

T&D Life Group

Financial Results for Six Months Ended September 30, 2003

November 25, 2003

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

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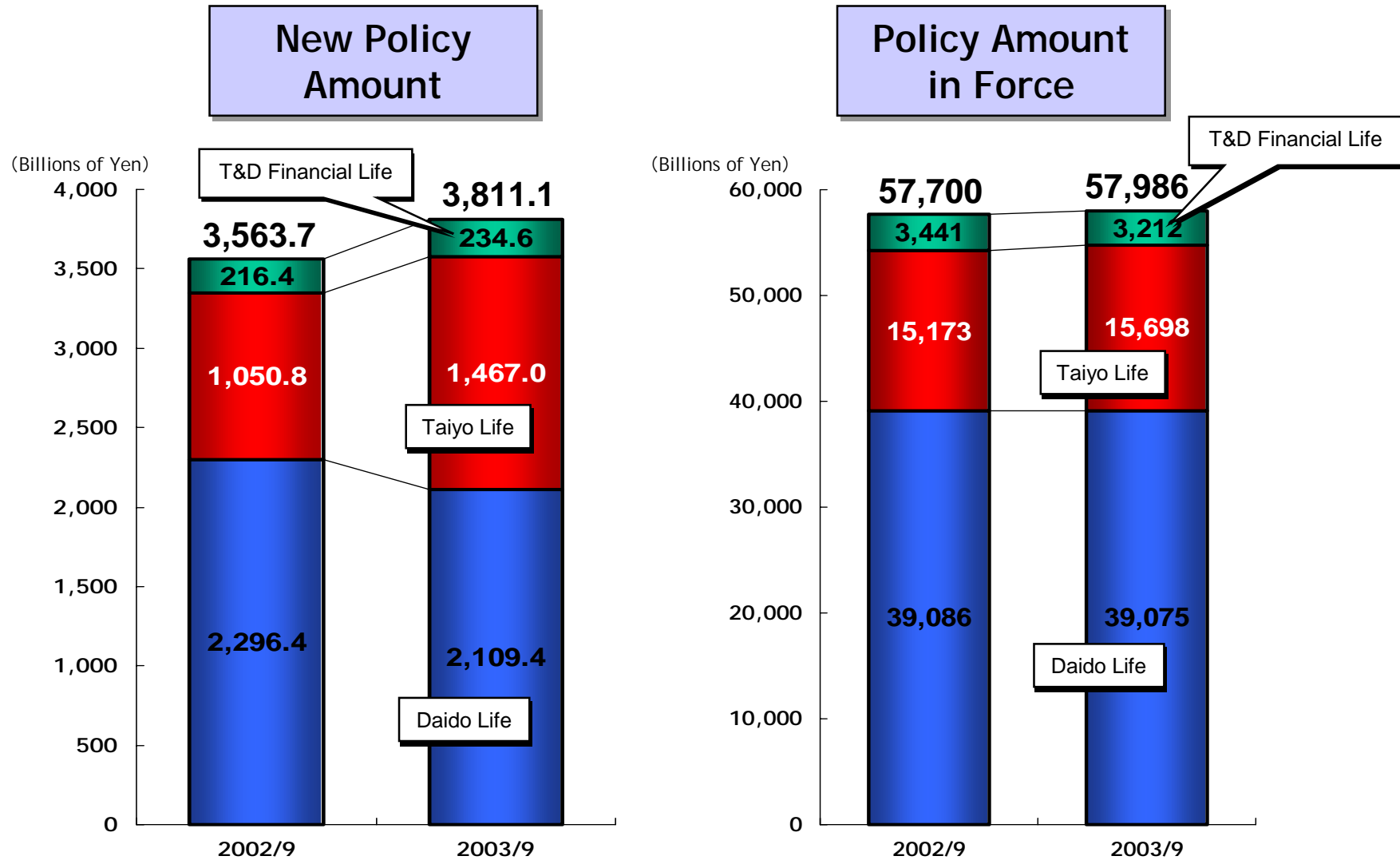


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Group Financial Highlights: Sales



*Total amount of individual life insurance and individual annuities



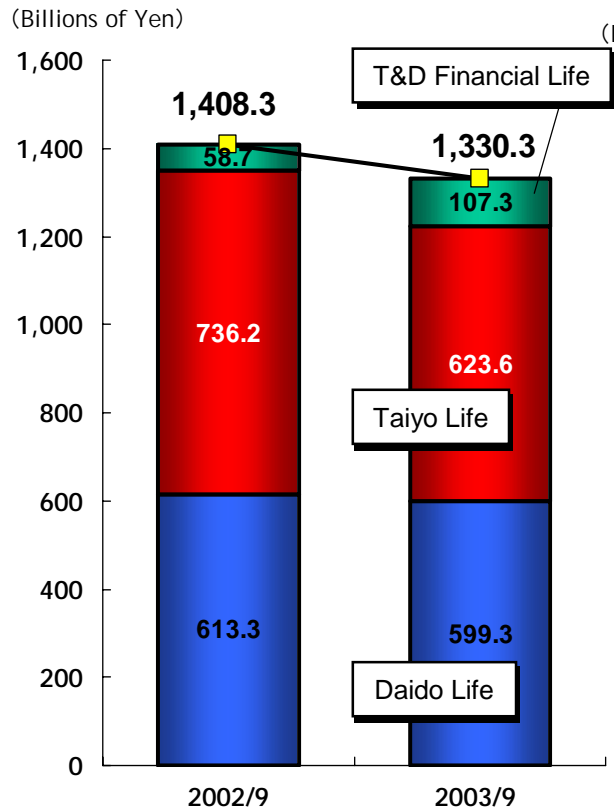
Group Financial Highlights : Profitability



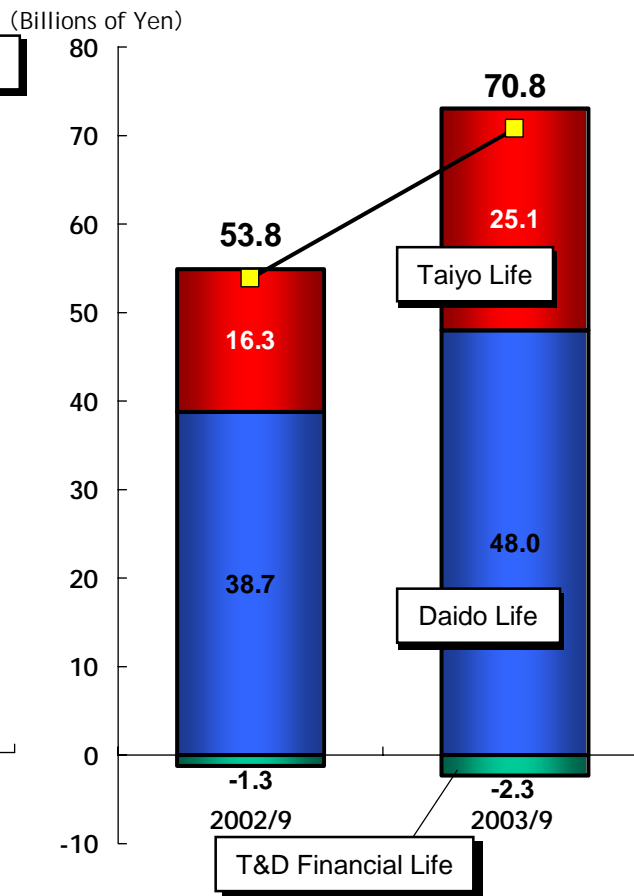
* Based on the simple addition of the non-consolidated data of each of the three companies

**Net income of Taiyo Life for 6 months ended September 2002; net income – (provision for allowance for policyholder dividends for FY2002) /2

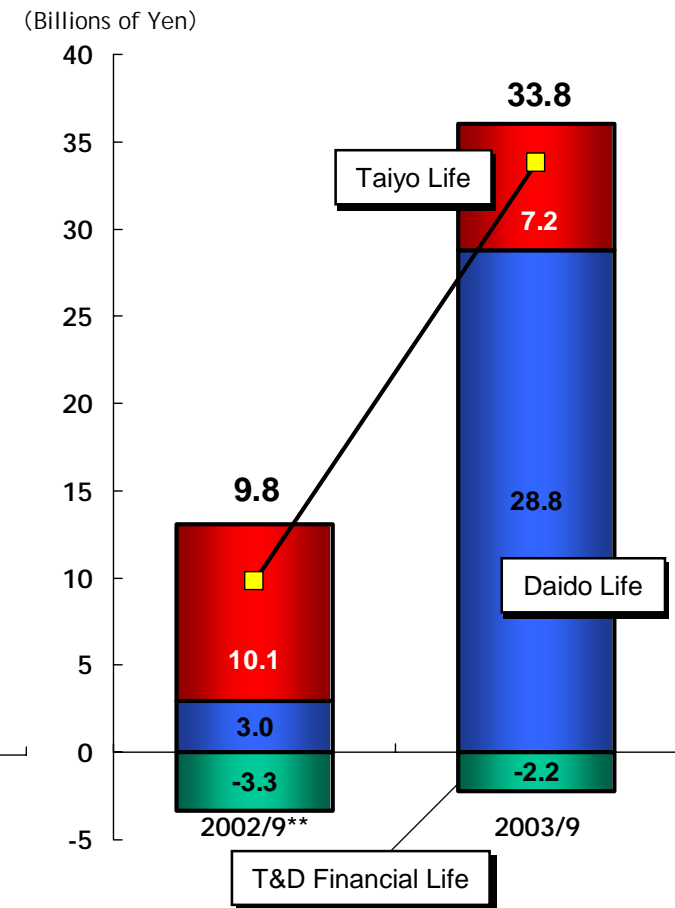
Ordinary Revenues



Core Profit



Net Income



Daido Life Insurance Company

Financial Results for Six Months Ended September 30, 2003



Daido Life Financial Highlights

- **Although new policy amount decreased from the same term of the previous fiscal year, the policy amount in force remained almost flat compared to the previous year's level**
- **Both ordinary profit and net income recorded strong growth from the same term of the previous fiscal year**
- **Adjusted book value increased mainly due to the rise in stock prices**
- **Earning forecasts for the fiscal year ending March 31, 2004 have been revised upward**

Sales Results

(Billions of Yen)

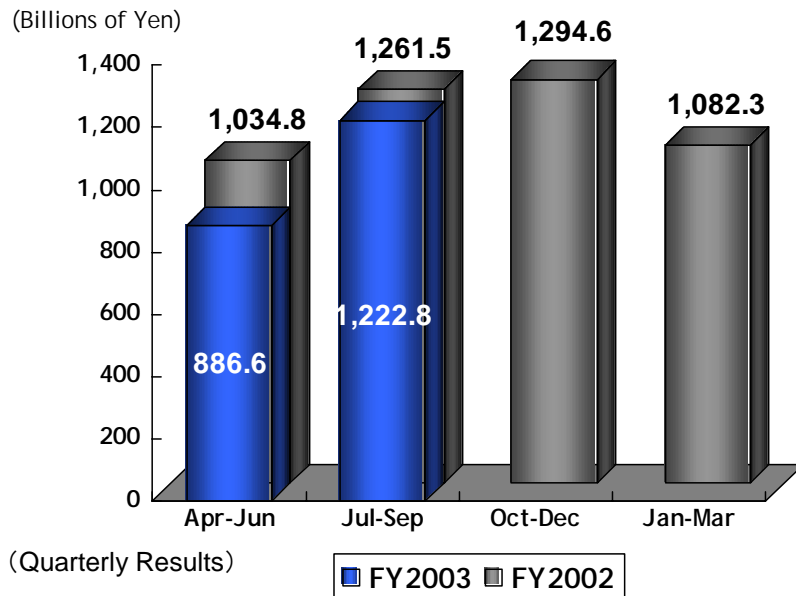
	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	Change	
New Policy Amount*				
Individual Life Insurance	2,075.5	2,239.9	(7.3%)	Saving-oriented products and individual annuities decreased substantially
Individual Term Life Insurance	2,006.4	2,126.0	(5.6%)	
Individual Annuities	33.8	56.5	(40.2%)	
Individual Life and Annuities Total	2,109.4	2,296.4	(8.1%)	2nd quarter sales recovered to almost at the same level as previous term, but sales for the 1st half period did not reach previous year's level
Decrease in Policy Amount**				
Individual Life and Annuities Total	2,376.2	2,139.2	11.1%	Although improvement seen in the 2nd quarter, surrender and lapse rate for 1st half period rose to 9.3% (annualized base) from 8.5% for FY2002
Individual Term Life Insurance	2,148.4	1,908.5	12.6%	
Surrender and Lapse	1,823.4	1,646.5	10.7%	
Individual Term Life Insurance	1,675.6	1,505.4	11.3%	
Policy Amount in Force				
Individual Life and Annuities Total	39,075.8	39,086.3	(0.0%)	-Decreased by ¥266.7 billion (0.6% decrease) from the amount as of the beginning of the fiscal year which stood at ¥39,342.6 billion
Individual Term Life Insurance	34,662.5	34,526.5	0.4%	
Group Life	12,418.7	12,683.4	(2.1%)	-Achieved ¥45.1 billion net increase in 2nd quarter
Group Annuities	2,401.4	2,512.9	(4.4%)	
				Decreased by ¥142.0 billion (0.4% decrease) from the amount as of the beginning of the fiscal year which stood at ¥34,804.6 billion

