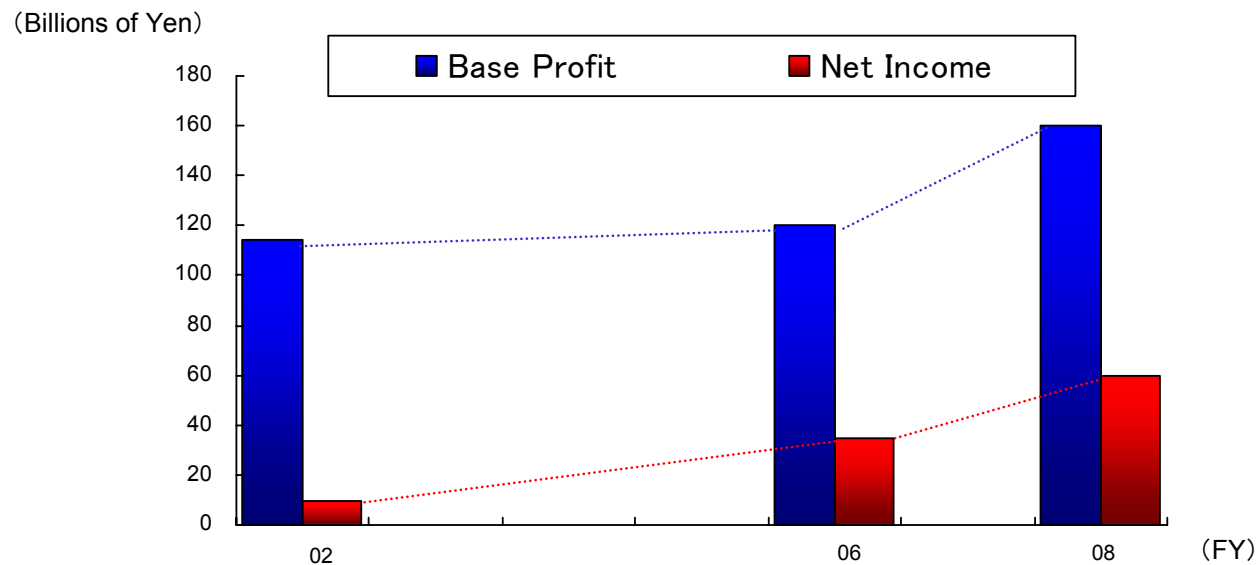
T&D Life Group

	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)	Percentage change compared with FY2002
Base Profit	114.2 billion yen	120 billion yen or more	160 billion yen or more	140% or more
Net Income	9.8 billion yen	35 billion yen or more	60 billion yen or more	600% or more
ROE	2.9%	8% or more	12% or more	+9 points or more

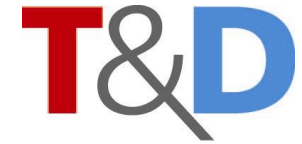
* ROE=Net Income / ((Beginning-of-Year Shareholders' Equity + Year-End Shareholders' Equity) / 2)

** The values for stock prices, foreign exchange rates, interest rates and other items used in the projections are those as of June 30, 2003

***Based on the simple addition of the non-consolidated data of the each of the three companies



Enhancement of Profitability



T&D Life Group

(FY 2008 Target: Net Income)

23 Billion Yen

Daido Life
(Increased through stable growth)

18 Billion Yen

Taiyo Life
(Increased through products shift, etc)

T&D Financial Life
(Change from 6 Billion Yen loss to 4 Billion Yen profit)

10 Billion Yen

Net Income for FY 2002

9.8 Billion Yen



FY 2008 Target

60 Billion Yen or more

Enhancement of Corporate Value

➤ “Increase corporate value”

⇒ Focus on enlarging embedded value

Contributing Factors

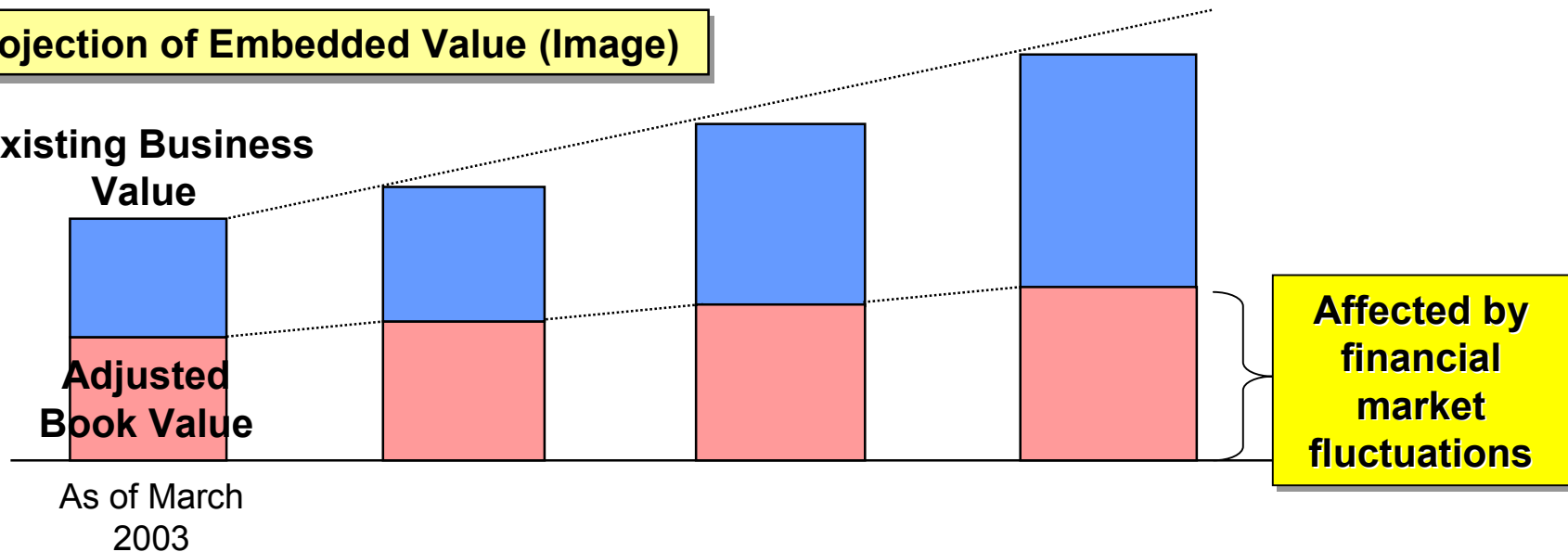
- **Steady increase of new policy amount and policy amount in force**
- **Increase net income**
- **Cost synergies**

