

# **T&D Life Group Management Integration**

**October 10, 2003**

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

•Cover

# 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**

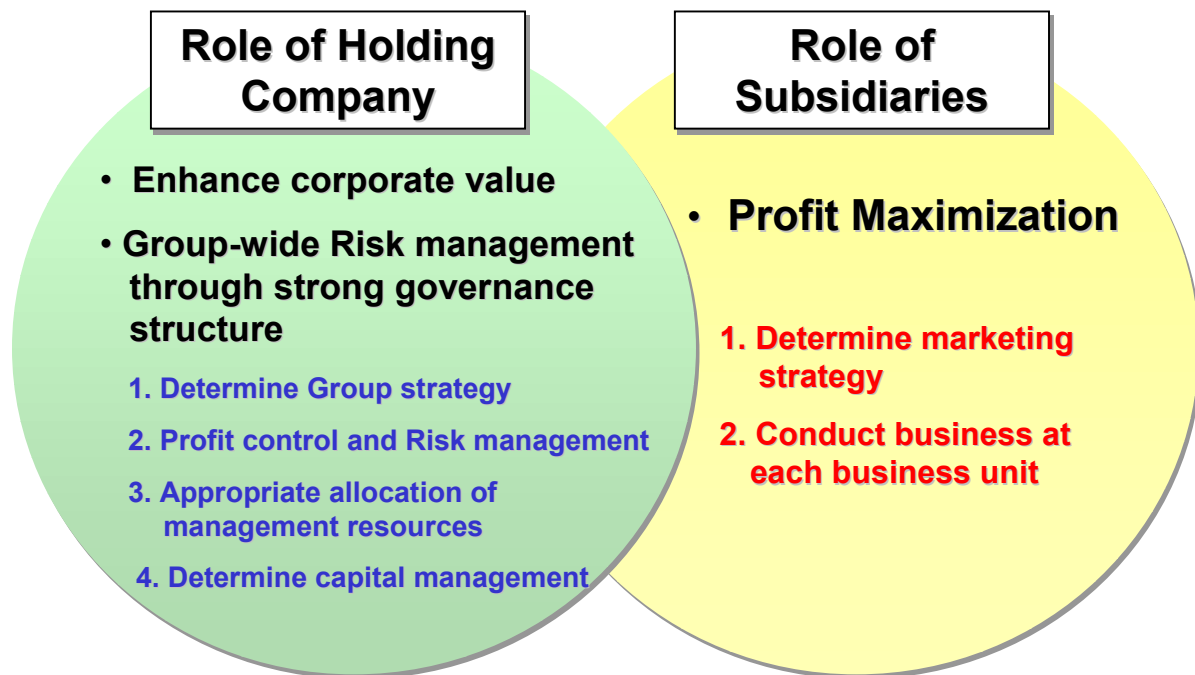
\*Adopted the *Tangen* or unitary share system: one unit = 50 shares

## 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

- First of all, I'd like to explain the outline of the establishment of the holding company.
- The three companies, Taiyo Life, Daido Life, and T&D Financial Life have agreed to establish a holding company, subject to approval of the shareholders and the authorities concerned.
- The holding company is expected to be established on April 1, 2004. It will be headquartered in Tokyo where the Group's main business is operating. We have decided to have 8 Directors and 4 Auditors in order to make the decision process efficient.
- The stock transfer ratios of T&D Holdings shall be: Daido 100, Taiyo 55, and T&D Financial Life 15. The historical stock price is the primary factor for deciding the ratio, supported by the analysis of embedded value and other factors, reflecting the result of due diligence by all concerned. In fact, we have already obtained fairness opinions regarding the financial aspect of the ratio from JP Morgan and Nomura Securities.

# Roles of Holding Company and Subsidiaries

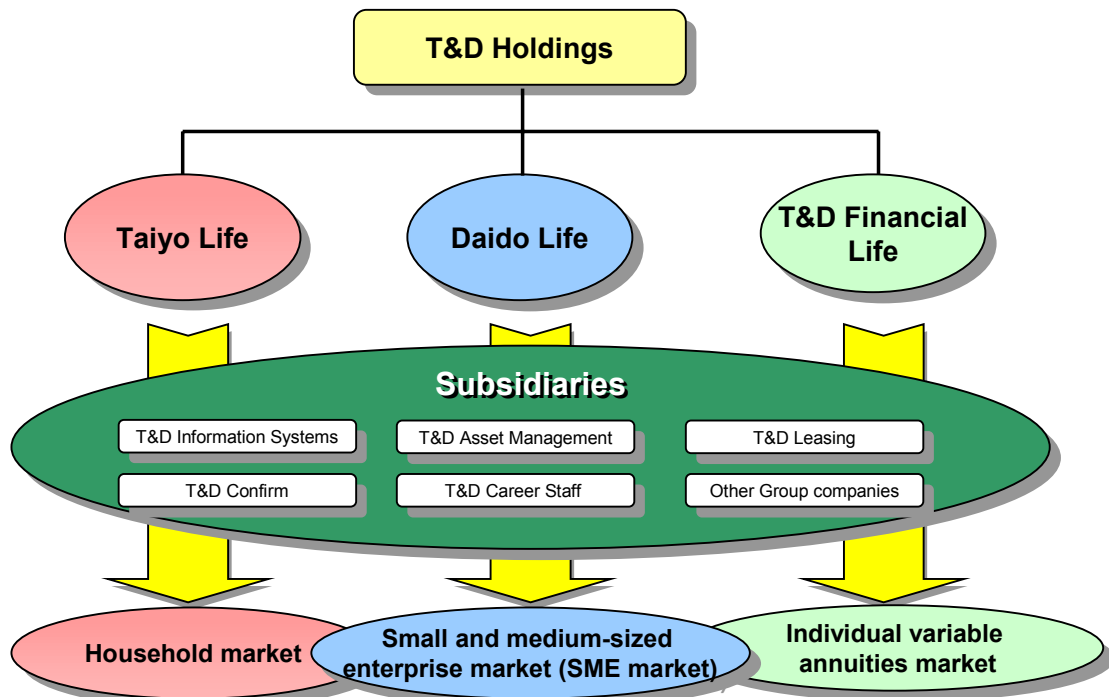


•The role of the holding company is to enhance both corporate value and Group-wide risk management of the Group through strong governance structure. To be more specific, we will determine the Group's business strategy, the Group's profit control and risk management, appropriate allocation of management resources, and determine capital management.

•The role of the subsidiaries is to maximize profit as independent business units. Since these subsidiaries do not overlap in their respective business areas, marketing strategies will be determined and conducted by each Group company, and not by the holding company.