* Includes net increase from conversion (hereinafter, the same definition applies to "new policy amount" unless otherwise stated)

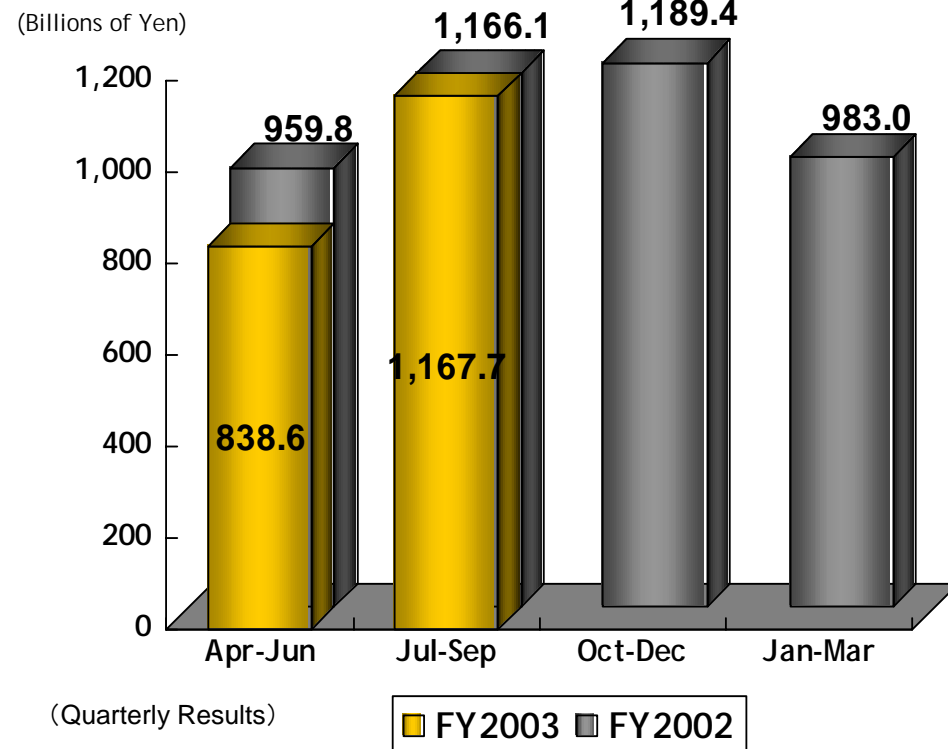
** New policy amount – Net increase from the beginning of the fiscal year

Quarterly Trends in New Policy Amount

Trends in New Policy Amount of Individual Life Insurance (including Individual Annuities)



Trends in New Policy Amount of Individual Term Life Insurance



Non-Consolidated Statements of Operations

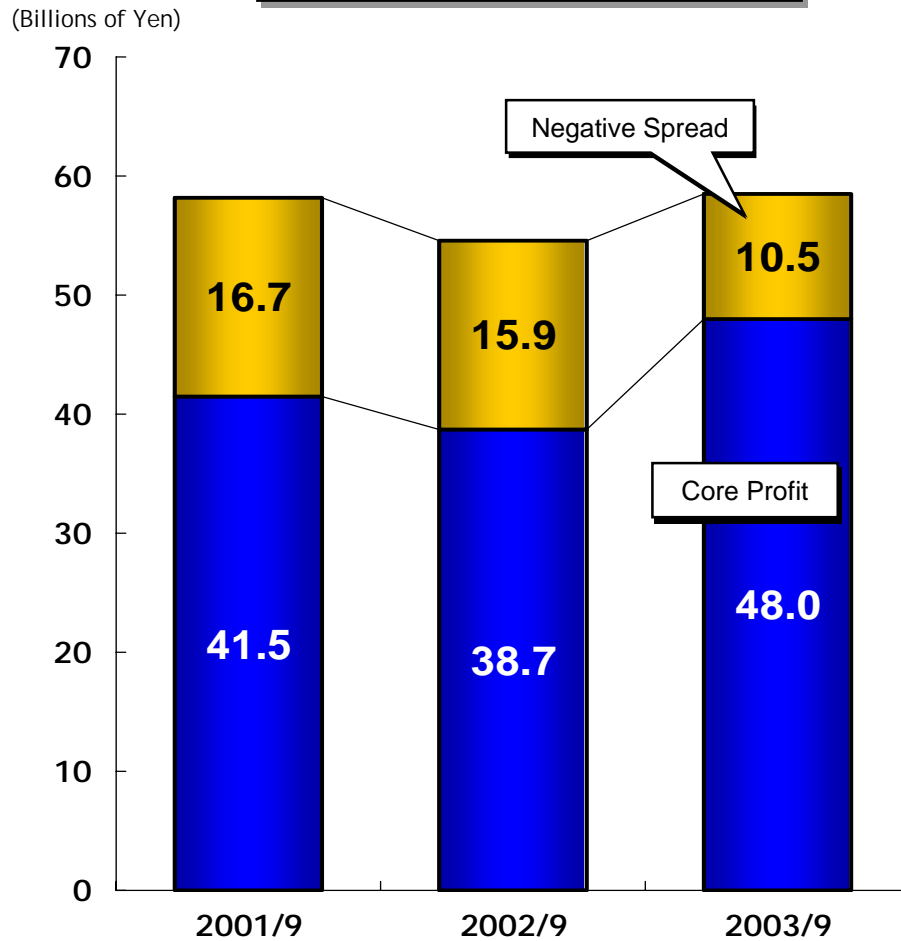


T&D Life Group

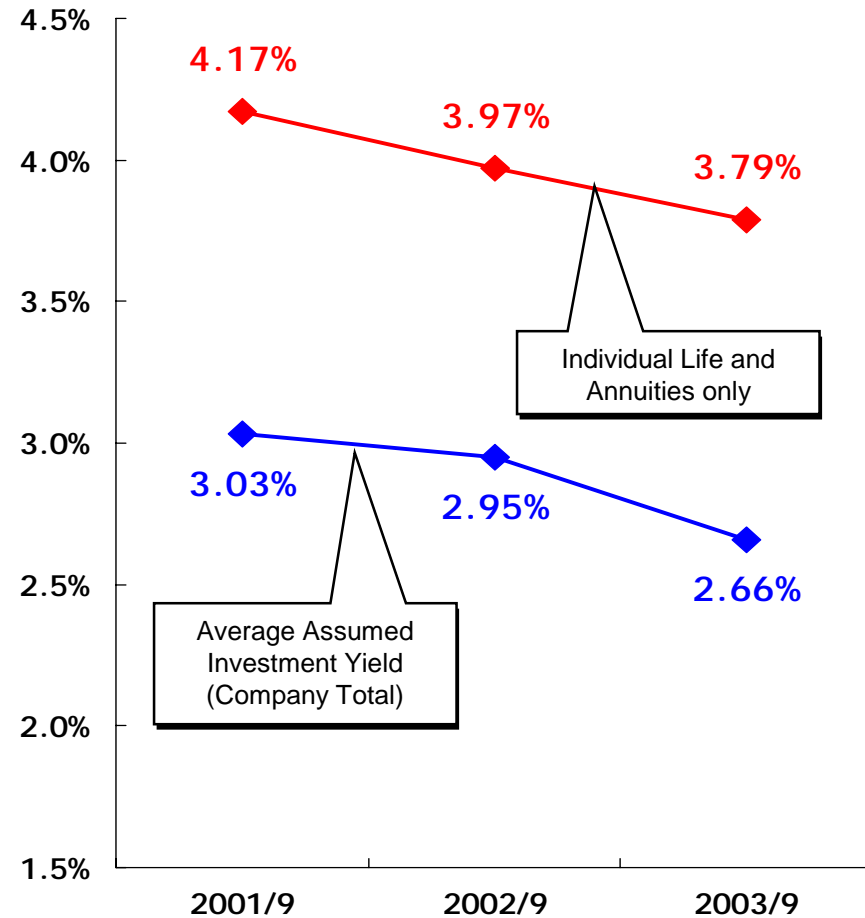
	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	Change	(Billions of Yen)
Ordinary Revenues	599.3	613.3	(2.3%)	Decreased due mainly to decrease in single premiums and premiums on group annuities
Income from insurance premiums	480.7	515.8	(6.8%)	
Investment income/ gains	103.1	92.0	12.2%	Includes gains on sale of domestic bonds of ¥16.0 billion (includes gains from bonds held for group annuities of ¥13.4 billion), domestic stocks of ¥3.7 billion, foreign securities of ¥2.6 billion
Interest and dividends	61.1	63.2	(3.3%)	
Gains from monetary trusts, net	5.0	-	-	
Gains on sale of securities	22.4	13.2	69.1%	
Gains from derivatives, net	-	15.1	-	Gains of ¥13.2 billion versus ¥22.5 billion losses for the same term of the previous year
Gains from separate accounts, net	13.2	-	-	
Other ordinary income	15.3	5.4	184.2%	
Reversal of policy reserves	8.5	-	-	Mainly due to the decrease in income from insurance premiums and the increase in the insurance claims and other payments
Ordinary Expenses	533.4	594.4	(10.3%)	
Insurance claims and other payments	458.4	433.5	5.8%	
Provision for policy and other reserves	0.5	23.2	(97.8%)	
Investment expenses/ losses	13.6	73.6	(81.5%)	Includes; -Losses on stock index futures: ¥22.5 billion -Gains on foreign exchange forward contracts: ¥12.0 billion -Gains on bond futures: ¥6.8 billion
Losses from monetary trusts, net	-	6.6	-	
Losses on sale of securities	1.0	7.2	(85.3%)	
Devaluation losses on securities	0.4	28.9	(98.3%)	
Losses from derivatives, net	3.5	-	-	Includes; -¥1.8 billion gains from the reversal of reserve for possible loan losses -¥4.2 billion losses from the losses on sale, disposal and devaluation of property and equipment (includes ¥3.9 billion loss on disposal of property and equipment based on our self-assessment)
Losses from separate accounts, net	-	22.5	-	
Operating Expenses	54.2	56.4	(3.9%)	
Ordinary Profit	65.9	18.8	250.0%	
Extraordinary Gains/ Losses	(1.9)	(1.0)	-	
Provision for Reserve for Policyholder	17.7	12.2	45.1%	Re-calculated based on the estimate of the financial results of the current fiscal year
Dividends	17.7	12.2	45.1%	
Net Income	28.8	3.0	844.1%	

Core Profit/ Negative Spread, Assumed Investment Yield

Amount of Core Profit and Negative Spread (Apr.-Sep.)