Projection of Embedded Value (Image)

Existing Business Value

Adjusted Book Value

As of March 2003



Affected by financial market fluctuations

Integration Effect: Cost Reduction

(Total reduction cost: FY 2003 ~ FY 2008)

Reduction of work force: **14 Billion Yen (approx)**

- With the establishment of a subsidiary specializing in administrative operation, 10 billion yen cost reduction will be achieved in five years from FY2004 to FY2008
- Expected reduction of 10% of work force by FY2006

IT savings: **6 Billion Yen (approx)**

- Integration and streamlining of IT


Business Redundancy: **1 Billion Yen (approx)**

- Integration of duplicate operations of affiliated companies



Expected Cost Reduction

21 Billion Yen (approx)



Reduction of Group operating expenses in 2008 will be reduced by **5.5 Billion Yen / annum** compared to 2002

Integration Effect: Synergetic Effect in Sales **T&D**

T&D Life Group

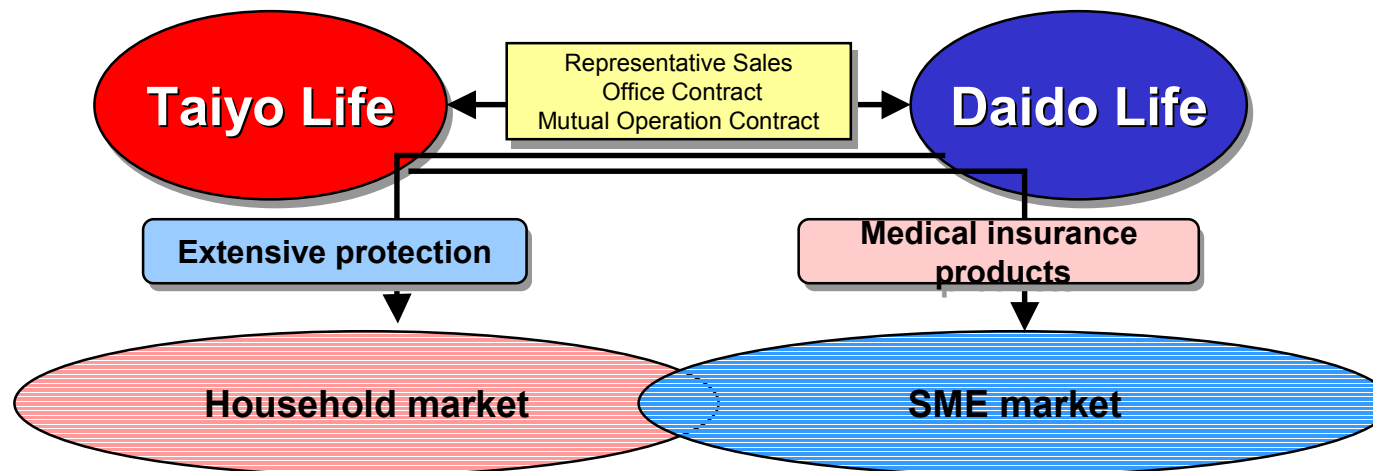
➤ Exploring new sales scheme

Providing products and services supported by the respective expertise of Taiyo Life and Daido Life

Cross-selling of Main Products

New policy target amount: 20 Billion Yen or more in the first year

→ Followed by gradual increase in subsequent years



Intensive marketing to cultivate client base for Group

Group Core Strategy

Formation of business units that promote independent strategies while optimizing Group management resources

Pursuing greater efficiency through integration of overlapping Group infrastructures

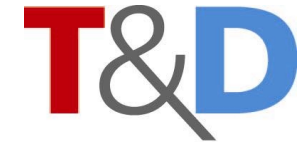
Constructing a stronger corporate governance structure through appropriate profit control and risk management

Expanding life insurance business and entering into new business areas through strategic alliances and M&A








**Pursue sustainable growth in
Group corporate value**

Multiple Business Units



T&D Life Group

➤ Products/ Sales Matrix (Specialized areas)

	Sales Representatives	FP	Sales Agents	Banks/ Securities Firms	Direct Sales
Protection	  Major Life Insurers	Sony Prudential	 Tokio Marine Nichido		Alico
Third Sector	 Major Life Insurers		AFLAC		Alico AFLAC
Asset Formation (Individual Variable Annuities)				 Hartford	

Strategy by Business Unit

1. Marketing strategy for households

- Enhance profitability through promotion of protection-type products
- Enhance sales force (new staffing / training for sales personnel to ensure their ability to provide high-quality consulting services)
- Reinforce client base through promotion of new clients and strengthen relationships with existing customers through database utilization
- Enhance customer service capability by expanding call-centers, providing a wide range of card services and other measures

Target

(Taiyo Life Sales Target)

	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)
New Policy Amount	2,175.4	3,760 or more	3,930 or more
Percentage change compared with FY 2002	—	170% or more	180% or more
Policy Amount In Force	15,268.6	20,620 or more	23,410 or more
Percentage change compared with FY 2002	—	135% or more	150% or more

(Billions of Yen)

Strategy by Business Unit

2. Marketing strategy for SMEs

- Further focus on individual term life insurance through tie-ups with TA/CPA groups and SME organizations
- Increase sales channel and improve productivity (emphasis on sales representatives and TA/CPA agents)
- Development of new products and services based on protection needs of SMEs

Target		(Daido Life Sales Target)		
	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)	
New Policy Amount	4,673.5	5,160 or more	5,370 or more	
Percentage change compared with FY 2002	—	110% or more	110% or more	
Policy Amount In Force	39,342.6	41,510 or more	42,870 or more	
Percentage change compared with FY 2002	—	105% or more	105% or more	

(Billions of Yen)

Strategy by Business Unit

3. Marketing strategy of individual variable annuities

- Aggressively expand into banking and securities channels as new earnings streams
- Foster improved agency productivity
- Improving customer satisfaction through reinforcing functions of call-centers and internet services

Target

(T&D Financial Life Sales Target – includes existing businesses)

	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)
New Policy Amount	467.5	630 or more	680 or more
Percentage change compared with FY 2002	—	130% or more	145% or more
Policy Amount In Force	3,314.2	3,670 or more	4,060 or more
Percentage change compared with FY 2002	—	110% or more	120% or more