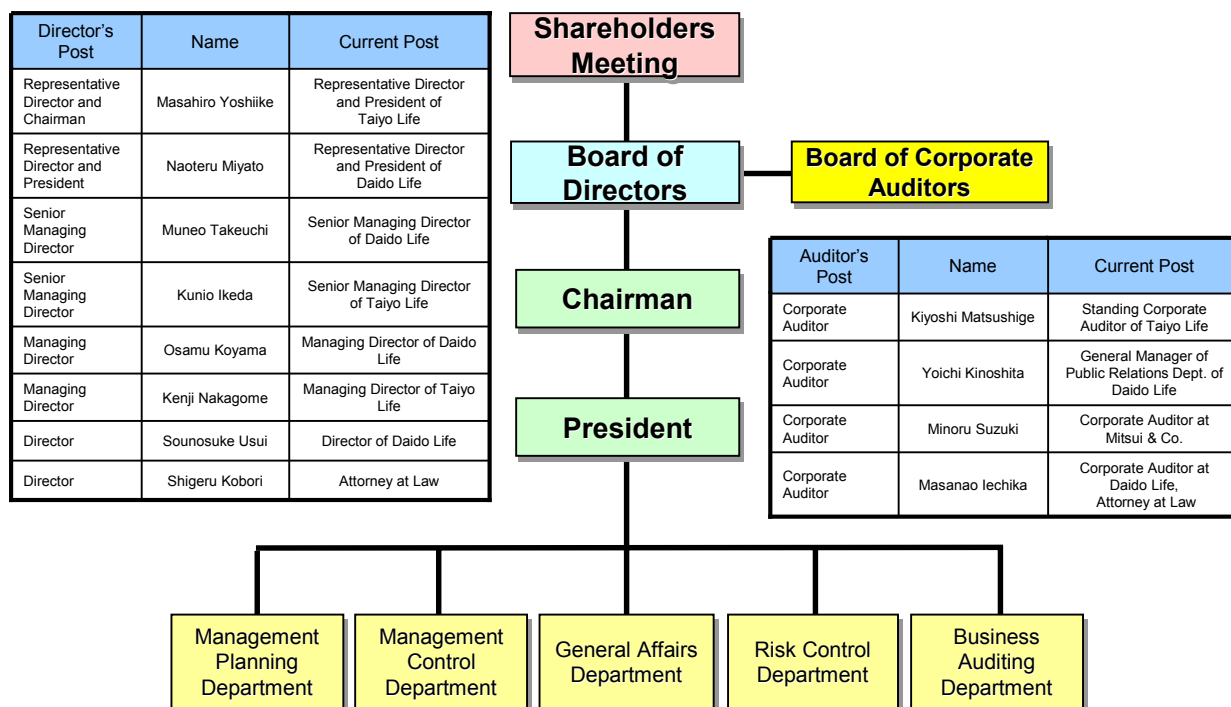
•In order for the holding company to fully function, we will define each subsidiary's role and authority and establish a new and strong corporate governance which will feature group solidarity as well as each member's individuality.

# Group Structure



- The Group's organizational chart is as shown. Under the holding company, the three life insurance companies will be placed as subsidiaries having equal status, and the other group companies will function under the umbrella of those three as subsidiaries.
- Since the Group's core business lies in the life insurance business, T&D Financial Life, which is in charge of the individual variable annuities market, where much growth can be expected, shall be organized as having equal status with Taiyo Life and Daido Life.
- On the other hand, the other group companies are organized under the umbrella as subsidiaries since they play complementary roles in the core business. Each life insurance company will thoroughly streamline the elements of infrastructure that it has in common with other members of the group, and concentrate on marketing in its specialized area.

# Holding Company Organization



- The holding company's board of directors and auditors are as shown.
- Mr. Katsuro Oishi, senior managing director of Taiyo Life, will become the president of Taiyo Life, and Mr. Haruo Kuramochi, managing director of Daido Life, will become the president of Daido Life.
- Within the holding company, five departments will be established, which are in charge of management planning, administration, risk management and compliance.
- Our basic policy of corporate governance is to establish efficient and transparent management, fully capable of promoting flexible and unified group business. Respecting the uniqueness of each company, we will pursue our management under this policy to maximize our business strength.

# 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  $\Rightarrow$  Utilization of duplicate management resources
- Economy of scale for survival in the competitive market

•The first objective of establishing the holding company is to diversify our business portfolio. Our business integration is made up of strong niche players with unique business models under which each unit maintains independent businesses. Such business models will enable the Group to grow steadily through business risk diversification. We decided to establish a holding company as the best option because integration through merger will reduce each company's unique strength.

• The second objective is to increase management maneuverability. The holding company will dedicate itself to group management, while each life insurance company promotes sales. Such a management structure enables the Group to flexibly allocate its management resources into profitable and promising areas.

•In addition, the Group can aggressively make investments in M&A and new business areas, while keeping each company's independence and without risking existing businesses.

•The third objective is to enhance competitiveness. By thoroughly streamlining common infrastructures, we can reallocate duplicate management resources to highly profitable business areas.

•Furthermore, the capitalization of the holding company as a listed entity will be increased compared with that of each existing company, thus, improving credibility of the Group and enhancing Group presence as a whole. As a result, we can pursue management from a broader view than before, which we are convinced enables us to survive in the competitive market.

# Business Target: Sales



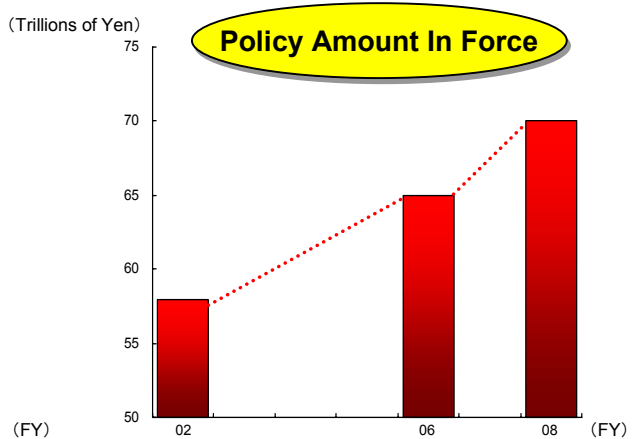
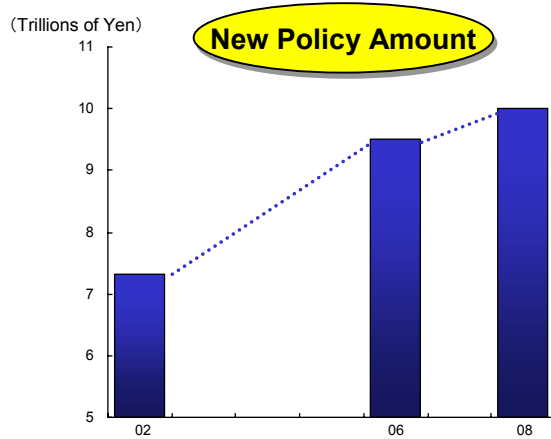
T&D Life Group

	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)	Percentage change compared with FY2002
<b>New Policy Amount</b>	7.3 Trillion Yen	9.5 Trillion Yen or more	10 Trillion Yen or more	135 % or more
<b>Policy Amount In Force</b>	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



T&D Life Group, Management Integration, October 10, 2003

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•The combined target sales amount after integration is displayed in the table. In fiscal year 2008, we are targeting a new policy amount of 10 trillion yen or more, which is 135% or more of fiscal year 2002. We are also targeting a policy amount in force of 70 trillion yen or more, which is 120% or more of fiscal year 2002.

•We believe that there is more room for growth in the market. Under the new corporate structure, through integration, each company can further concentrate on sales to achieve business targets.