Average Assumed Investment Yield



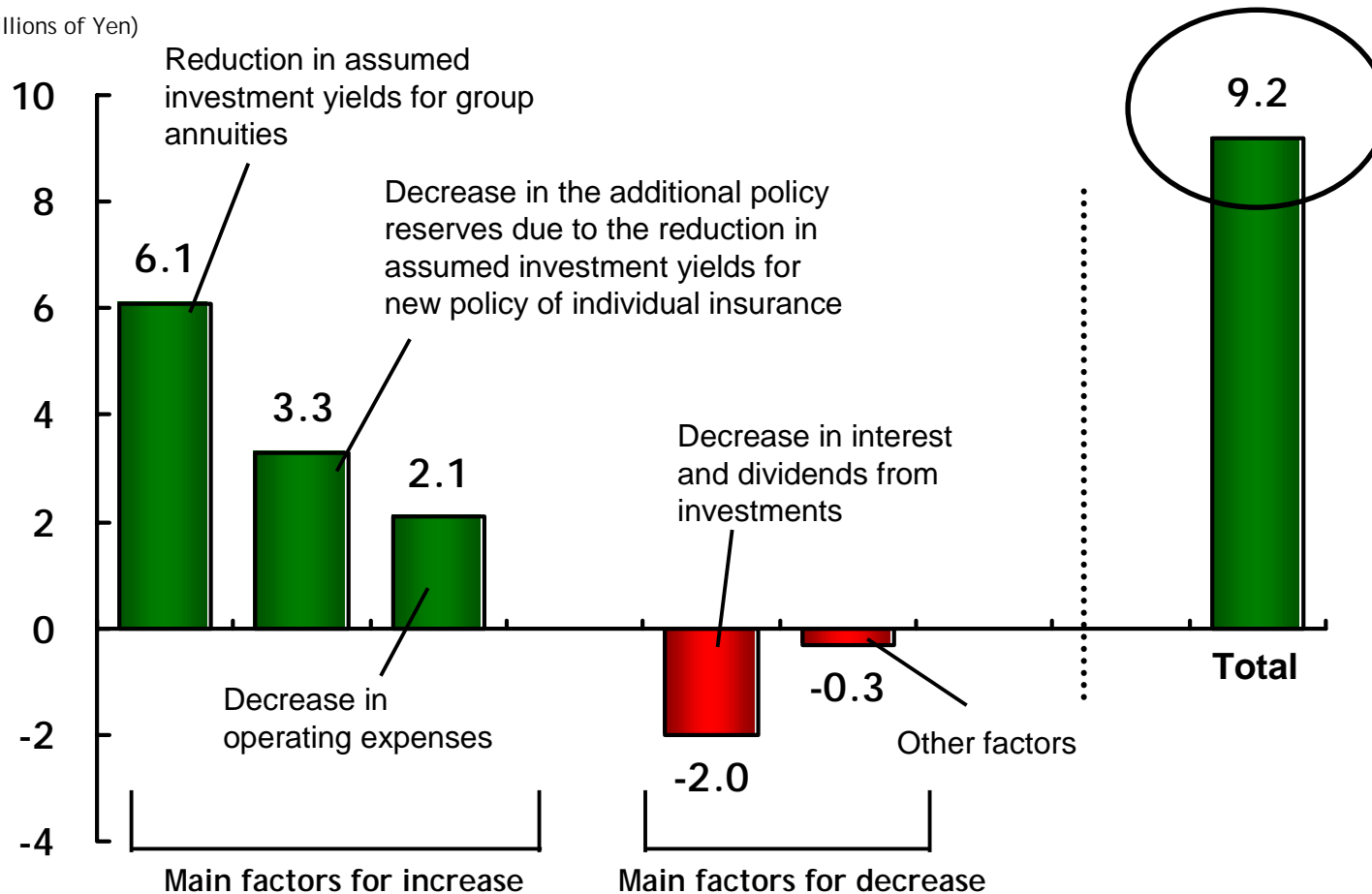
Factors for Increase/ Decrease in Core Profit



T&D Life Group

Factors for Increase/ Decrease in Core Profit for the Fiscal Year Ended September 30, 2003 (Change from the same term of Previous Fiscal Year)

(Billions of Yen)



Non-Consolidated Balance Sheets



T&D Life Group

(Billions of Yen)

(Billions of Yen)

	As of Sep. 30, 2003	As of March 31, 2003	Changes
Assets			
Cash and Deposits, Call Loans	364.8	392.3	(27.5)
Securities	4,006.8	3,949.6	57.1
Domestic bonds	2,632.5	3,098.6	(466.1)
Domestic stocks	330.9	256.7	74.1
Foreign securities	746.8	397.3	349.4
Loans	1,165.1	1,181.6	(16.4)
Property and Equipment	168.8	175.7	(6.8)
Deferred Tax Assets	41.1	60.7	(19.6)
Reserve for Possible Loan Losses	(4.4)	(6.8)	2.3
Total Assets	6,051.6	6,007.1	44.4

(Domestic bonds)
Decreased because part of the long-term bonds were sold and new investments were limited

(Domestic stocks)
Increased due mainly to the rise in stock prices

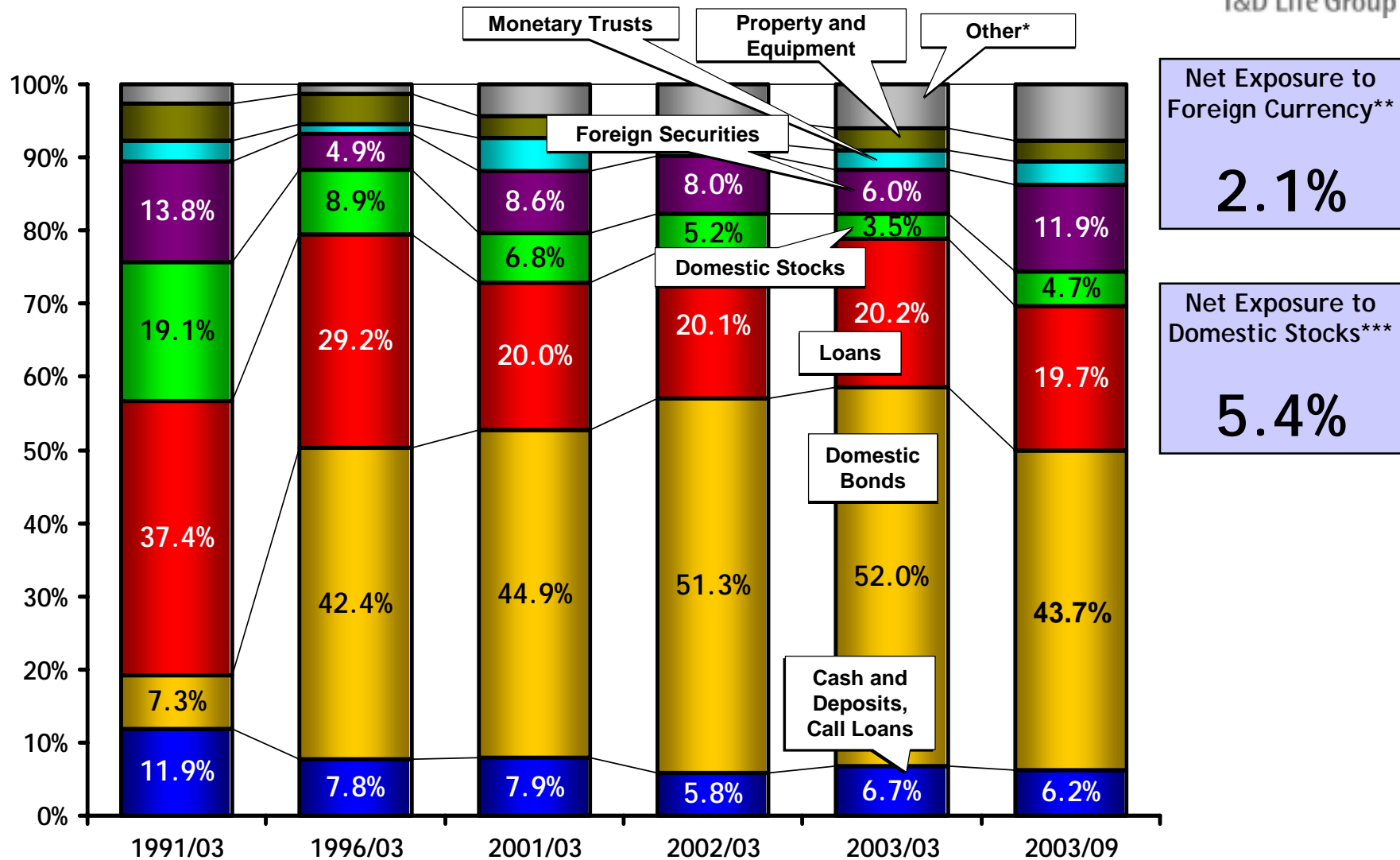
(Foreign securities)
Increased due mainly to the purchase of foreign bonds (mainly Euro-denominated bonds) with currency hedging contracts

	As of Sep. 30, 2003	As of March 31, 2003	Changes
Liabilities			
Total Policy Reserves	5,567.1	5,579.7	(12.6)
Policy reserve	5,386.1	5,394.7	(8.5)
Contingency reserve	75.6	75.3	0.3
Reserve for Price Fluctuations	30.0	29.2	0.7
Total Liabilities	5,818.8	5,831.3	(12.5)
Shareholders' Equity			
Common Stock	75.0	75.0	0.0
Capital Surplus	0.0	0.0	0.0
Total Retained Earnings	77.5	53.2	24.3
Appropriated retained earnings	40.9	34.9	5.9
Unappropriated retained earnings	34.6	-	34.6
Net Income	28.8	-	28.8
Unappropriated retained earnings	-	17.2	(17.2)
Net Unrealized Gains on Securities	80.2	47.5	32.6
Total Shareholders' Equity	232.8	175.8	56.9
Total Liabilities and Shareholders' Equity	6,051.6	6,007.1	44.4

General Accounts Asset Composition



T&D Life Group



* Other; Other Securities (mainly investment trusts), Deferred Tax Assets, Monetary Claims Purchased and Other Assets

** Net foreign currency exposure adjusting for hedges

*** Net exposure to domestic stocks adjusting the hedging position and including stocks held in monetary and investment trusts

Unrealized Gains/ Losses (General Account)



(Billions of Yen)

	Unrealized gains/losses on Held-to-maturity securities		Unrealized gains/losses on Available-for-sale securities		Total		
	As of Sep. 30, 2003	As of March 31, 2003	As of Sep. 30, 2003	As of March 31, 2003	As of Sep. 30, 2003	As of March 31, 2003	Change
Total	52.5	104.0	125.6	73.9	178.1	177.9	0.2
Domestic Bonds	51.1	102.0	37.0	74.7	88.2	176.7	(88.5)
Domestic Stocks	-	-	84.8	3.6	84.8	3.6	81.2
Foreign Securities	1.3	1.9	(7.7)	3.0	(6.3)	4.9	(11.3)
Other Securities	-	-	9.7	(3.3)	9.7	(3.3)	13.1
Monetary Trusts	-	-	1.6	(4.1)	1.6	(4.1)	5.7
Net Unrealized Gains/losses on Real Estate					(14.1)	(12.8)	(1.2)

Financial Soundness, Adjusted Book Value



T&D Life Group

(Billions of Yen)

	As of Sep. 30, 2003	As of March 31, 2003	Change
Solvency Margin Ratio	1,069.7%	860.2%	209.5%
Total Solvency Margin	515.7	424.8	90.9
Equity*	263.6	237.5	26.0
Net income	28.8	-	28.8
Net unrealized gains on available-for-sale securities X 90 per cent	113.0	67.0	46.0
Deferred tax assets	40.3	25.5	14.7
Others	98.8	94.7	4.0
Total Risk**	96.4	98.7	(2.3)
Insurance risk R ₁	34.5	34.8	(0.3)
Assumed investment yield risk R ₂	22.0	22.5	(0.4)
Investment risk R ₃	65.3	67.1	(1.8)
Business risk R ₄	2.4	2.4	(0.0)
Value of Adjusted Net Asset	541.5	515.4	26.0
Adjusted Book Value	271.3	193.2	78.1