(Billions of Yen)

Increase Efficiency: IT · Administrative Operations

IT Strategy

- **T&D Information systems emphasizes speed and efficiency through economy of scale**
- **Allocation of management resources to strategic IT area**

<Actions>

- **Establishment of a common back-up center**
- **Establishment of a common infrastructure for call-centers**
- **Sharing of network**
- **System integration of new projects**
- **Sharing purchases of IT equipment**

Administrative Operations

- **Administrative operation utilizing economy of scale and reduction of operational costs**
- **Improvement of customer satisfaction with emphasis on efficient business**

<Actions>

- **Provide excellent customer service**
- **Reduce operational cost**
- **Reinforce customer service**
- **Investigate the possibility of sharing common businesses within the Group, etc**

Increase Efficiency: Strategic Utilization of Work Force

➤ **Improve productivity through optimal staff allocation**

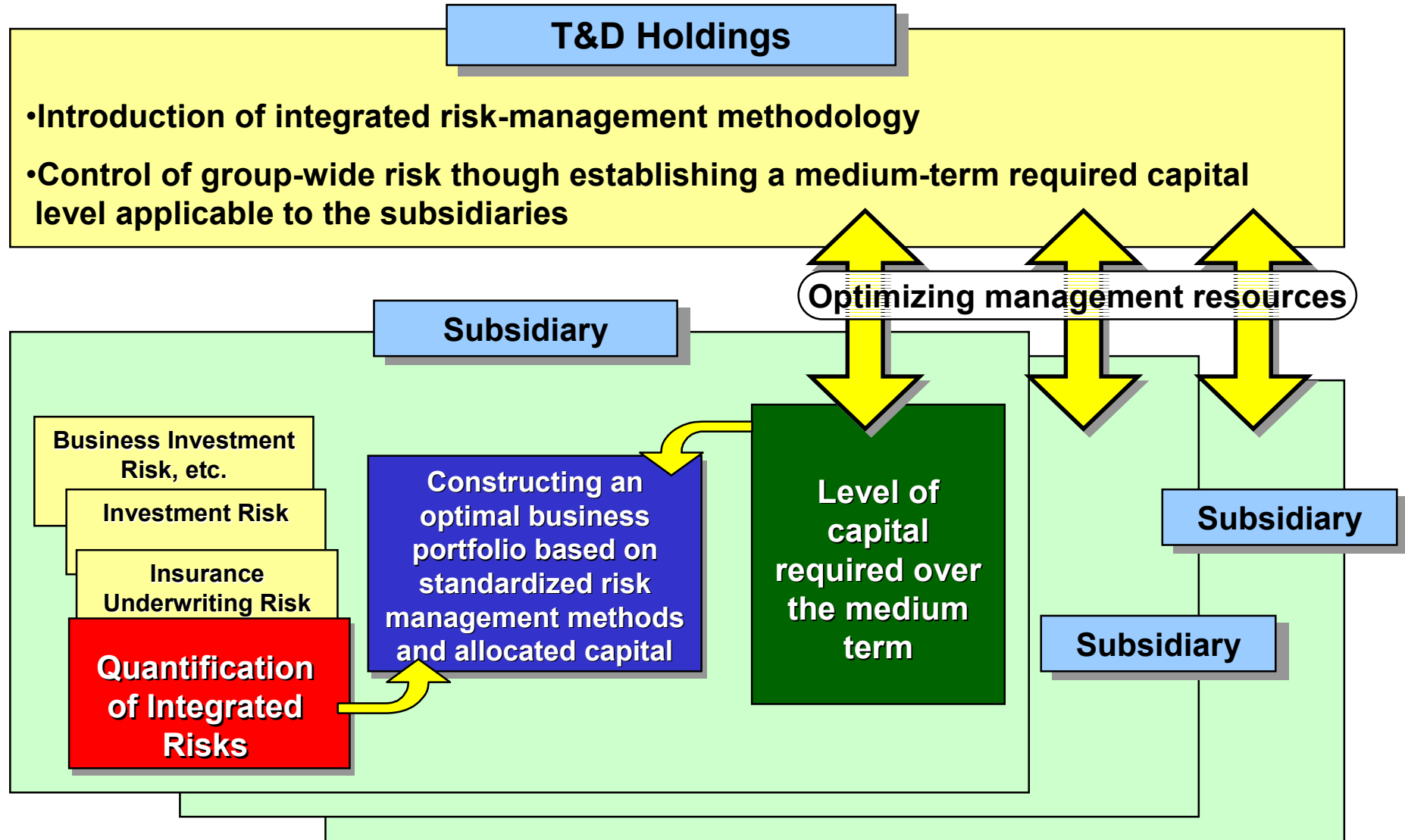
- Reduction of the number of employees through integration of overlapping back-office functions
- Standardization and rationalization of operations - outsourcing of staff in back-office functions
- Strategic staff allocation in sales areas