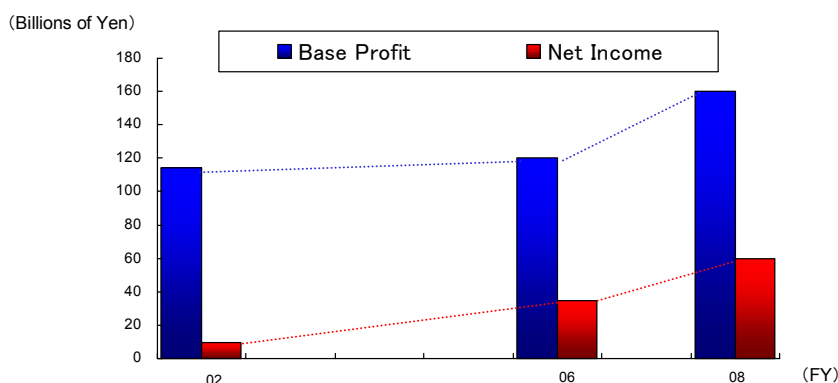
# Business Target: Profits

	FY 2002 (performance)	FY 2006 (target)	FY 2008 (target)	Percentage change compared with FY2002
<b>Base Profit</b>	114.2 billion yen	120 billion yen or more	160 billion yen or more	140% or more
<b>Net Income</b>	9.8 billion yen	35 billion yen or more	60 billion yen or more	600% or more
<b>ROE</b>	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



•The combined business target profits after the integration are shown in this table. In fiscal year 2008, we are targeting base profit at 160 billion yen or more. We are also targeting net income at 60 billion yen or more which is 6 times of that of fiscal year 2002. The targeted ROE is 12% or more.

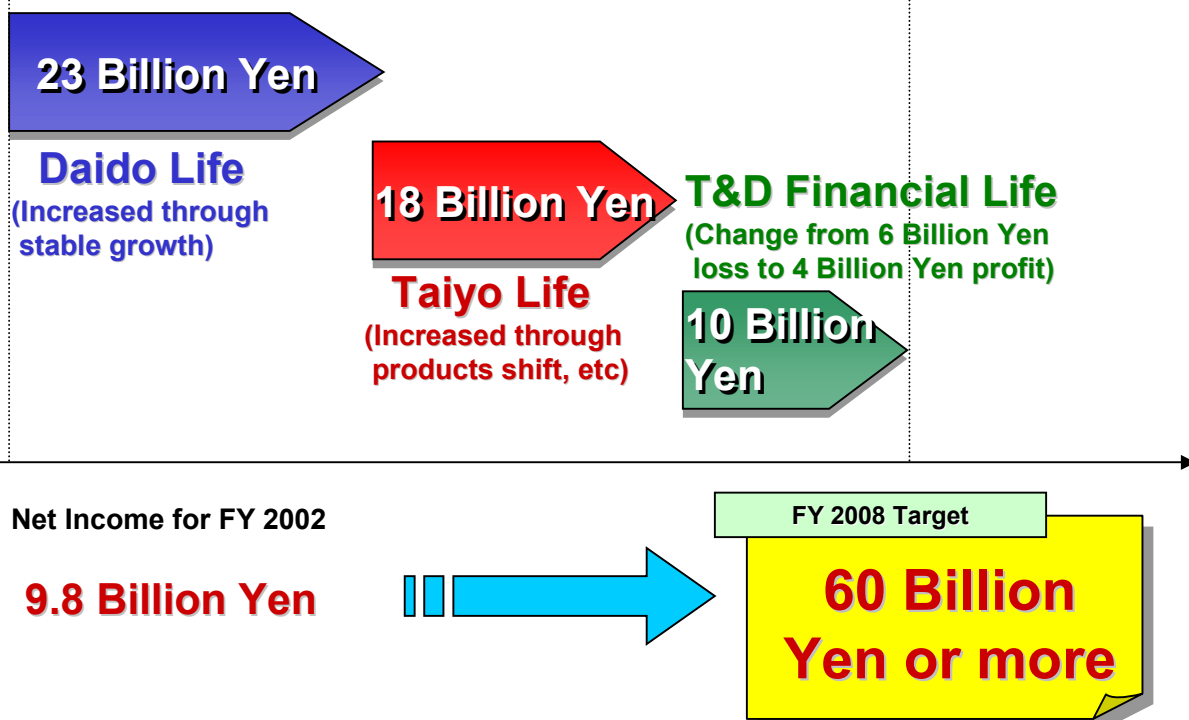
•We believe the above targets are achievable as the holding company appropriately manages the Group's profit and risk, while the subsidiaries increase their business strengths.

# Enhancement of Profitability



T&D Life Group

(FY 2008 Target: Net Income)



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- This slide illustrates the breakdown of the targeted net income increase.
- As explained earlier, the combined net income is targeted at 60 billion yen or more compared with 9.8 billion yen in fiscal year 2002.
- Daido's increase of 23 billion yen will be achieved through its stable business growth. We believe this increase is achievable as Daido's main product is term life insurance and its ALM functions satisfactorily. Furthermore, growth of our policy amount in force will naturally continue.
- Taiyo's increase of 18 billion yen will be achieved by shifting marketing strategy from savings-type products to more profitable protection-type products. We expect that the business weight of protection-type products will increase in policy amount in force, as the existing savings-type products will gradually reach maturity.
- We expect T&D Financial Life to achieve 4 billion yen targeted net income in fiscal year 2008, whereas it recorded a net loss of 6.4 billion yen in fiscal year 2002. We believe that such improvement is achievable. The main reasons are: the writing-off of goodwill will be completed by fiscal year 2006; and the market needs for individual variable annuities will increase due to the aging population.

# 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

- Since the most important objective of the integration is to maximize the Group's corporate value, we will continually focus on enhancing embedded value.
- By reinforcing risk management, we will continue to enhance the adjusted book value of embedded value which is subject to financial market fluctuations.
- As noted here, in order to increase business value it is necessary to steadily increase new policy amount and policy amount in force, increasing net income and cost synergies. We believe that the projected embedded value will increase as indicated by achieving each business target previously discussed.
- Taiyo Life and Daido Life have already disclosed their embedded value. In parallel with the study on the standardization of calculation methodology and assumptions, we are considering, for the benefit of the investors, the publication of the Group's projected embedded value including T&D Financial Life from fiscal year 2003.

# 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

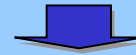
## Business Redundancy: **1 Billion Yen (approx)**

- 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

- We expect to realize a cost reduction of approximately 21 billion yen over the six years from fiscal year 2003 to 2008.
- First, we expect a cost reduction of approximately 14 billion yen by reducing the Group's work force by 10%, of which approximately 10 billion yen of the cost reduction is achieved through the establishment of a subsidiary specializing in administrative operations.
- In terms of IT savings, we forecast a cost reduction of approximately 6 billion yen through system integration and organizational streamlining.
- In other areas, we expect to see a cost reduction of approximately 1 billion yen by eliminating redundancy.
- We are expecting an expected cost reduction of approximately 5.5 billion yen in fiscal year 2008 compared to fiscal year 2002 as the cost reduction effect should increase year by year. We intend to achieve further cost reduction after the establishment of a holding company through further integration of common business areas.