Increased due mainly to the rise in stock prices

Includes;
Market risk: ¥17.2 bn
Credit risk: ¥0.4 bn
Derivatives counterparty risk: (¥19.5 bn)

Increased due mainly to a ¥51.9 billion increase in net unrealized gains on stocks (after-tax)

*Includes Equity (excl. certain items), Reserve for price fluctuation, Contingency reserve, Reserve for possible loan losses and Unallotted portion of reserve for policyholder dividends

$$**\text{Total risk} = \sqrt{R_1^2 + (R_2 + R_3)^2} + R_4$$

Consolidated Financial Results

(Billions of Yen)

	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	[Consolidated/ Non-Consolidated]
Ordinary Revenues	599.3	617.2	1.00
Ordinary Expenses	536.6	597.9	1.01
Ordinary Profit	62.6	19.2	0.95
Net Extraordinary Gains	3.1	2.7	1.00
Net Extraordinary Losses	5.0	4.1	1.00
Net Income	25.4	3.0	0.88

Total Assets	6,076.2	6,006.1	1.00
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Equity method investment losses of ¥1.0 bn (including ¥1.1 bn losses on investment in T&D Financial Life)

The differences between consolidated and non-consolidated statements is mainly accounted for by the equity method investment losses of ¥1.0 billion and the offset of the dividends from a subsidiary of ¥2.5 billion

Revision of Performance Forecast for the Year Ending March 31, 2004



- Although the forecast of new policy amount is revised downward, new sales of individual term life is expected to remain flat versus the previous year
- Forecast of policy amount in force is also revised downward. However, policy amount of individual term life is expected to achieve net increase versus the amount as of the beginning of the fiscal year

(Billions of Yen)

	Revised Forecast (A)	Previous Forecast (as of May 2003) (B)	Amount of Change (A)-(B)	Year Ended Mar. 2003
Individual Term Life insurance	4,300	4,450	(150)	4,298.5
New Policy Amount of Individual Life Insurance and Annuities*	4,490	4,760	(270)	4,673.5
Individual Term Life insurance	34,930	35,230	(300)	34,804.6
Policy Amount in Force of Individual Life Insurance and Annuities	39,200	39,630	(430)	39,342.6
Surrender and Lapse Rate	9.0%	8.5%	0.5%	8.5%
Income from Insurance Premiums	921	994	(73)	989.4

*Includes net increase from conversion

Revision of Earnings Forecast for the Year Ending March 31, 2004



- Earnings forecast for the full year is revised upward, in view of the improvement in gains from investment returns
- We expect to realize losses on sale of securities related to the foreign currency exposure resulting from yen's appreciation

[Non-Consolidated]

(Billions of Yen)

	Revised Forecast (A)	Previous Forecast (as of May 2003) (B)	Amount of Change (A)-(B)	Year Ended Mar. 2003
Ordinary Revenues	1,200	1,124	76	1,182.1
Ordinary Profit	101	70	31	46.0
Core Profit	95	88	7	88.7
Net Income	34	23	11	11.4
Annual Dividends per Share	¥3,000	¥3,000	-	¥3,000
Negative Spread	19	25	(6)	20.4

Increased due to increase in gains on sale of securities, reversal of provisions for policy and other reserves as a result of increase in insurance claims and other payments

Revised forecast reflects followings in 2nd half;
 -Recognition of unrealized losses on foreign securities
 -Increase in provisions for retirement benefit obligations
 (Discount rate changed from 2.3% to 2.0%)

[Consolidated]

(Billions of Yen)

	Revised Forecast (A)	Previous Forecast (as of May 2003) (B)	Amount of Change (A)-(B)	Year Ended Mar. 2003
Ordinary Revenues	1,203	1,127	76	1,185.2
Ordinary Profit	97	66	31	41.8
Net Income	30	19	11	6.3

Revised forecast reflects followings in 2nd half;
 -Increase in provisions for reserve for policyholder dividends

Taiyo Life Insurance Company

Financial Results for Six Months Ended September 30, 2003



TAIYO-LIFE

Taiyo Life Financial Highlights



- **New policy amount and policy amount in force recorded healthy gains due mainly to the sales of our new product “Taiyo Life’s Hoken Kumikyoku”**
- **Both ordinary profit and net income outperformed the previous forecast**
- **Adjusted book value increased to ¥236.2 billion**
- **Projections for the fiscal year ending March 31, 2004 have been revised upward**

Sales Results

- **Total new policy amount including individual life insurance and annuities recorded strong growth, up 39.6% from the same term of the previous fiscal year. Total policy amount in force including individual life insurance and annuities increased by 3.5% from the same term of the previous fiscal year.**

(Billions of Yen)

	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	Change
New Policy Amount*			
Individual Life Insurance	1,446.7	1,008.0	43.5%
Individual Annuities	20.2	42.7	(52.5%)
Individual Life and Annuities Total	1,467.0	1,050.8	39.6%
Net Increase from Conversions	336.8	-	-
Decrease in Policy Amount**			
Individual Life and Annuities Total	1,037.2	1,110.3	(6.6%)
Amount of Surrender and Lapse	685.0	642.3	6.6%
Number of Surrender and Lapse	153 thousands	165 thousands	(7.5%)
Policy Amount in Force			
Individual Life and Annuities Total	15,698.3	15,173.4	3.5%
Group Life	11,094.9	11,118.5	(0.2%)
Group Annuities	805.2	807.3	(0.3%)

Decreased mainly due to the decrease in maturity benefits

While surrender and lapse rate deteriorated by 0.54 points to 8.97% (annualized), number of surrender and lapse decreased by 7.5% and policy surrender payment decreased by 2.1%

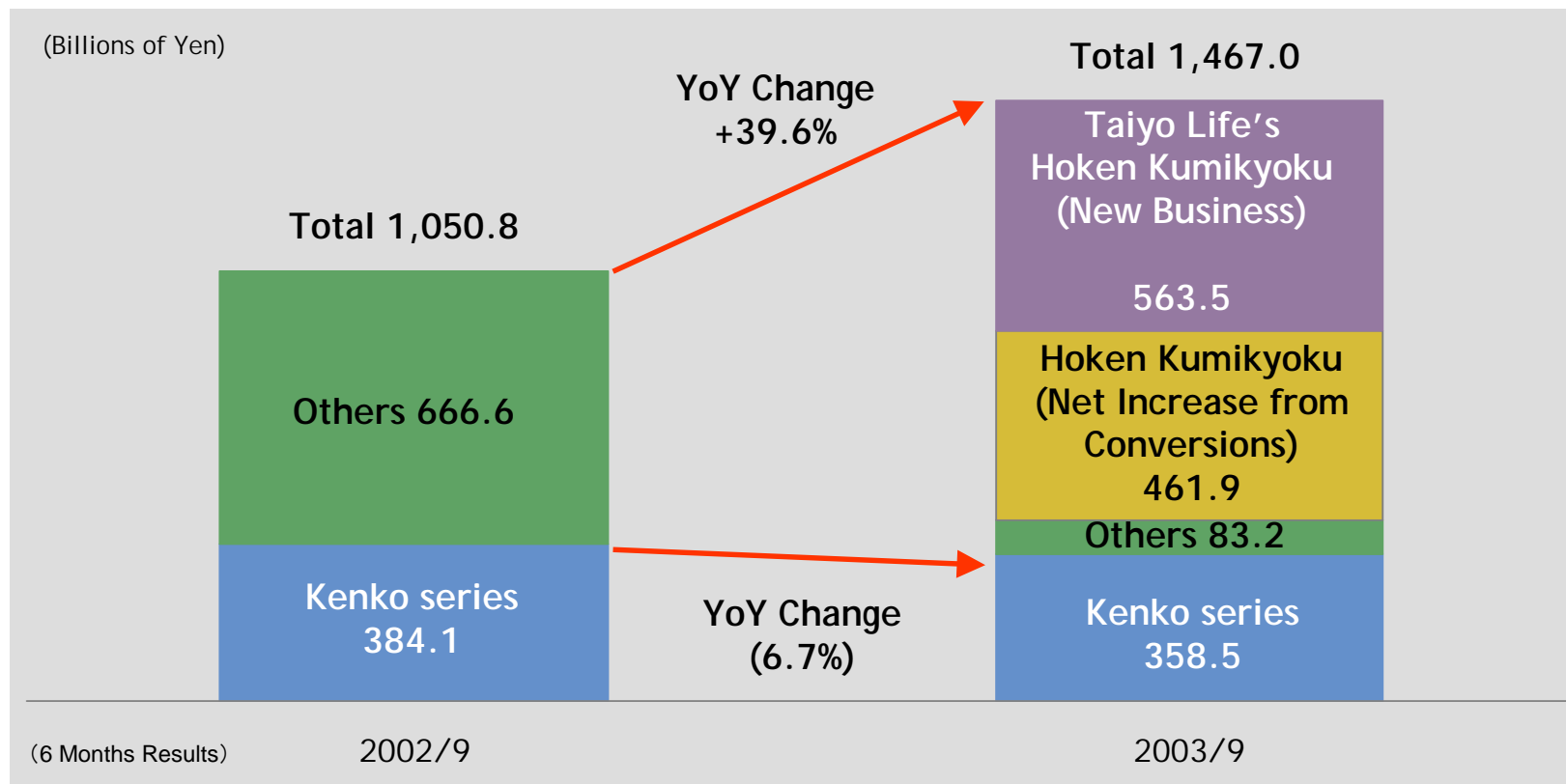
Increased by ¥429.7 billion (2.8% increase) from the amount as of the beginning of the fiscal year which stood at ¥15,268.6 billion

* Includes net increase from conversion ** New policy amount – Net increase from the beginning of the fiscal year

Sales Results: New Business, including Conversions

- Our new product, “Taiyo Life’s Hoken Kumikyoku”, enjoyed strong sales
- Conversions of existing policies beginning in April have been successful

New Policy Amount (Individual Life and Annuities) (6 Months Ended Sep.30, 2003)