**Target: Reduction of 10% of work force
by FY2006 / compared to FY2002**

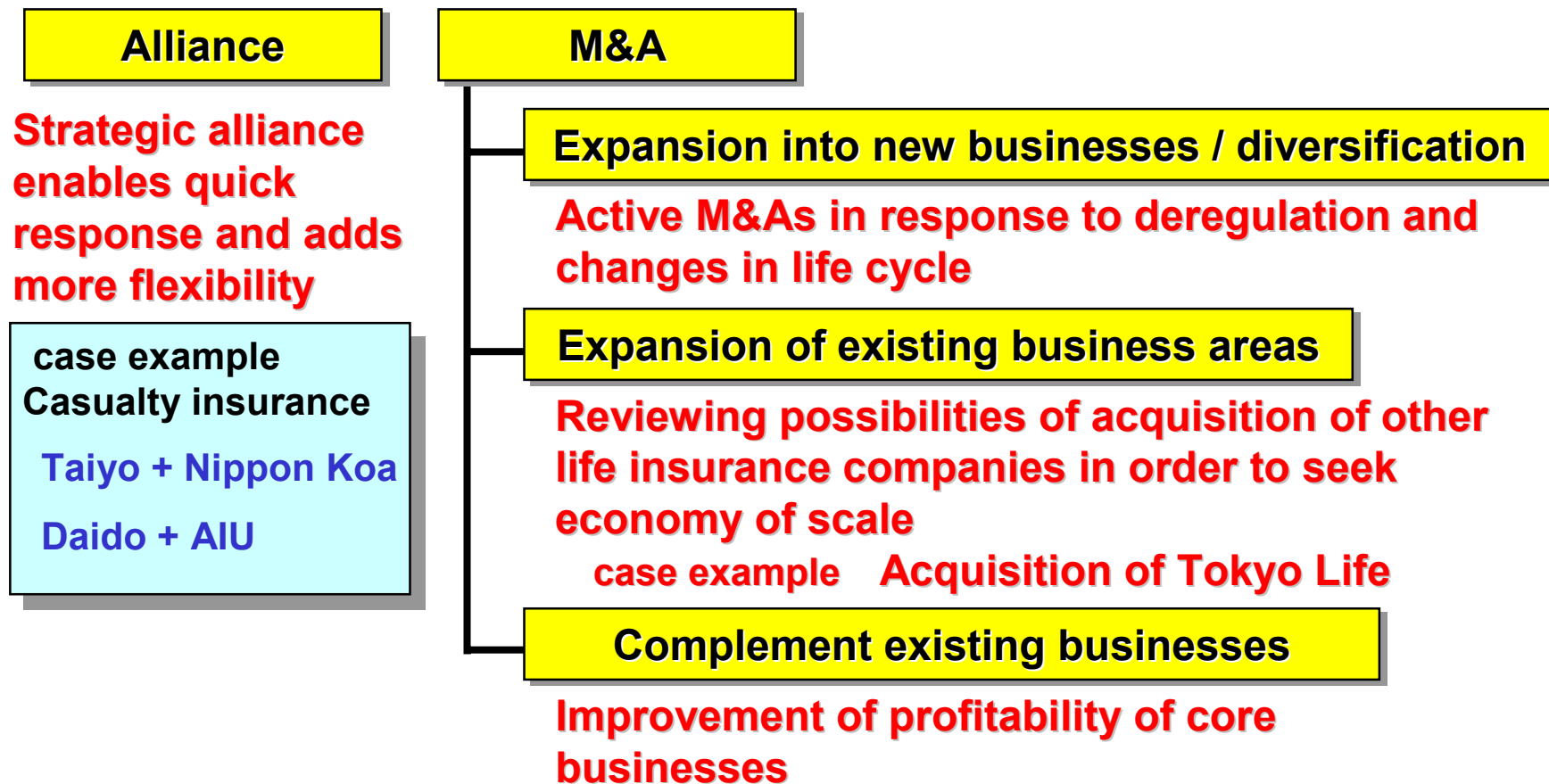
Anticipated reduction of group operational costs by
5.5 Billion Yen / annum
in FY2008 in comparison to 2002 through Integration effects