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

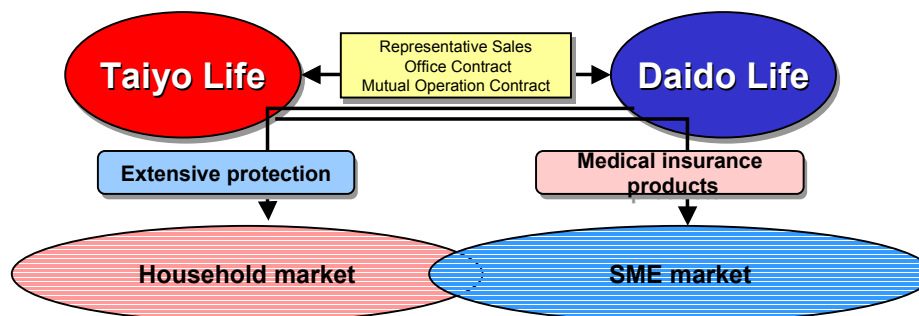
T&D Life Group

## ➤ 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**

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- We are also exploring a new sales scheme, which will be made possible by the integration.
- This slide will explain the cross-selling of the main products of Taiyo Life and Daido Life.
- Taiyo Life sells middle-sized life and medical insurance products mainly to the household market, in particular housewives and the middle-aged to old-aged population. We envisage that Taiyo will promote sales of extensive protection products from Daido to those spouses while Daido promotes sales of medical insurance products from Taiyo to Daido's clients who are mainly owners of small to medium-sized business enterprises and their spouses.
- Through this cross-selling, we expect to achieve a new policy target amount of 20 billion yen or more in the first year. Also in the first year, we will start test marketing and then we will expand our marketing efforts gradually after the second year through respective expertise.
- We will also pursue a synergy effect of integration through intensive marketing to cultivate the client base for the Group by providing services which would not be available from a single company.

# 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**

•Next, I would like to explain the core strategy of T&D Life Group.

•Firstly, we intend to grow in our core business area of life insurance business through the formation of business units that promote independent strategies through optimizing Group management resources. To be more specific, we will selectively allocate business resources to the Group company that is engaged in profitable and growing business areas after analyzing each market segment.

•Secondly, we will improve efficiency through integration of overlapping Group infrastructures, such as IT and administrative operations. After the integration, we will streamline overlapping operation areas such as policy-confirming companies, asset-management companies, leasing companies and information system companies. We will continue to improve efficiency to achieve low-cost operations.






•Thirdly, we will construct a strong corporate governance structure through appropriate profit control and risk management. The holding company will play a leading role in respect to controlling profit and risk management, thus contributing to the Group's strong financial position.

• Lastly, we will expand the life insurance business and enter into new business areas through strategic alliances and M&A. We will positively consider business alliances and M&As with companies whose businesses are not part of the core areas of our Group company.

•With these strategies, we aim to pursue sustainable growth in the Group's corporate value.

# Multiple Business Units

## ➤ Products/ Sales Matrix (Specialized areas)

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

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- We will continue to seek multiple business units corresponding to a channel mix of products to win the survival race.
- This chart illustrates the sales matrix of our Group's and competitors' products. As you can see, life insurance companies which are considered "winners" are those who are successful in developing and marketing products in their specialized areas, where there are a smaller number of competitors.
- At Taiyo Life, its business units are specifically organized to efficiently provide protection and other products through a highly productive channel of sales agents.
- On the other hand, at Daido Life, we have a strong business unit which provides protection from a multi-channel group of sales agents. This business unit is unique to Daido and cannot be found in other life insurers.
- In addition, at T&D Financial Life, solid business performance can be seen in the new business unit which specializes in sales of individual variable annuities to banks and securities firms.
- We expect to see more specialization in a channel mix of products in life insurance sales as a result of deregulation and changes in the channel structure. We plan to further prevail in business areas in which we are currently competitive. At the same time, we will expand by adding new businesses in response to ongoing deregulation and changing channel structure.

# 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)
<b>New Policy Amount</b>	2,175.4	3,760 or more	3,930 or more
Percentage change compared with FY 2002	—	170% or more	180% or more
<b>Policy Amount In Force</b>	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)

•With the increase in the aging population, rapid growth can be expected in medical- and care-giving-related protection-type services and products. In this respect, Taiyo Life will be responsible for the household market.

•The sales-agent network at Taiyo Life has been constructing a highly efficient low-cost structure and it is possible to make direct sales at a low cost. This cannot be seen in other major life insurers, sales-agent offices, and direct channels. The network has further merit in that it can make use of the vast client database compiled by direct visits to households, and that it does not compete directly with other major life insurers which target office workers.

•This quarter we are planning sales of various types of protection-type products and upgrading of existing contracts. We expect a substantial increase in the fiscal year policy amount.

•Looking forward, by fiscal year 2008, we project the policy amount in force will be more than 150% greater than that of fiscal year 2002 due to strengthening of our sales channels, promoting new clients through database utilization, and reinforcing customer services through expansion of call-centers, and a wide range of card services and other measures.

## 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)
<b>New Policy Amount</b>	4,673.5	5,160 or more	5,370 or more
Percentage change compared with FY 2002	—	110% or more	110% or more
<b>Policy Amount In Force</b>	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)

•As solid business performance can be anticipated, we plan to provide more products and services to small-to-medium-sized business enterprises. Daido Life will be in charge of this business area.

•At Daido, we have developed a strong sales channel through tie-ups with the National Federation of Corporate Taxpayers Associations (known as Hojinkai), the Tax Payment Associations (known as Nozei-kyoukai), and the TKC National Federation. We believe that this Daido's business unit which provides sales of individual term life products through tie-ups, will become highly competitive and difficult for other competitors to enter.

•Unfortunately there was a decline in new policy amount in the first quarter and the result was not satisfactory. However, in the second quarter, the new policy amount has been increasing steadily as the surrender and lapse rates have declined as well.

•Looking forward, by fiscal year 2008, we project the policy amount in force to be more than 105% or more than that of fiscal year 2002 by increasing sales channels and improving productivity and developing new products to better protect the needs of SMEs.

# 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)
<b>New Policy Amount</b>	467.5	630 or more	680 or more
<b>Percentage change compared with FY 2002</b>	—	130% or more	145% or more
<b>Policy Amount In Force</b>	3,314.2	3,670 or more	4,060 or more
<b>Percentage change compared with FY 2002</b>	—	110% or more	120% or more

(Billions of Yen)

•Rapid growth can be expected in the areas of products and services which cover the needs associated with increasing life expectancy as well as medium-to-long term saving requirements. T&D Financial Life is in charge of this business area.

•The competition among other life insurance companies, including foreign based firms and casualty insurance companies, in individual pension insurance has intensified since October, 2002 when sale of the product was permitted at bank branches. In the individual variable annuities market, some of the foreign-based firms are performing well, partly because domestic life insurers have been taking a wait-and-see attitude in this area.

•As of the end of August, 2003, T&D Financial Life's sales amount through bank branches, in terms of premium revenue, reached 96 billion yen, ranking 8<sup>th</sup> in the market. We believe the competition will become even more severe.