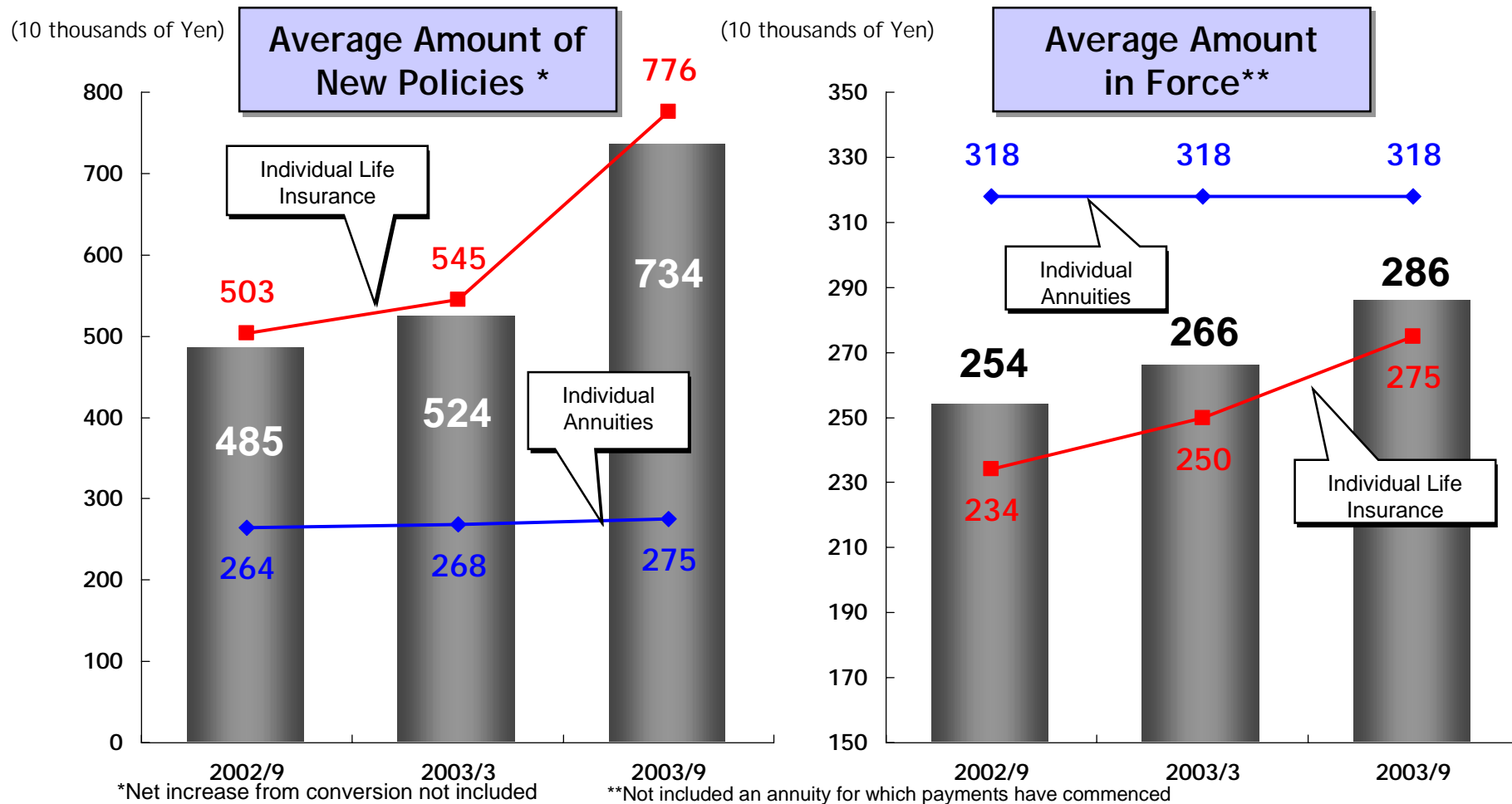


Sales Results: Average Policy Amount



T&D Life Group

- The average amount of new policies rose sharply, thanks to the large number of policies with death benefit amount of ¥10 million to ¥20 million or more in “Taiyo Life’s Hoken Kumikyoku”



Non-Consolidated Statements of Operations



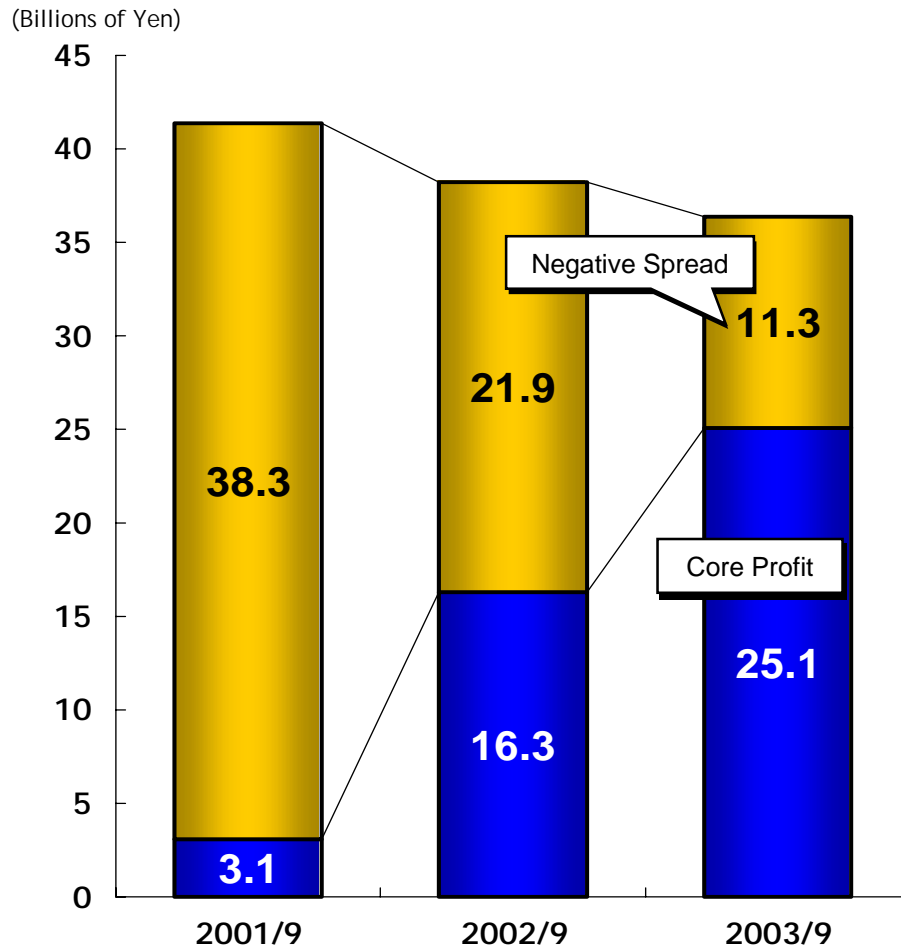
T&D Life Group

	Six Months Ended Sep.30th, 2003	Six Months Ended Sep.30th, 2002	Change	(Billions of Yen)
Ordinary Revenue	623.6	736.2	(15.3%)	<p>Income from insurance premiums for individual insurance and annuities is trending downward reflecting our efforts to encourage a shift from saving-oriented products to protection-oriented products. The decrease in premium income from group annuities also had some impact.</p> <p>Total net loss on sale of domestic stocks amounted to ¥12.1 billion reflecting accelerated downsizing of our stock investment portfolio. However, it was offset by the gains on sale of bonds to produce ¥9.0 billion net gains on sale of securities</p> <p>Yen's appreciation against dollars lead us to recognize foreign exchange gains on foreign currency related derivatives as gains on financial derivatives. This was offset by revaluation losses on foreign exchange contracts for hedging purposes that are subject to marked-to-market revaluation. As a result, total foreign exchange losses amounted to ¥24.3 billion</p>
Income from insurance premiums	413.6	464.3	(10.9%)	
Investment income/ gains	142.3	117.1	21.6%	
Interest and dividends	74.4	75.8	(1.8%)	
Gains on sale of securities	46.2	22.2	107.7%	
Gains from derivatives, net	11.2	10.1	10.3%	
Other ordinary income	67.6	154.7	(56.3%)	
Reversal of policy reserves	52.4	128.9	(59.4%)	
Ordinary Expenses	603.7	717.1	(15.8%)	<p>Yen's appreciation against dollars lead us to recognize foreign exchange gains on foreign currency related derivatives as gains on financial derivatives. This was offset by revaluation losses on foreign exchange contracts for hedging purposes that are subject to marked-to-market revaluation. As a result, total foreign exchange losses amounted to ¥24.3 billion</p>
Insurance claims and other payments	473.5	609.8	(22.4%)	
Provision for policy and other reserves	0.1	0.3	(65.5%)	
Investment expenses/ losses	66.5	42.7	55.6%	
Losses on sale of securities	37.1	14.1	162.1%	
Devaluation losses on securities	0.0	7.3	(99.4%)	
Foreign exchange loss	24.3	9.8	147.8%	
Operating Expenses	43.4	43.8	(1.0%)	
Ordinary Profit	19.8	19.1	4.1%	
Extraordinary Gains/ Losses	(0.4)	0.9	-	
Provision for Reserve for Policyholder Dividends	6.6	-	-	<p>1/2 of the scheduled provision for reserve for policyholder dividends for the year was recognized as expenses during the 1st half period</p>
Net Income	7.2	15.7*	(54.3%)	

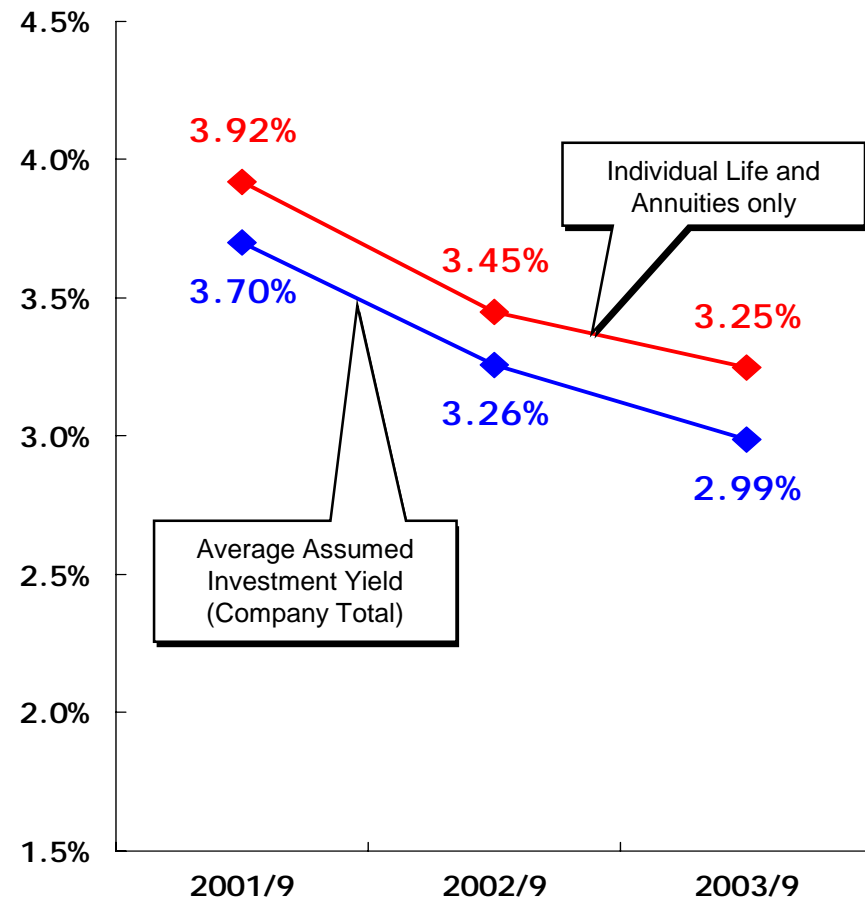
*Figures represent those before provisions for reserve for policyholder dividends, applicable to a mutual company

Core Profit/ Negative Spread, Assumed Investment Yield

Amount of Core Profit and Negative Spread (Apr.-Sep.)