Group Risk Management

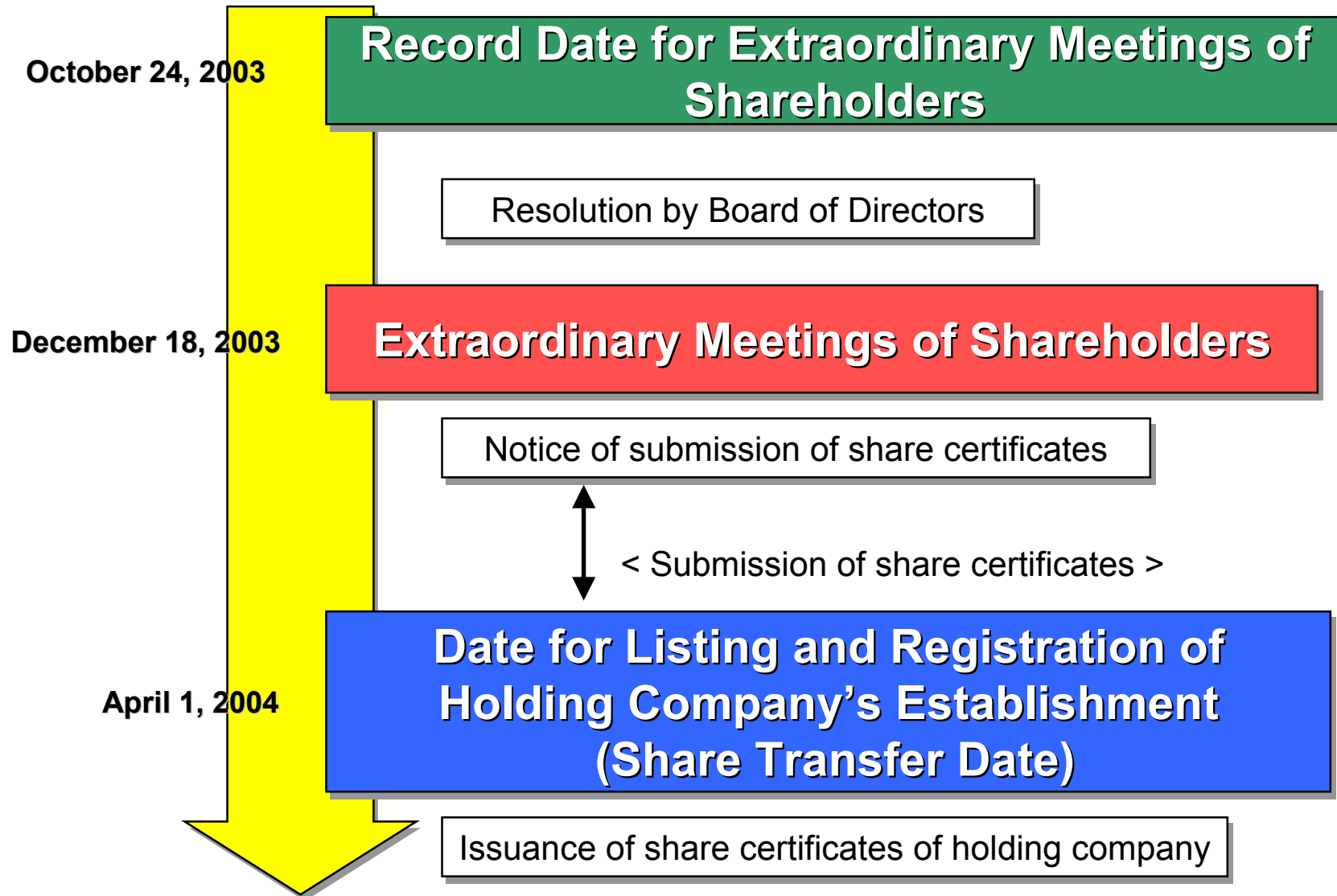


Alliance and M&A Strategies

➤ **Aim to expand Group scale through active alliance and M&A strategies**



Schedule



Conclusion

Pursue sustainable growth in Group corporate value

Prompt achievement of 10% ROE

Shareholder focus

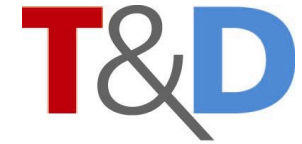
Appendix

Assumptions for Profit Target

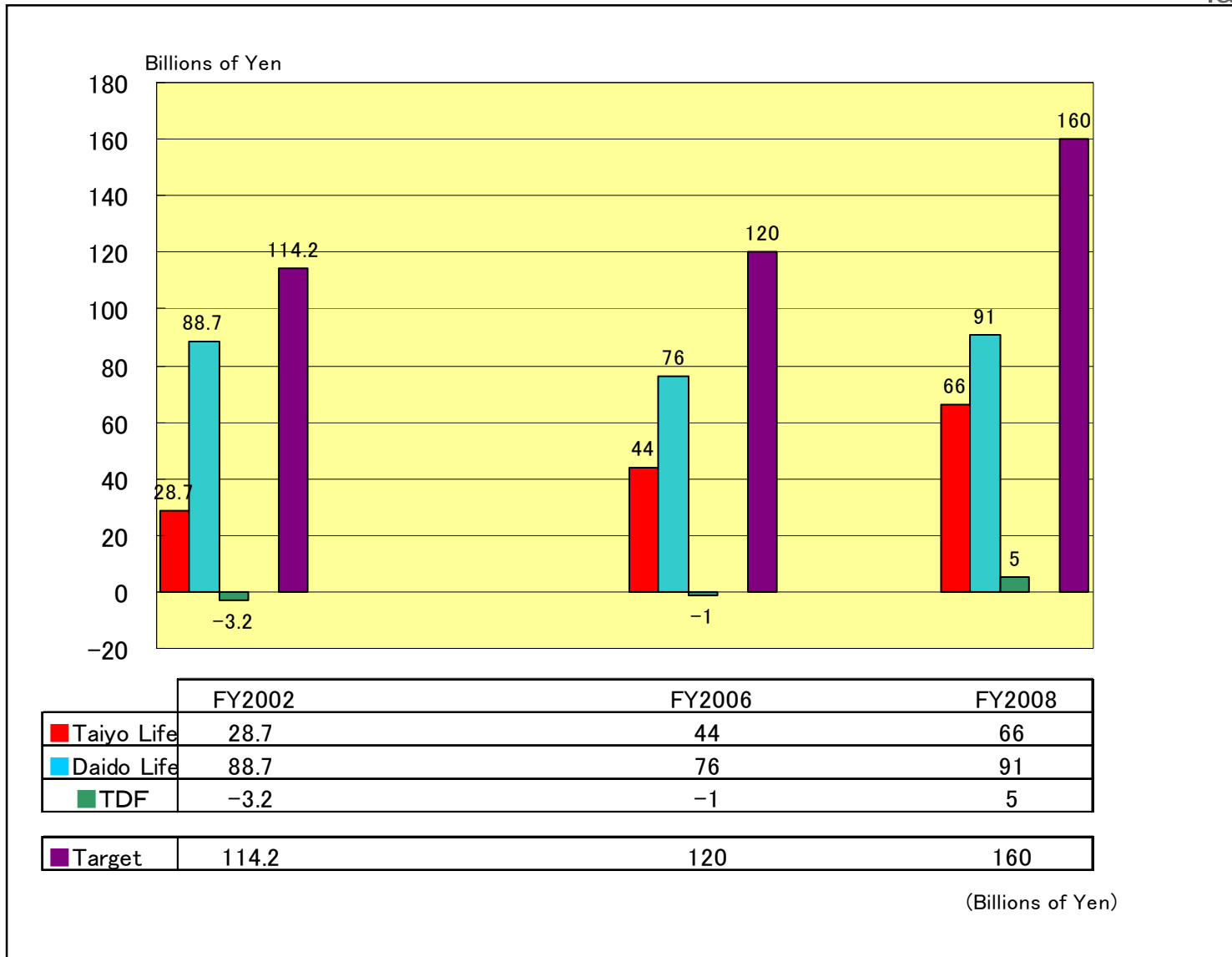
Based on the level of index as of June 2003 for the projected period

Index	Level
NIKKEI Dow Index	JPY 9,083.11
10 Year JGB Yield	0.820%
JPY/USD Exchange Rate	JPY 119.80
US 10 Year TB Yield	3.515%