•Looking forward, we intend to become one of the top brands in the individual variable annuities market. To achieve this goal, we will foster improved agency productivity, reinforce the call-center functions, and increase customer satisfaction through providing services via the internet. We are targeting a policy amount in force in terms of total basis, including existing businesses, to increase by fiscal year 2008 to 120% or more of fiscal year 2002.

# 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

- We intend to increase efficiency, especially in the areas of IT strategy and Administrative Operations.
- Regarding IT strategy, we established T&D Information Systems in October, 2001 to integrate all of the IT-related departments.
- Looking forward, the systems engineers of the three companies will collaborate in limiting costs, while improving our capacity in IT areas. Through the establishment of a common back-up center for a more stable system operation and a common infrastructure for call-centers, we will increase customer satisfaction.
- At the same time, to expand our Administrative Operations, we are considering the integration of all administrative services of the three companies and establishing an Administrative Operations company. The objective is to establish efficient operation structures utilizing economy of scale and to reinforce client service. To be more specific, this company will first specialize in administrative work related to the insurance businesses, and thereafter will provide shared services for the Group, such as general affairs and accounting administration.
- Looking forward, we will focus on pursuing low-cost operation by integration of administrative operations services and high quality service which meets customers' needs and plan to establish a common administrative operations company at an early stage.

## 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**

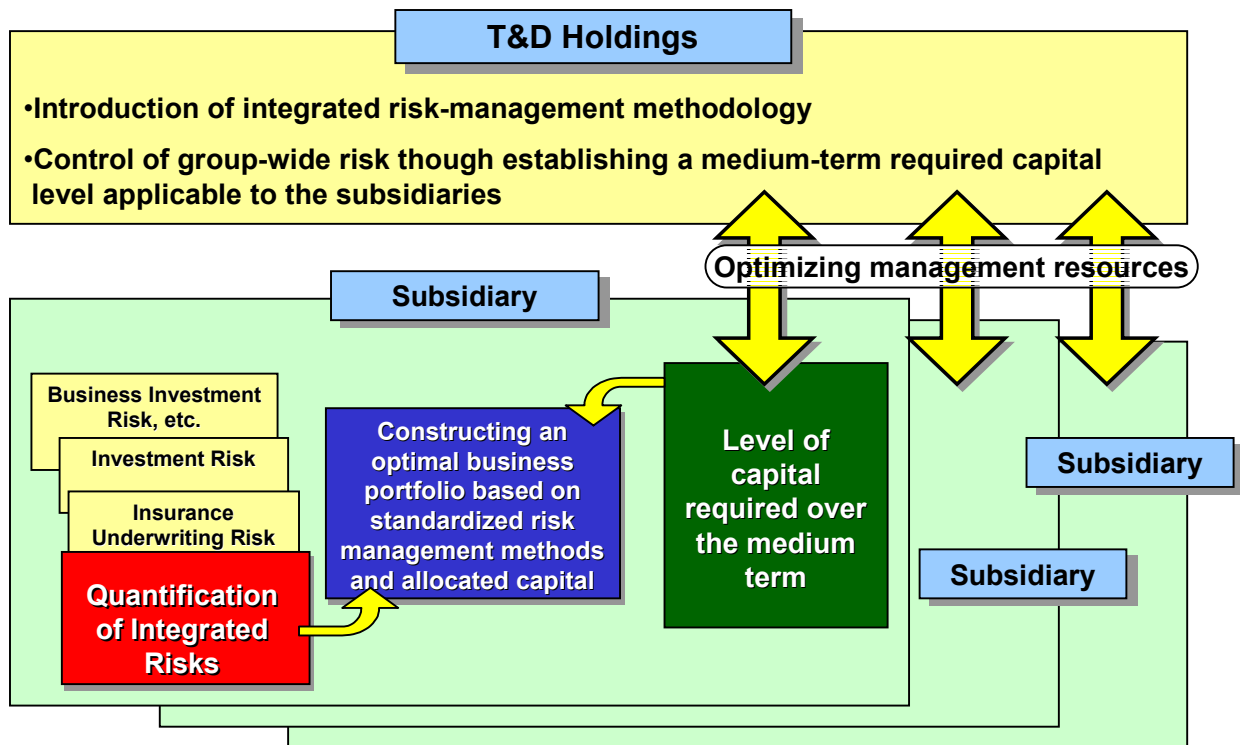
Anticipated reduction of group operational costs by  
**5.5 Billion Yen / annum**  
in FY2008 in comparison to 2002 through Integration effects

•Now, I would like to explain the strategic utilization of the workforce.

•The Group's number of employees as of the end of March, 2003 is 9,534. By fiscal year 2006, we aim to reduce the number of employees by 10% through integration of overlap in back-office functions and standardization and rationalization of operations by outsourcing staff in back-office functions.

•On the other hand, to improve productivity, we will strategically allocate staff in profitable sales areas.

# Group Risk Management



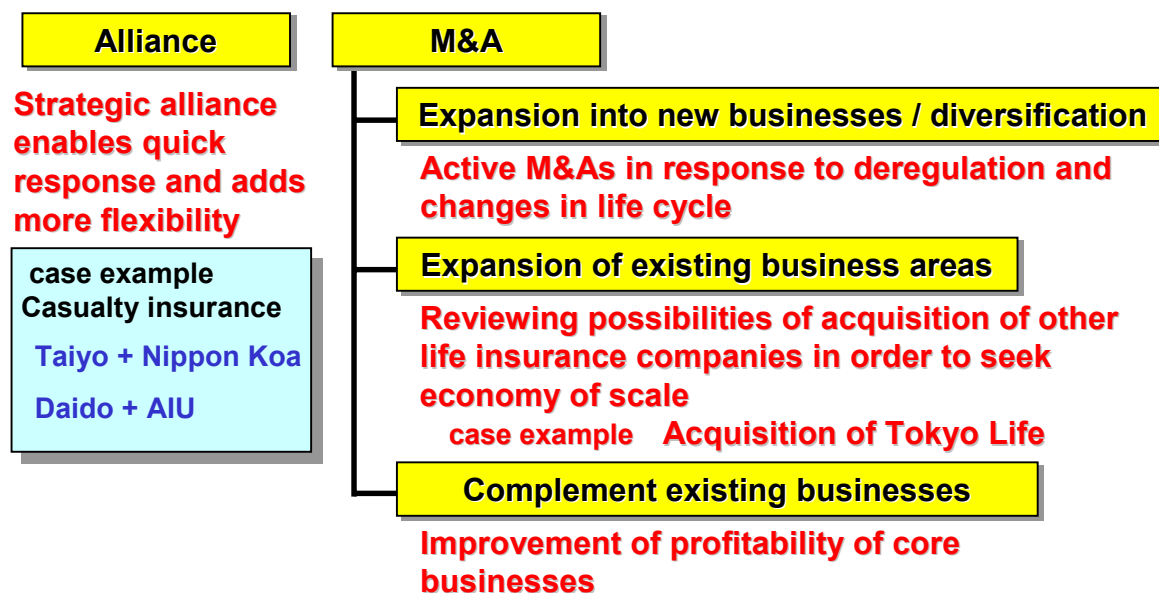
•At T&D Life Group, we will introduce an integrated risk-management methodology. In addition, we will optimize the Group's management resources while maintaining control of group-wide risk by establishing a medium-term required capital level which is applicable to the subsidiaries.