Average Assumed Investment Yield (Annualized)



Non-Consolidated Balance Sheets



T&D Life Group
(Billions of Yen)

(Billions of Yen)

	As of Sep. 30,2003	As of March 31, 2003	Changes
Assets			
Cash and Deposits, Call Loans	203.3	168.2	35.0
Securities	3,825.5	3,664.1	161.4
Domestic bonds	2,264.5	2,437.4	(172.9)
Domestic stocks	481.4	400.9	80.5
Foreign securities	965.0	784.0	180.9
Loans	2,119.2	2,229.1	(109.8)
Property and Equipment	190.1	194.0	(3.8)
Deferred Tax Assets	30.5	78.6	(48.0)
Reserve for Possible Loan	(2.2)	(3.2)	1.0
Losses			
Total Assets	6,613.2	6,528.0	85.1

(Domestic bonds)
Decreased due mainly to the sale of domestic bonds in the 1st quarter

(Domestic stocks)
Sold mainly bank sector and bought some other sectors. Although book value decreased due to the sale, market value increased because of the rise in stock prices

(Foreign securities)
Increased due to purchase of foreign bonds with currency hedging contracts

	As of Sep. 30,2003	As of March 31, 2003	Changes
Liabilities			
Total Policy Reserves	6,176.7	6,219.9	(43.2)
Policy reserve	6,081.8	6,134.2	(52.4)
Contingency reserve	54.8	54.3	(0.5)
Reserve for Price Fluctuations	3.2	2.1	1.1
Total Liabilities	6,428.0	6,410.8	17.2
Shareholders' Equity			
Amortized kikin	-	10.0	(10.0)
Common Stock	37.5	-	37.5
Capital Surplus	37.5	-	37.5
Total Retained Earnings	70.1	127.1	(56.9)
Appropriated retained earnings	35.6	96.3	(60.6)
Unappropriated retained earnings	34.4	-	34.4
Net Income	7.2	-	7.2
Unappropriated retained earnings	-	30.5	(30.5)
Net Unrealized Gains on Land	(35.0)	(21.4)	(13.5)
Net Unrealized Gains on Securities	75.0	1.5	73.4
Total Shareholders' Equity	185.1	117.2	67.9
Total Liabilities and Shareholders' Equity	6,613.2	6,528.0	85.1

Financial Soundness

(Billions of Yen)

	As of Sep. 30, 2003	As of March 31, 2003	Change	
Solvency Margin Ratio	833.1%	681.5%	151.6%	
Total Solvency Margin	514.5	446.7	67.7	
Equity*	191.6	196.7	(5.1)	
Net income	7.2	-	7.2	
Net unrealized gains on available-for-sale securities X 90 per cent	105.6	2.1	103.5	Increased due mainly to the rise in stock prices
Deferred tax assets	37.7	59.2	(21.5)	
Others	179.4	188.5	(9.0)	
Total Risk**	123.5	131.1	(7.5)	
Insurance risk R ₁	33.2	32.7	0.5	Includes; Market risk: ¥14.5 bn Credit risk: (¥1.7 bn) Derivatives counterparty risk: (¥18.8 bn)
Assumed investment yield risk R ₂	28.2	30.1	(1.9)	
Investment risk R ₃	87.6	93.5	(5.9)	
Business risk R ₄	2.9	3.1	(0.1)	
Value of Adjusted Net Asset	377.5	341.2	36.2	Increased due mainly to the increase in net unrealized gains on available-for-sale securities
Adjusted Book Value	236.2	139.9	96.3	

*Includes Equity (less certain items), Reserve for price fluctuation, Contingency reserve, Reserve for possible loan losses and Unallotted portion of reserve for policyholder dividends

$$**\text{Total risk} = \sqrt{R_1^2 + (R_2 + R_3)^2} + R_4$$

Consolidated Financial Results



(Billions of Yen)

	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	[Consolidated/ Non-Consolidated]
Ordinary Revenues	631.0	744.0	1.01
Ordinary Expenses	612.5	725.8	1.02
Ordinary Profit	18.4	18.2	0.93
Net Extraordinary Gains	1.2	2.1	1.10
Net Extraordinary Losses	1.5	1.6	1.01
Net Income	5.3	14.0*	0.74

* Includes provision for reserve of policyholder dividends, as the company was a mutual life insurance company

Total Assets	6,631.9	6,730.1	1.00
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Reflecting equity method investment losses (Including ¥1.1 billion losses on investment in T&D Financial Life), and the offset of the dividends from a subsidiary of ¥0.8 billion

Performance Forecast: Sales

- Sales growing in line with our forecast
- Income from insurance premiums is revised downward, reflecting a decrease in single premiums and prepaid premiums

(Billions of Yen)

	Revised Forecast (A)	Previous Forecast (as of May 2003) (B)	Amount of Change (A)-(B)	Year Ended Mar. 2003
New Policy Amount of Individual Life Insurance and Annuities*	No Change	3,075.8	-	2,175.4
Amount of Surrender and Lapse	No Change	1,349.8	-	1,318.8
Surrender and Lapse Rate	No Change	8.84%	-	8.66%
Policy Amount in Force of Individual Life Insurance and Annuities	No Change	16,351.4	-	15,268.6
Income from Insurance Premiums	820.2	860.5	(40.3)	887.9

*Includes net increase from conversion

Revision of Projections for the Year Ending March 31, 2004



- Full-year operating result forecast is revised upward in view of the improvement in gains from investment returns
- Increases in ordinary profit and net income are expected to slowdown in the second half reflecting net capital losses on foreign securities and investment trusts, and recognition of extraordinary losses

[Non-Consolidated]

(Billions of Yen)

	Revised Forecast (A)	Previous Forecast (as of May 2003) (B)	Amount of Change (A)-(B)	Year Ended Mar.2003
Ordinary Revenues	1,239.0	1,172.0	67.0	1,385.2
Ordinary Profit	28.6	26.0	2.6	23.0
Core Profit	35.4	33.0	2.4	28.7
Net Income	No Change	6.4	-	4.8
Annual Dividends per Share	No Change	¥1,500	-	-
Negative Spread	No Change	35.4	-	43.4

Increase in core profit for the full year is expected to be smaller compared to the first half, as gains from investment activities for the second half is expected to decrease from the first half

Increase in net income for the full year is expected to be smaller compared to the first half, due to:
-Net capital losses expected including losses on sale of investment trusts

-Increase in extraordinary losses as a result of disposal of real estate

[Consolidated]

(Billions of Yen)

	Revised Forecast (A)	Previous Forecast (as of May 2003) (B)	Amount of Change (A)-(B)	Year Ended Mar.2003
Ordinary Revenues	1,255.0	1,189.0	66.0	1,401.8
Ordinary Profit	25.4	23.9	1.5	21.0
Net Income	No Change	3.7	-	1.5

T&D Financial Life Insurance Company

Financial Results for Six Months Ended September 30, 2003



T&D FINANCIAL LIFE

Sales Results

■ Solid sales of individual variable annuities

	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	Change
New Policy Amount			
Individual Life Insurance and Annuities	234.6	216.4	8.4%
Individual Valuable Annuities	59.2	7.9	649.3%
Decrease in Policy Amount			
Individual Life Insurance and Annuities	364.3	428.6	(15.0%)
Surrender and Lapse	280.2	310.2	(9.7%)
Policy Amount in Force			
Individual Life Insurance and Annuities	3,212.0	3,441.0	(6.7%)
Individual Valuable Annuities	133.9	9.0	1378.3%

(Billions of Yen)

New policies sold for individual variable annuities substantially increased over the previous year. However, policy amount in force decreased as surrender and lapse amount exceeded the amount of new policies sold.

The number of Individual variable annuities policies exceeded 20,000

Status of individual variable annuity sales

	1st half of FY2003		2nd half of FY2002	
	Number of sales	Income from insurance premiums	Number of sales	Income from insurance premiums
Sales results	9,566	¥59.2 billion	9,090	¥57.2 billion
Sales through bank OTC*	8,312	¥55.1 billion	8,074	¥52.6 billion
Number of sales agents at the end of the interim period *	13 banks, 2 securities companies		10 banks, 2 securities companies	

Including additional ¥5.1 billion income from premiums paid by existing policyholders on exercise of additional coverage options, total premium income from individual annuities amounted to ¥64.3 billion

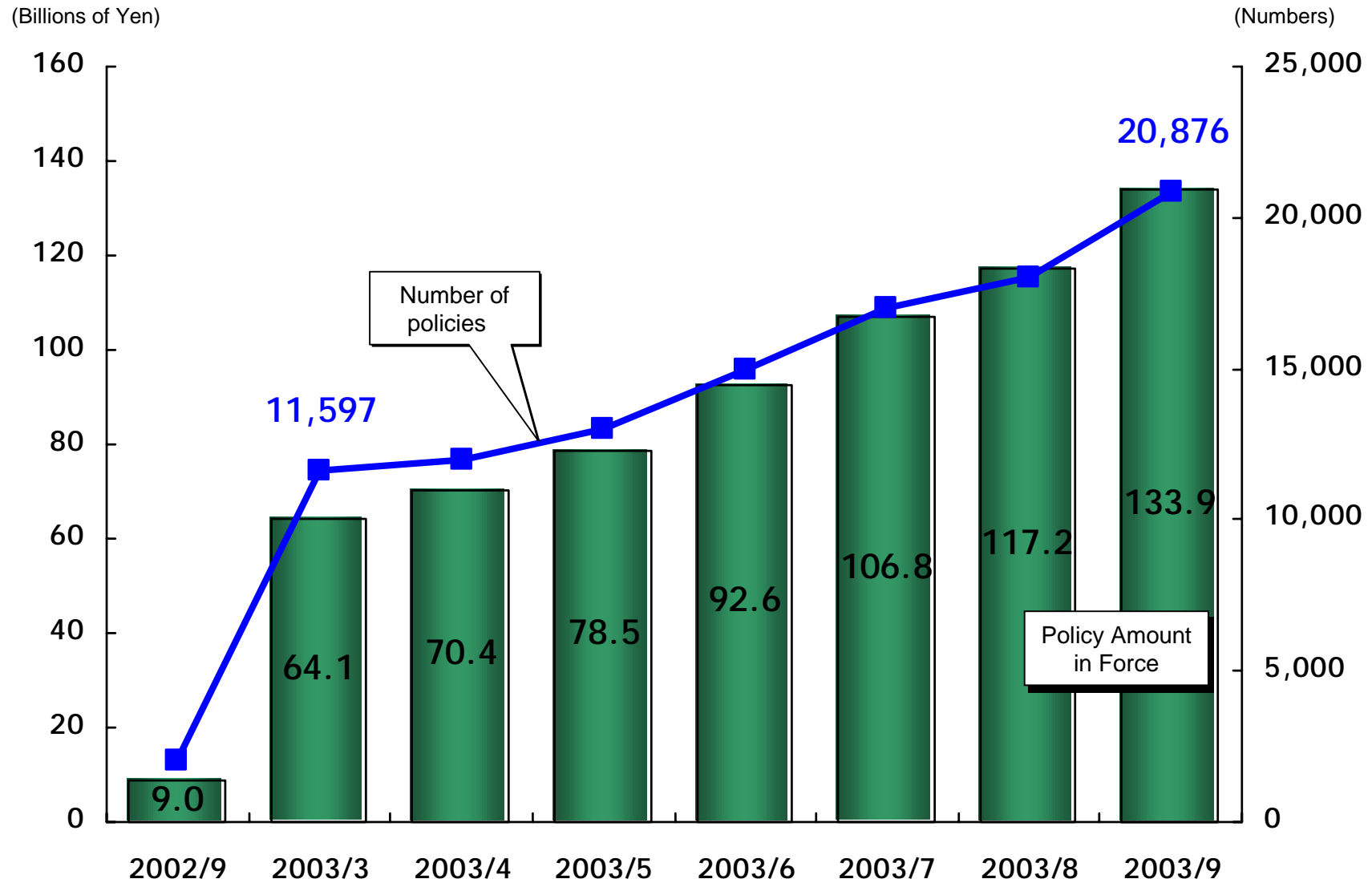
Two banks in April 2003 started selling and one bank in June 2003. Two more banks started selling in October 2003

* Banks include "Shinkin bank" credit associations

Solid Sales of Individual Variable Annuities



T&D Life Group



Non-Consolidated Statements of Operations



T&D Life Group

(Billions of Yen)

	Six Months Ended Sep. 30th, 2003	Six Months Ended Sep. 30th, 2002	Change	
Ordinary Revenues	107.3	58.7	82.8%	Significant y-o-y increase in insurance premiums from individual variable annuities to ¥64.3 billion from ¥8.3 billion
Income from insurance premiums	93.1	38.3	142.9%	
Investment income/ gains	12.9	2.0	540.2%	Details of insurance claims and other payments; -Insurance claims, annuities, insurance benefits ¥24.9 billion (decreased by 6.9% from the previous year) -Surrender Payments ¥16.1 billion due mainly to the increase in surrender of saving-oriented products (increased by 6.9% from the previous year) -Other Payments ¥2.8 billion due mainly to the transfer of policy reserves for group annuities (increased by 27.1% from the previous year)
Interest and dividends	2.0	1.4	40.2%	
Gains from monetary trusts, net	0.0	-	-	
Gains on sale of securities	0.6	0.1	503.6%	
Gains from separate accounts, net	10.0	-	-	
Other ordinary income	1.2	18.3	(93.2%)	
Reversal of policy reserves	-	16.6	-	
Ordinary Expenses	109.2	60.8	79.5%	Due mainly to increases in income from premiums for individual variable annuities, gains from special accounts investment, and surrender of policies
Insurance claims and other payments	44.4	44.2	0.5%	
Provision for policy and other reserves	50.3	0.0	246633.9%	Increase in operating expenses was mainly attributable to expenses related to sales agencies as a result of expansion of sales of individual variable annuities
Investment expenses/ losses	0.2	3.1	(92.0%)	
Losses from monetary trusts, net	-	0.8	-	
Losses on sale of securities	0.0	0.0	249.7%	
Devaluation losses on securities	0.0	-	-	
Losses from separate accounts, net	-	1.8	-	
Operating Expenses	9.7	9.2	5.8%	
Other Expenses	4.4	4.2	4.2%	
Ordinary Profit	(1.8)	(2.1)	-	Details of other ordinary expenses: Amortization of goodwill: ¥3.25 billion; Taxes: ¥0.6 billion
Extraordinary Gains/ Losses	0.1	0.0	-	
Provision for Reserve for Policyholder	0.4	1.0	(61.3%)	
Dividends	0.4	1.0	(61.3%)	
Net Income	(2.2)	(3.3)	-	