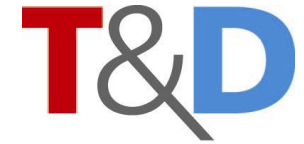
Group Profit Target: Base Profit



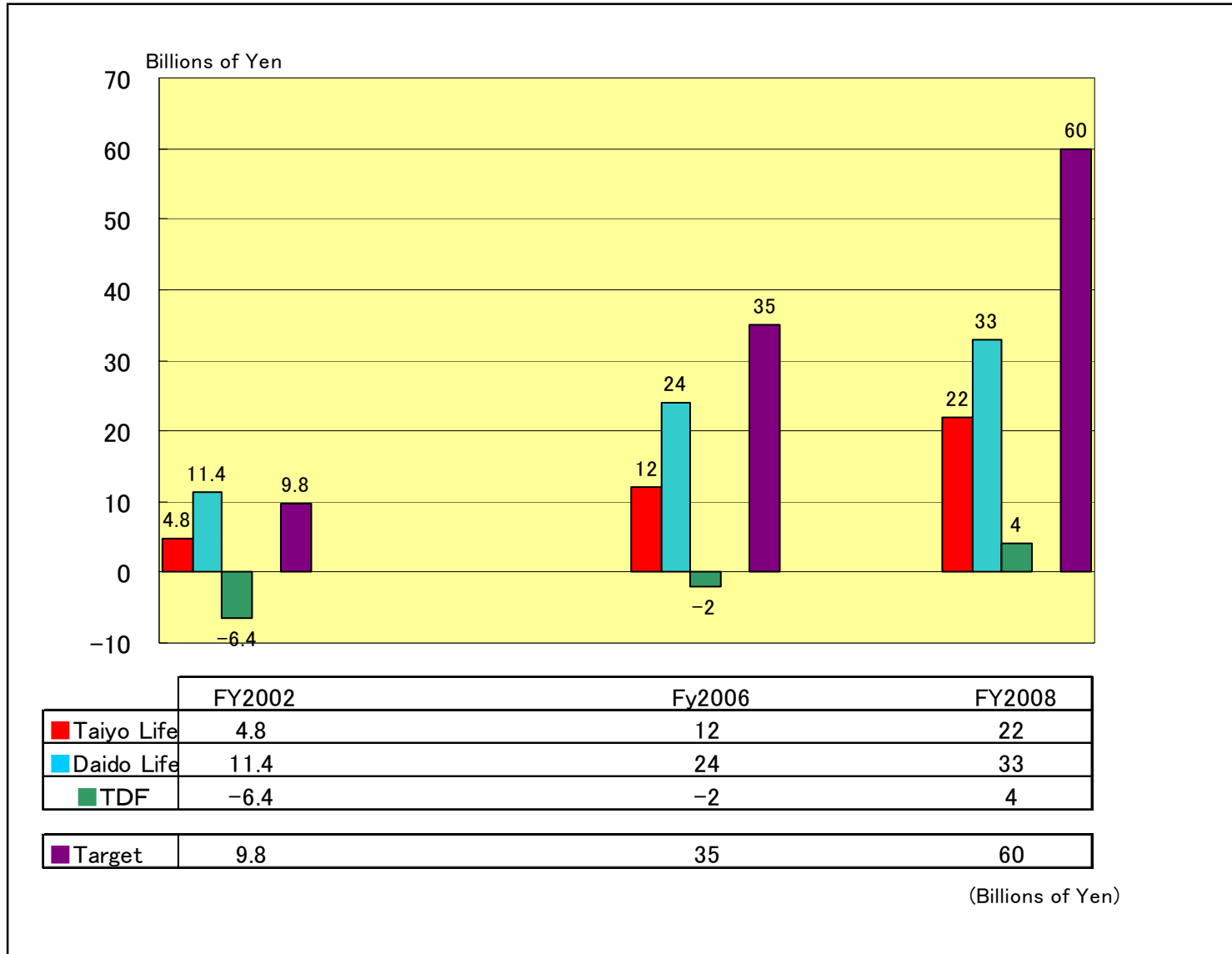
T&D Life Group



Group Profit Target: Net Income



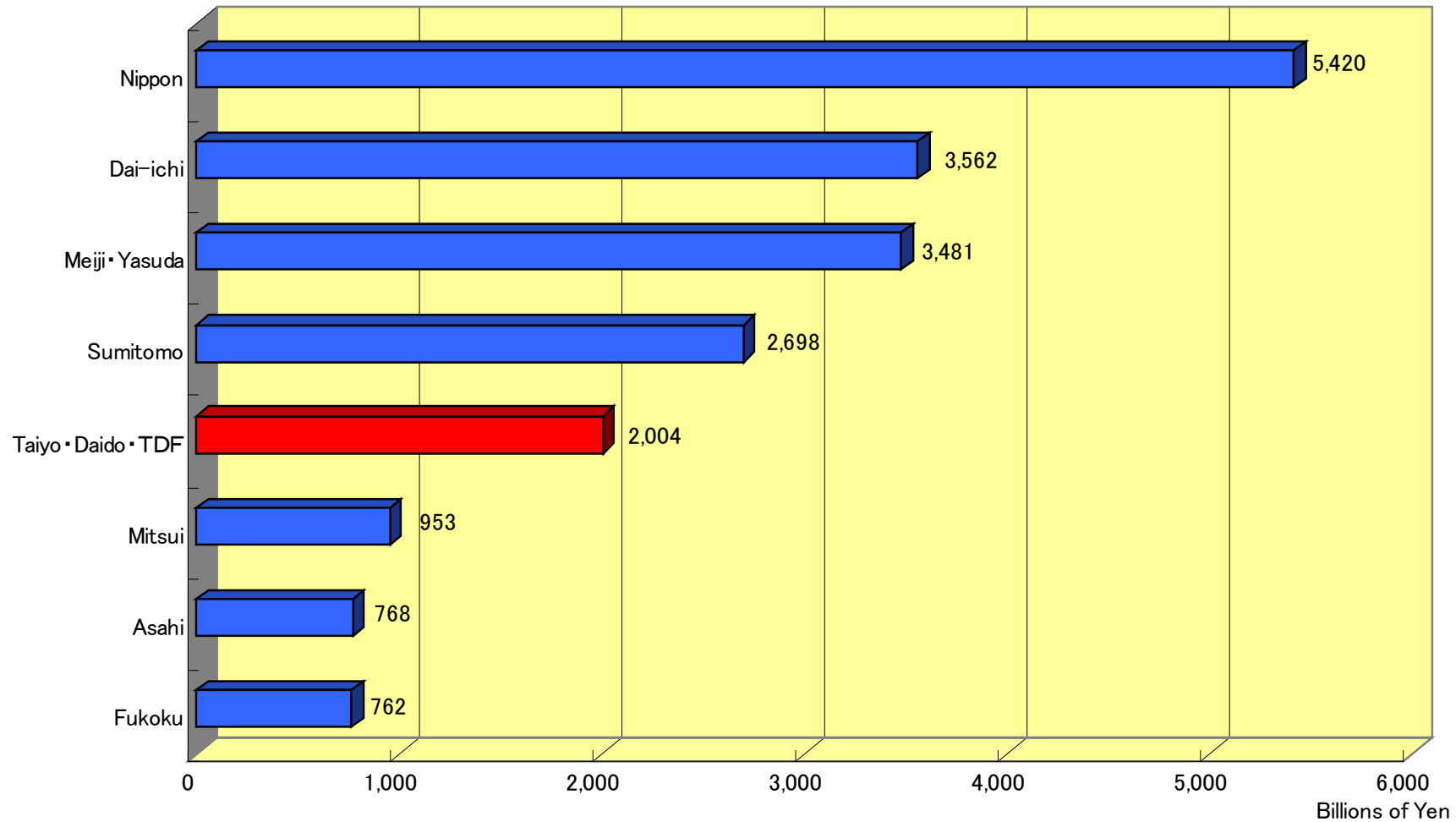
T&D Life Group



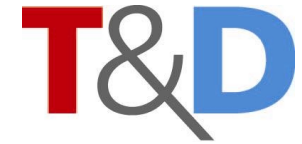
Comparison of Life Insurance Companies: Income from Insurance Premiums