•Each of the subsidiaries will independently measure its business investment risk, investment risk, and insurance underwriting risk. Then, they will quantify the integrated risks and aim to construct an optimal business portfolio based on standardized risk management methods and allocated capital.

•We believe that the objective of Group risk management is not only to maintain financial soundness by minimizing the risks, but also to maximize the return by controlling the risks at an optimum level. After classifying the managerial risks, we intend to analyze and evaluate those risks and take necessary actions.

# Alliance and M&A Strategies

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

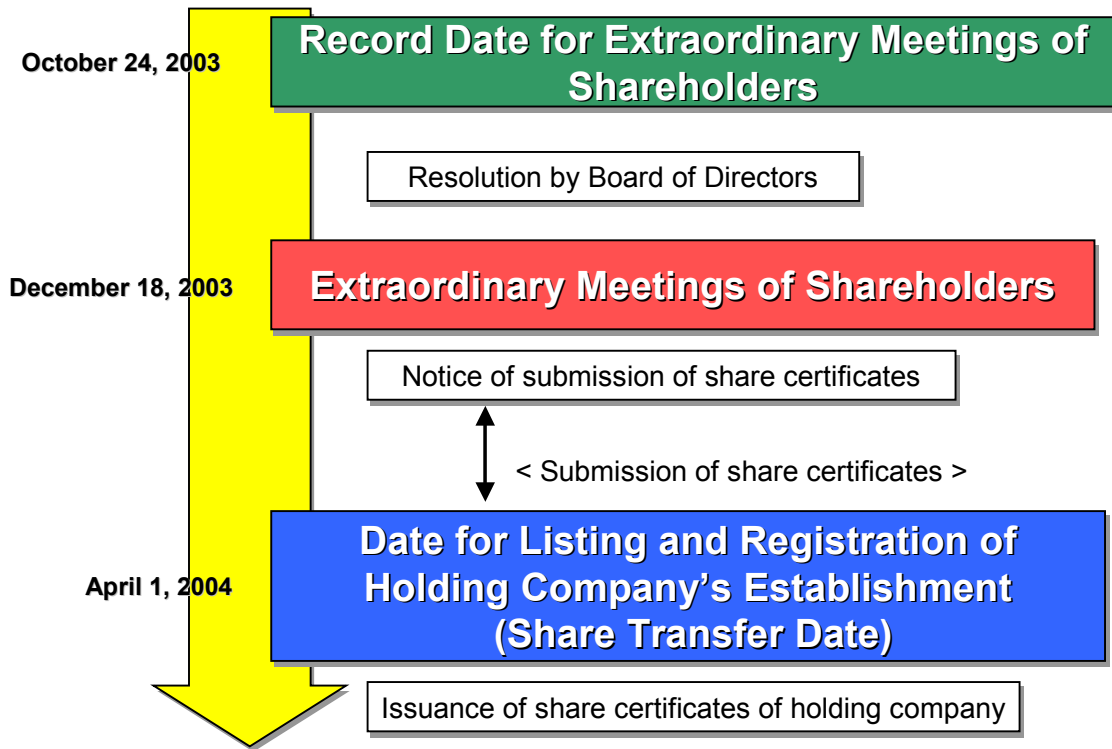


•We will continue to consider possible alliances and M&A strategies. The expansion of the Group will not lie in simple and easy diversifications, but in active alliances and M&As with insurance business groups with strengths in specialized areas.

•In regards to alliances and partnerships, we basically believe that when it is difficult to respond promptly with just our Group's management resources, we will quickly respond through strategic alliances. For example, we do not intend to underwrite insurance policies in the casualty insurance businesses, but basically to form strategic alliances with other companies. To be more specific, as seen in the case of Taiyo/Nippon Koa and Daido/AIU, we will continue to strengthen the relationship with our partners.

•As seen in the acquisition of the former Tokyo Life, as long as we can expand and strengthen in life insurance businesses as a group we will aggressively consider possible M&As. We will study more details depending on the situation, yet we will consider businesses which accommodate the needs and services of the policyholders, life insurers with strength in specialized areas or possible specialized areas, and sales channels which complement our core businesses as possible M&A targets.

# Schedule



- Let us now explain the timetable in regards to the establishment of the holding company.
- First, October 24 will be the record date for extraordinary meetings of shareholders.
- Secondly, at Taiyo and Daido, an extraordinary shareholders' meeting will be scheduled on December 18, the shareholders will discuss the appointment of board members, the auditors, and the stock transfer ratios.
- Lastly, after the resolution of the extraordinary shareholders' meeting and authorization from the authorities concerned, establishment and listing of the new holding company will take place on April 1, 2004. With this, Taiyo and Daido life will be de-listed.

**Pursue sustainable growth in Group corporate value**

**Prompt achievement of 10% ROE**

**Shareholder focus**

- Finally, please allow me to summarize the main points.
- Our top business priority is to strive to maintain sustainable growth in group corporate value; that is, to continually increase our total capitalization of the company.
- As previously mentioned, we will strive to achieve a net profit of 60 billion yen and 10% ROE as quickly as possible.
- We will continue to emphasize the shareholders' value. As an insurance company, we think it is important to balance the interest of shareholders and policyholders. At the moment, we cannot state any specific numbers for the shareholders' dividends; however, we are determined to achieve a solid business performance through the implementation of various strategies, and thus maximize the shareholders' value .
- This now ends the briefing on the Group's management integration.

# Appendix

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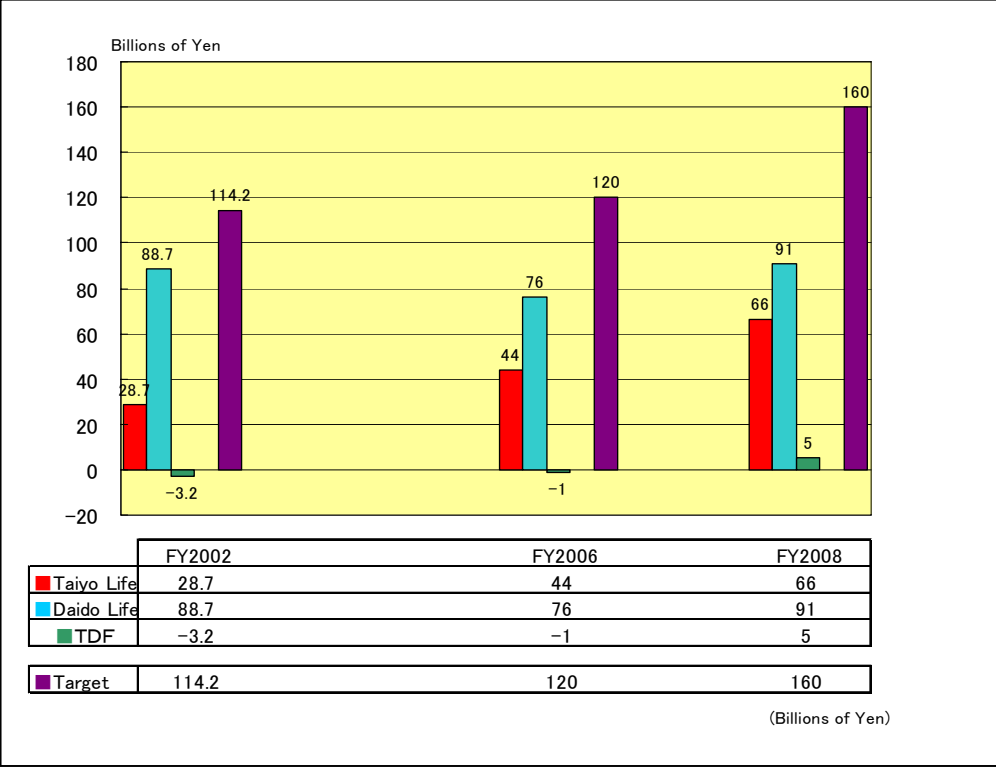
# Assumptions for Profit Target