Non-Consolidated Balance Sheets



T&D Life Group
(Billions of Yen)

(Billions of Yen)

	As of Sep. 30, 2003	As of March 31, 2003	Changes		As of Sep. 30, 2003	As of March 31, 2003	Changes
Assets				Liabilities			
Cash and Deposits, Call Loans	51.2	47.9	3.3	Total Policy Reserves	618.9	570.4	48.5
Securities	530.2	478.6	51.5	Policy reserve	600.6	550.3	50.3
Domestic bonds	260.5	293.7	(33.1)	Contingency reserve	0.3	0.1	0.1
Domestic stocks	6.3	6.8	(0.5)	Reserve for Price Fluctuations	0.1	0.1	0.0
Foreign securities	61.5	49.8	11.6	Total Liabilities	637.6	589.3	48.3
Other securities	201.8	128.2	73.6	Shareholders' Equity			
Loans	45.5	51.8	(6.3)	Common Stock	20.0	20.0	-
Property and Equipment	2.2	2.2	(0.0)	Capital Surplus	10.0	10.0	-
Deferred Tax Assets	-	-	-	Total Retained Earnings	(8.3)	(6.1)	(2.2)
Reserve for Possible Loan	(1.2)	(1.6)	0.3	Appropriated retained earnings	-	-	-
Losses				Unappropriated retained earnings	(8.3)	-	(8.3)
Total Assets	659.7	613.6	46.1	Net Income	(2.2)	-	(2.2)
				Unappropriated retained earnings	-	(6.1)	6.1
				Net Unrealized Gains on Securities	0.4	0.4	(0.0)
				Total Shareholders' Equity	22.0	24.3	(2.2)
				Total Liabilities and Shareholders' Equity	659.7	613.6	46.1

(Total Asset)	Bonds: decreased due to redemption of government bonds
Separate accounts assets mainly comprised of individual variable annuities increased by ¥68.6 billion to ¥144.0 billion from ¥75.4 billion	Foreign securities: Increased due mainly to purchase of investment trusts in foreign bonds with currency hedge and straight bonds
	Other securities: Increased due to increase in investment trusts related individual variable annuities
	Loans: Decreased due to decrease of ¥0.6 billion in policy loans. Decrease of ¥5.7 billion in commercial loans due to repayments and sale of loan assets

Group Management

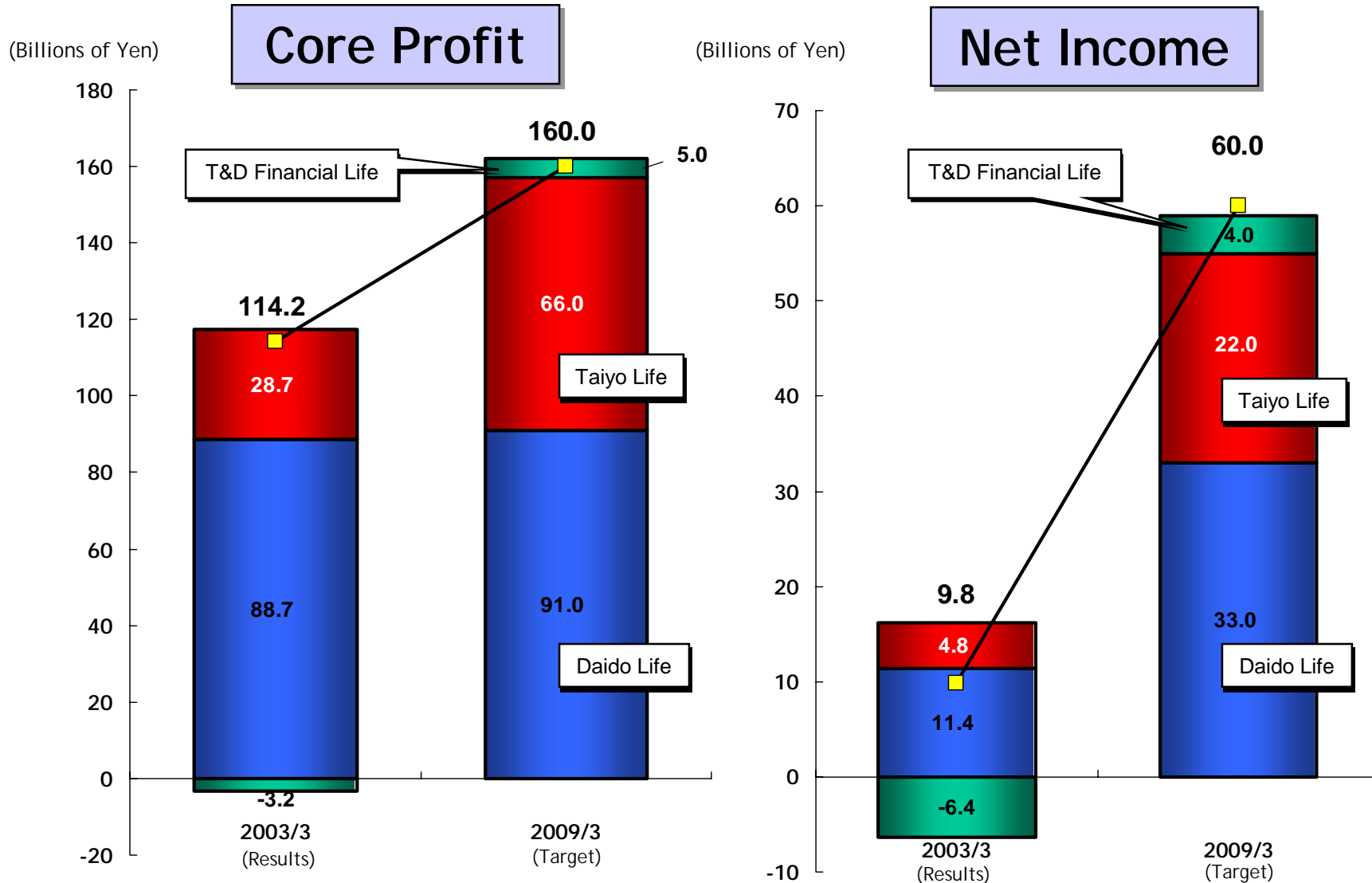
Integration of Group Companies



- **A holding company preparatory committee was established in November 2003 to ensure smooth transition to group-based management**
- **Started preparation for integration of risk management and EV calculation methodologies**
- **Solid progress in preparation for setting up an administrative service company**

Group Profit Target

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



Appendix

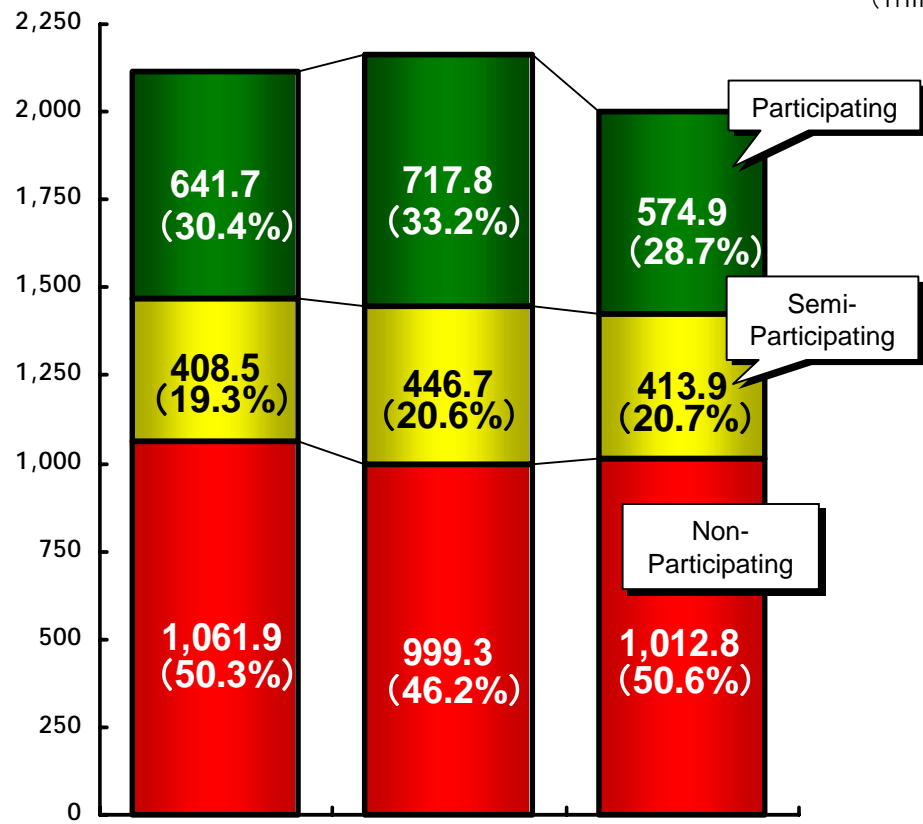
Sales Results by Dividend Type: Daido Life (Individual Term Life Insurance)



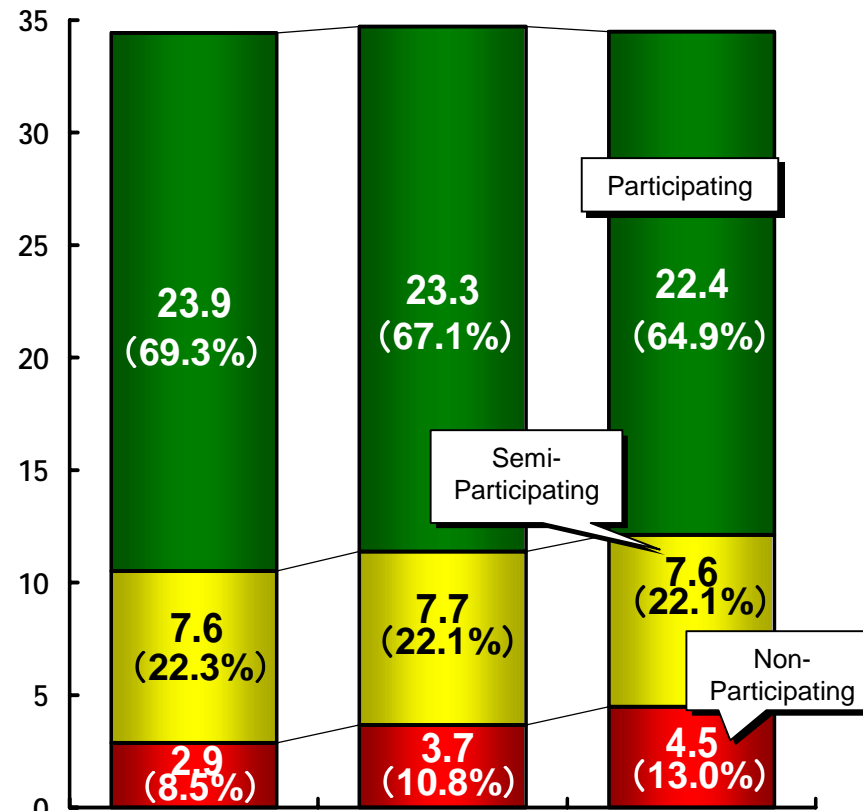
New Policy Amount*

Policy Amount in Force

(Billions of Yen)