(As of 2002 Fiscal Results)

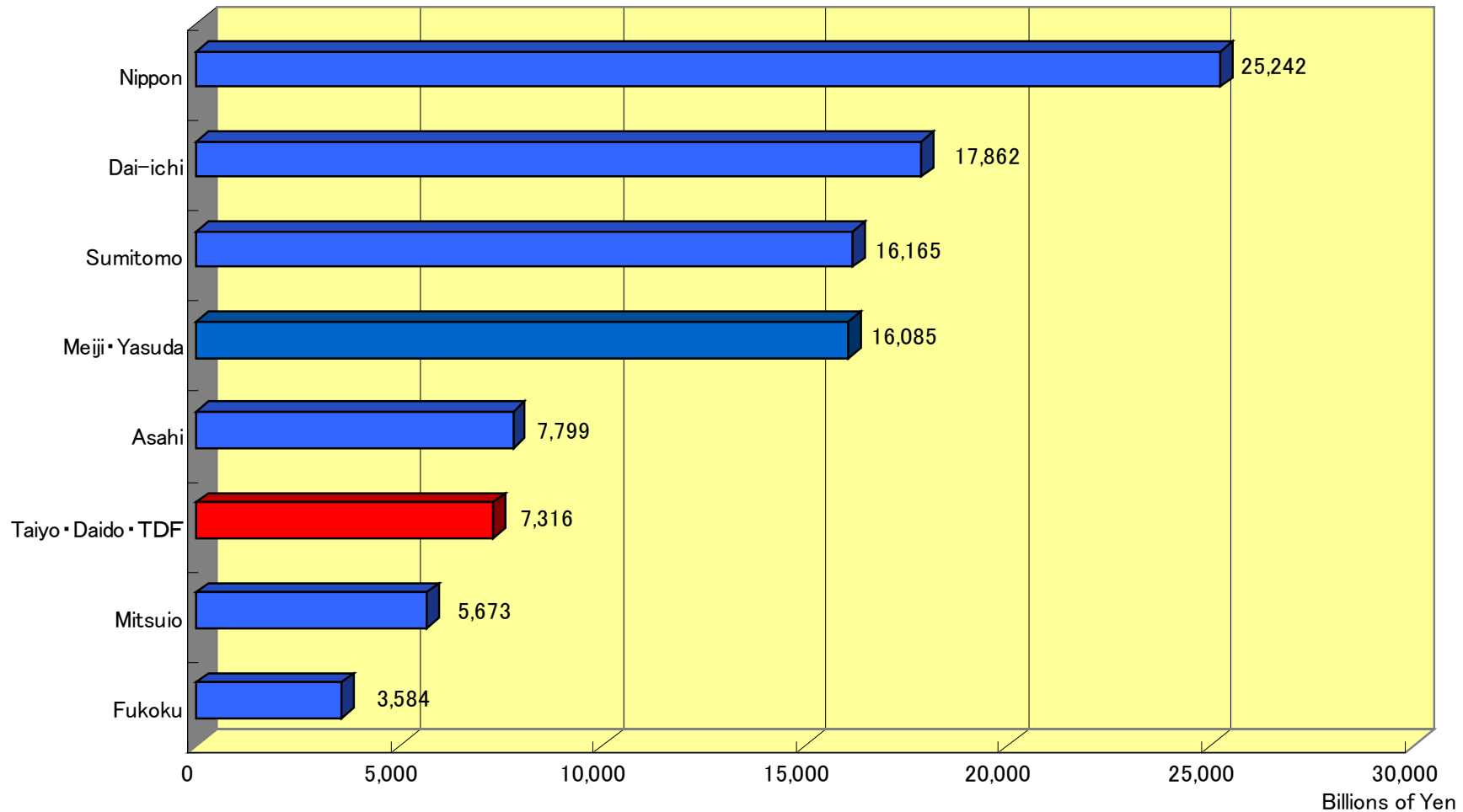


Comparison of Life Insurance Companies: New Policy Amount

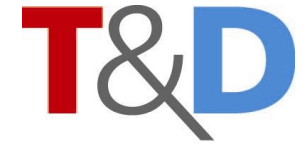


T&D Life Group

* Total new policy amount of Individual life insurance and annuities
(As of 2002 Fiscal Results)