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%

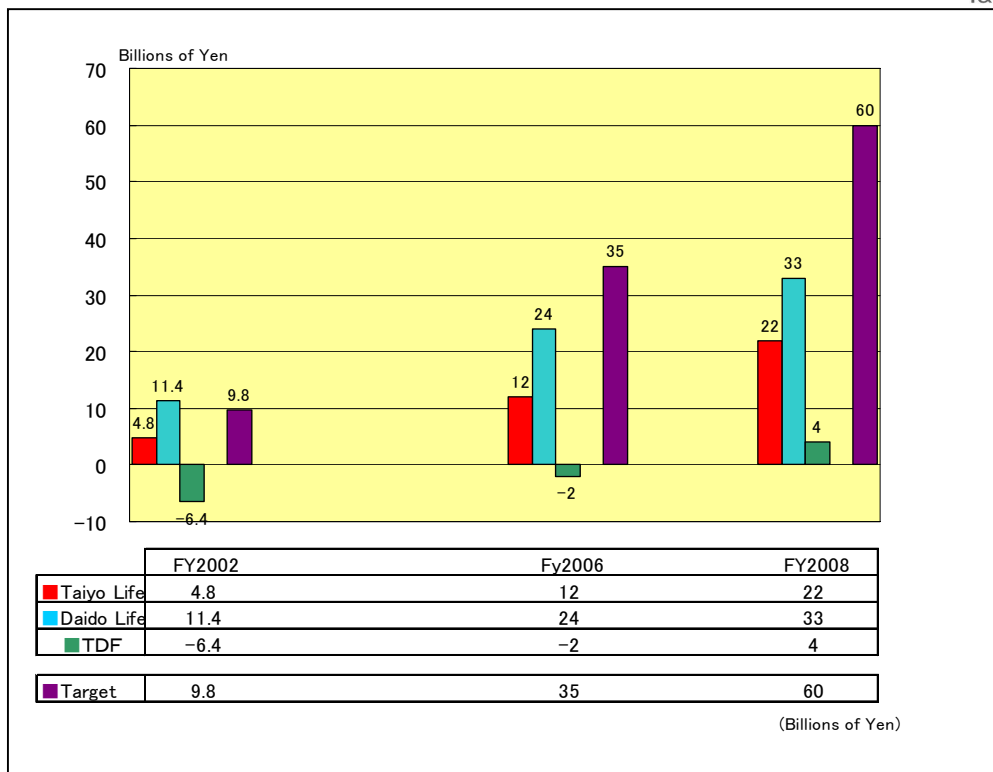
•Assumptions for Profit Target

# Group Profit Target: Base Profit



•Group Profit Target: Base Profit

# Group Profit Target: Net Income

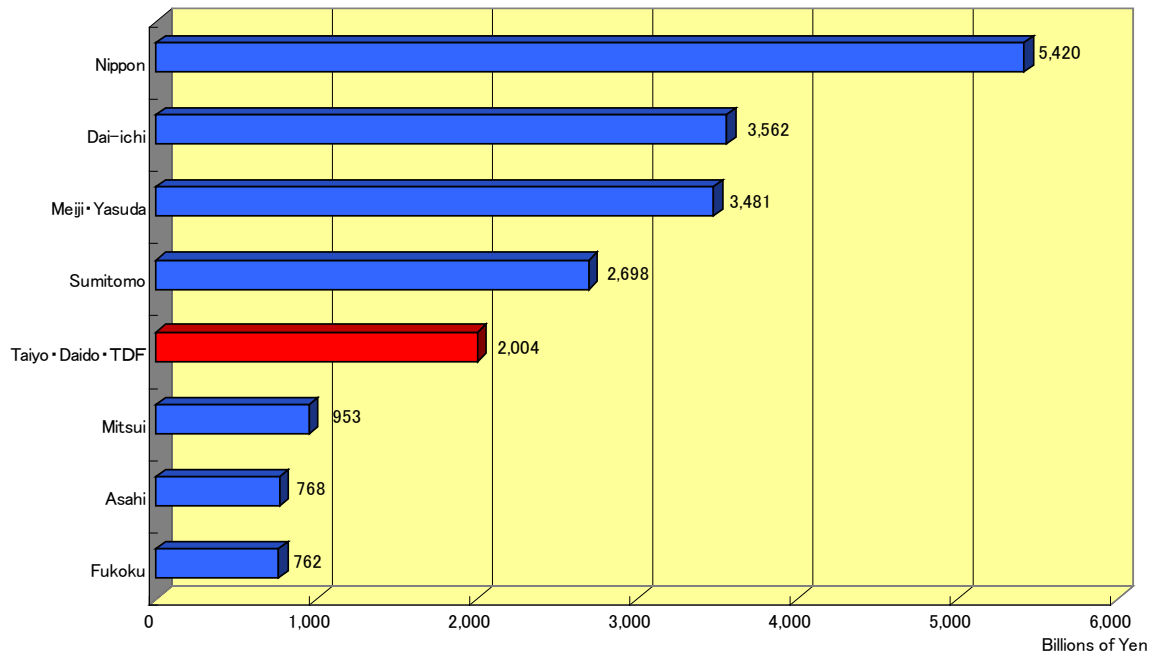


## •Group Profit Target: Net Income

# Comparison of Life Insurance Companies: Income from Insurance Premiums



(As of 2002 Fiscal Results)