(Trillions of Yen)



(6 Months Results) 2002/9

2003/3**

2003/9

2002/9

2003/3

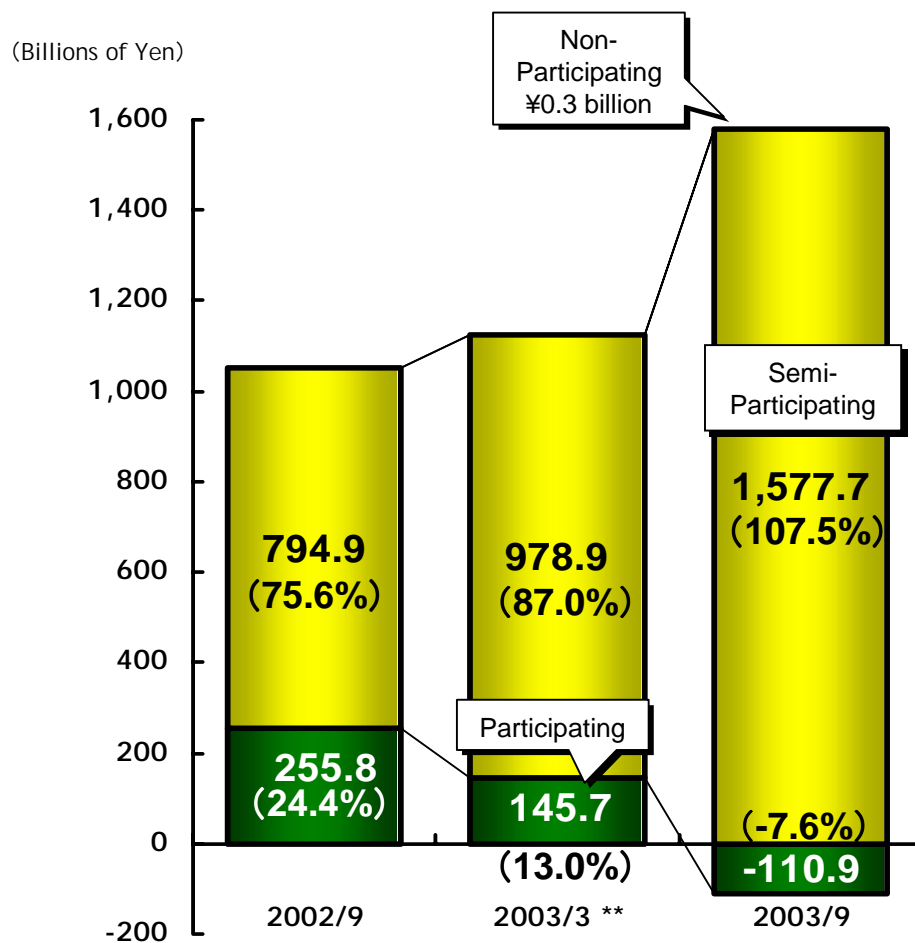
2003/9

* Net increase from conversion not included ** Results from October 1, 2002 to March 31, 2003

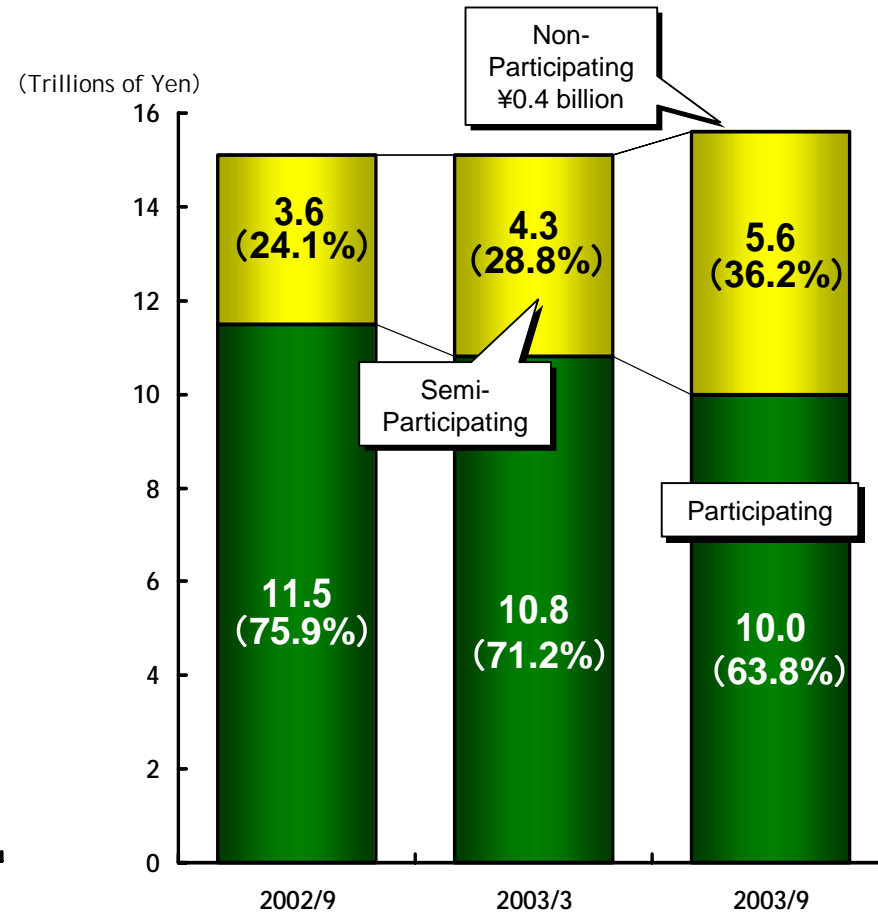
Sales Results by Dividend Type: Taiyo Life (Individual Life Insurance and Annuities)



New Policy Amount*



Policy Amount in Force



(6 Months Results) *Net increase from conversion not included ** Results from October 1, 2002 to March 31, 2003

Exposure to Japanese Bank Sector: Daido Life



- **Stocks has increased by ¥39.3 billion from the fiscal year ended March 31, 2003, due to the rise in current market value**
- **Our policy of maintaining exposure to Japanese bank sector remain unchanged, with the exception of rises in current market value**

(Billions of Yen)

	As of Sep. 30, 2003	As of March 31, 2003	Change
Stocks	77.4	38.1	39.3
Preferred Stocks issued by Foreign Subsidiaries	60.0	60.0	-
Preferred Securities issued by Foreign Subsidiaries	14.4	14.7	(0.2)
Subordinated Loans and Debentures	203.3	204.9	(1.6)

Exposure to Japanese Bank Sector: Taiyo Life



- **Stocks based on book value has been reduced by ¥47.0 billion from the fiscal year ended March 31, 2003**
- **Subordinated loans and debentures has been reduced by ¥49.0 billion from the fiscal year ended March 31, 2003**

(Billions of Yen)

	As of Sep. 30, 2003	As of March 31, 2003	Change
Stocks	56.3	55.2	1.0
Preferred Stocks issued by Foreign Subsidiaries	90.0	90.0	0.0
Preferred Securities issued by Foreign Subsidiaries	-	-	-
Subordinated Loans and Debentures	301.5	350.5	(49.0)

Business Results: Daido Life



T&D Life Group

(Billions of Yen, %)

FYE	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Individual Life Insurance Policy Amount in Force*	34,094.0	35,509.6	36,401.5	37,585.0	38,837.4	39,340.0	39,283.8	39,071.1	38,989.7	38,929.1	39,342.6
Individual Term Life Insurance	29,190.7	30,208.7	31,052.0	31,980.3	33,195.4	33,761.6	33,865.0	33,940.8	34,109.6	34,309.0	34,804.6
New Individual Life Insurance Policy Amount**	5,436.5	4,916.8	4,436.2	4,724.5	4,749.4	4,719.2	4,773.2	4,620.3	4,401.4	4,570.4	4,673.5
Individual Term Life Insurance	4,305.6	3,885.9	3,758.2	3,874.6	4,104.4	4,073.7	4,241.6	4,251.3	4,048.6	4,292.9	4,298.5
Income from Insurance Premiums	1,044.3	1,121.1	1,139.0	1,153.0	1,106.4	1,168.4	1,192.8	1,136.9	1,072.2	1,059.4	989.4
Premiums from Individual Life Insurance*	574.6	630.6	639.2	715.7	699.1	724.9	702.6	684.8	686.7	662.0	684.9
Amount of Surrender and Lapse of Individual Life Insurance	2,523.9	2,828.0	2,810.2	2,852.0	2,997.2	3,625.7	3,876.5	3,845.1	3,526.9	3,493.2	3,290.6
Surrender and Lapse Rate	8.0%	8.3%	7.9%	7.8%	8.0%	9.3%	9.9%	9.8%	9.0%	9.0%	8.5%
Core Profit	94.1	98.5	102.2	101.4	138.8	135.4	114.5	96.9	114.2	109.8	88.7
Provision for Reserve for Policyholders' Dividends***	48.2	45.4	40.7	40.5	54.6	39.9	34.3	39.5	33.2	30.6	26.5
Number of In-House Sales Reps.	6,506	6,364	6,169	6,039	5,744	6,072	6,126	5,456	4,866	5,154	5,194
Number of Agents	9,476	10,286	11,123	11,699	12,383	13,123	13,213	13,135	13,203	13,252	12,970
Total Assets	3,771.1	4,272.9	4,637.5	5,011.8	5,059.1	5,346.3	5,482.6	5,733.5	5,900.3	5,982.7	6,007.1

* Include individual annuities ** Include net increase from conversion

*** Figure for FYE 2002 is provision for allowance for policyholder dividends which was treated as an expense

Business Results: Taiyo Life



T&D Life Group

(Billions of Yen, %)

FYE	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Policy Amount in Force*	13,301.0	13,873.5	14,085.5	14,583.2	15,091.1	15,126.0	15,129.1	15,185.0	15,172.5	15,232.9	15,268.6
Individual Life Insurance	9,774.6	10,009.2	10,010.7	10,135.3	10,457.4	10,448.1	10,186.7	10,034.0	9,958.8	10,217.3	10,500.2
New Policy Amount* **	2,383.3	2,224.1	1,864.7	1,995.9	2,120.7	1,989.1	1,857.0	1,847.6	1,931.7	2,188.1	2,175.4
Individual Life Insurance	1,974.7	1,682.1	1,443.3	1,402.6	1,720.9	1,650.6	1,339.8	1,333.2	1,458.1	2,047.9	2,091.0
Income from Insurance Premiums	1,237.8	1,285.8	1,263.9	1,325.9	1,280.6	1,328.8	1,234.6	1,155.2	1,097.3	1,019.0	887.9
Premiums from Individual Life Insurance and Annuities	1,123.8	1,143.9	1,121.6	1,168.8	1,136.8	1,104.0	1,095.0	972.4	914.8	837.8	762.1
Amount of Surrender and Lapse*	771.4	865.6	836.6	812.0	827.9	1,023.5	916.1	998.8	120.1	1,209.6	1,318.8
Surrender and Lapse Rate	6.18%	6.51%	6.03%	5.77%	5.68%	6.78%	6.06%	6.60%	7.91%	7.97%	8.66%
Core Profit	—	—	—	—	—	—	—	—	13.9	13.8	28.7
Provision for Reserve for Policyholders' Dividends***	38.6	12.3	11.2	13.2	14.5	15.3	15.5	16.6	11.1	10.8	11.2
Number of In-House Sales Reps.	13,330	13,150	12,594	12,981	10,756	9,848	10,450	10,111	9,276	8,948	8,808
Total Assets	5,498.9	5,828.4	6,053.3	6,445.5	6,703.5	6,825.6	6,969.3	7,081.6	7,266.3	6,834.0	6,528.0

* Individual life insurance and annuities ** Include net increase from conversion

*** Figure for FYE 2003 is provision for allowance for policyholder dividends which was treated as an expense

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This presentation 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.