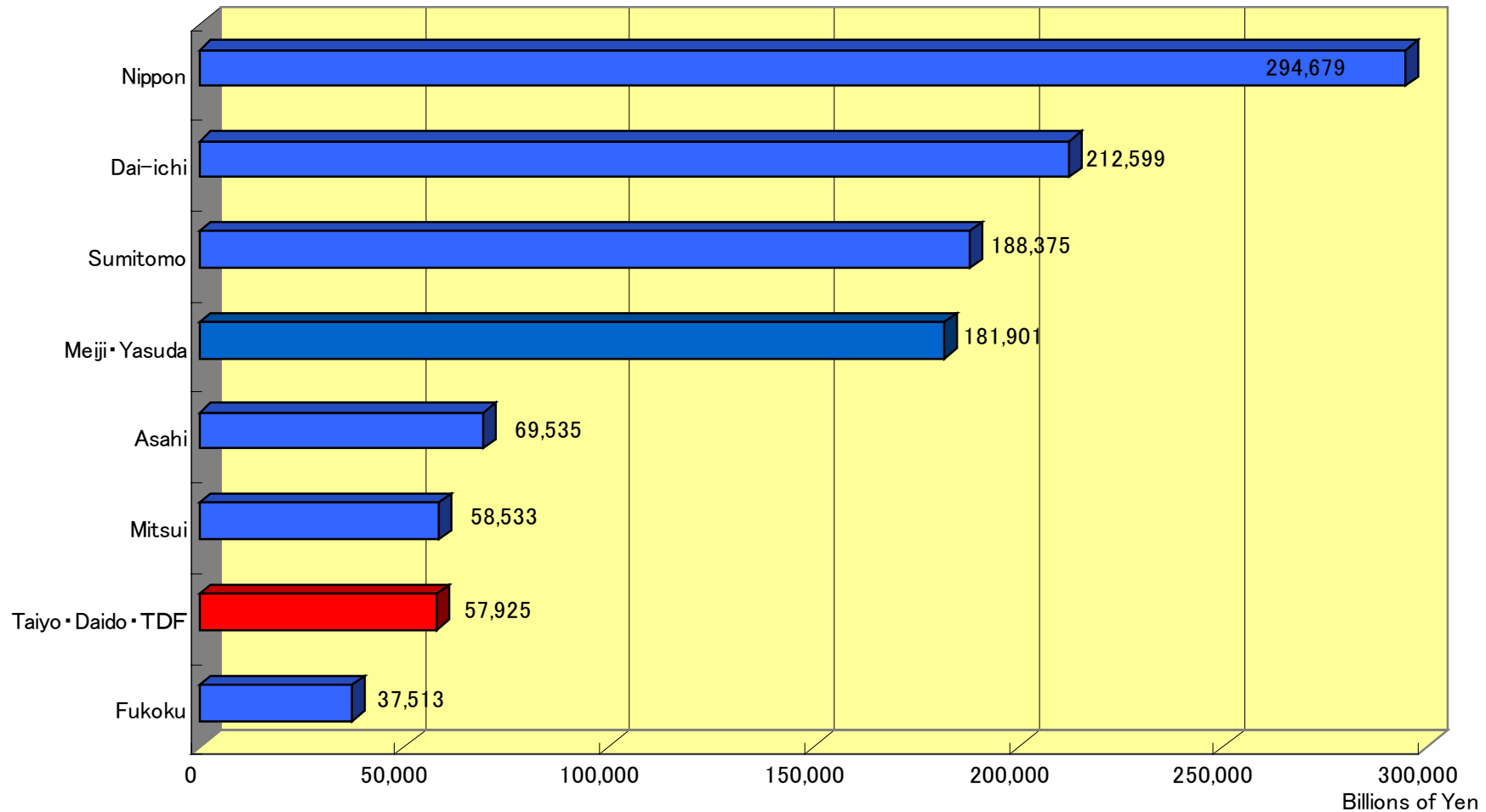


Comparison of Life Insurance Companies: Policy Amount in Force



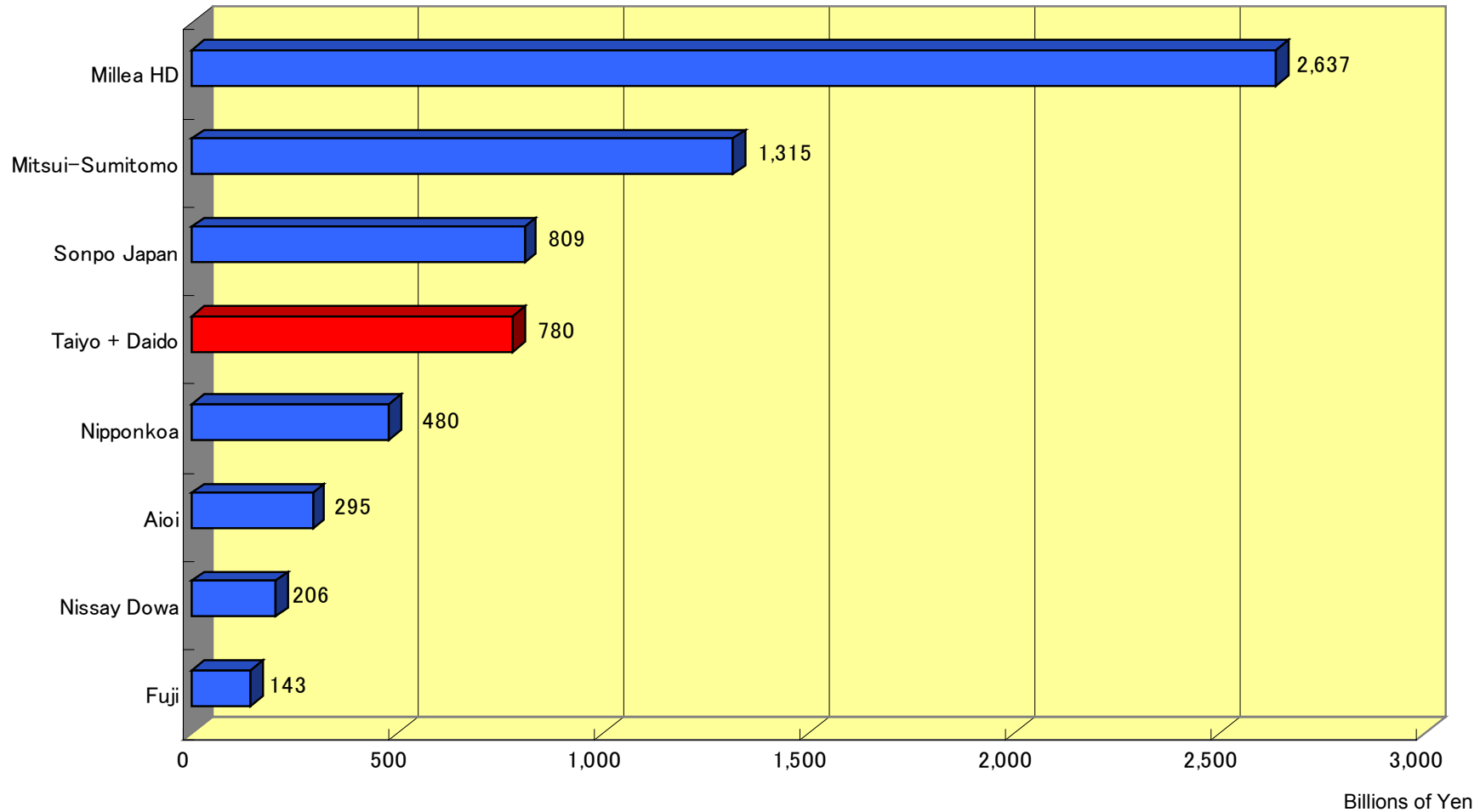
T&D Life Group

* Total policy amount in force of Individual life insurance and annuities
(As of 2002 Fiscal Results)



Comparison of Insurance Companies: Market Cap

(As of October 9, 2003)



For inquiries, please contact:

**Taiyo Life Insurance Company
Planning Department
Phone: 03-3231-8982**

**Daido Life Insurance Company
Investor Relations
Phone: 03-3281-1727**

This presentation is based on the assumption that Taiyo Life, Daido Life, and T&D Financial Life finalizes its business integration and contains forward-looking statements with respect to the financial conditions, results of operations, and business of the company. These assumptions and forward-looking statements involve certain risks and uncertainties resulting from changes in the managerial environment.