T&D Life Group, Management Integration, October 10, 2003

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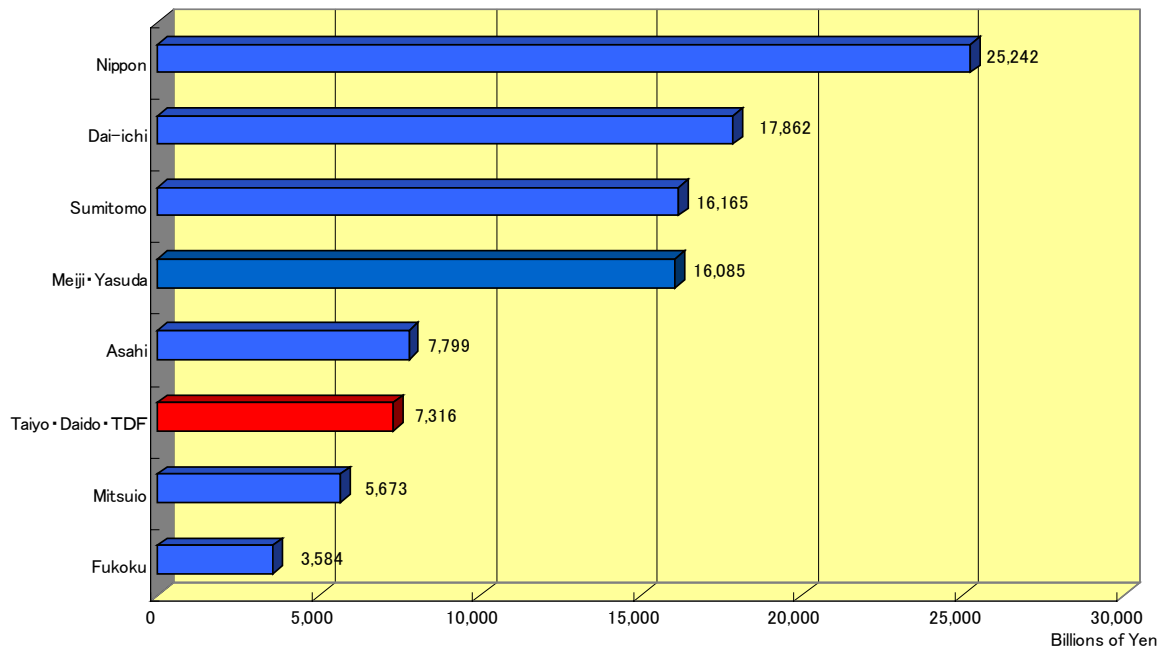
## •Comparison of Life Insurance Companies: Income from Insurance Premiums

# 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)



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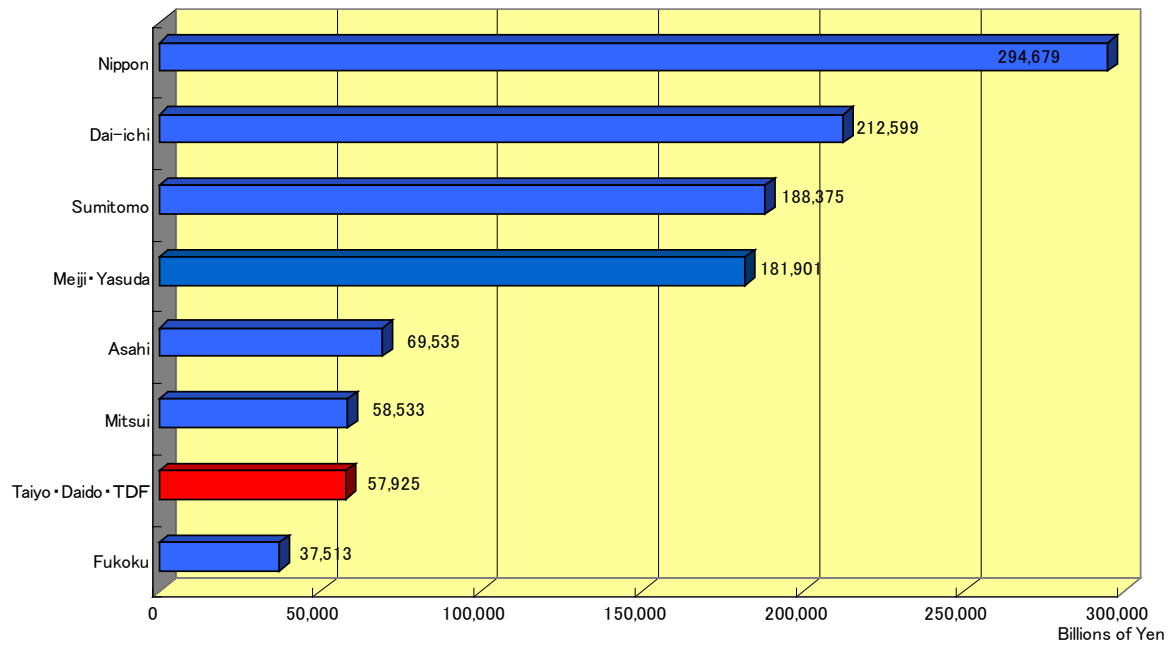
## •Comparison of Life Insurance Companies: New Policy Amount

# 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)



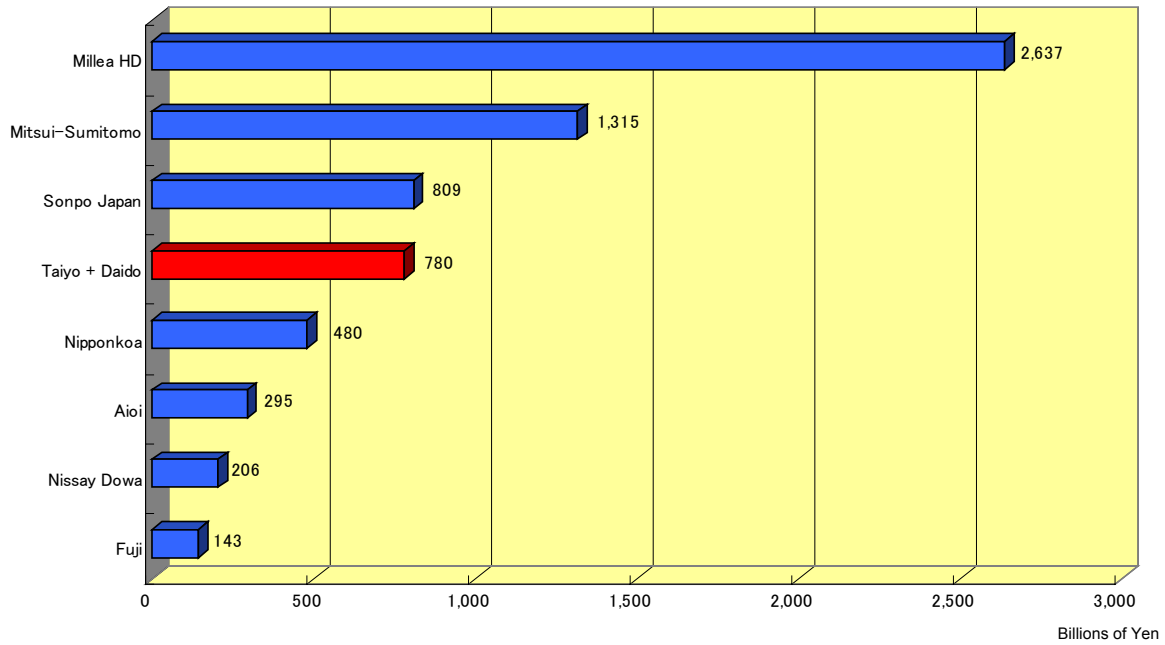
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## •Comparison of Life Insurance Companies: Policy Amount in Force

# Comparison of Insurance Companies: Market Cap

(As of October 9, 2003)



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## •Comparison of Insurance Companies: Market Cap

**For inquiries, please contact:**

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**Daido Life Insurance Company  
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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.

•For inquiries