

T&D Life Group

Financial Results for Nine Months Ended December 31, 2003

February 18, 2004

Taiyo Life Insurance Company Daido Life Insurance Company

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

Daido Life Insurance Company

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- Daido Life Insurance Company Financial Results for Nine Months Ended December 31, 2003

Daido Life Financial Highlights



- **Policy amount for individual term life insurance reversed from net decrease at the first half to net increase, due mainly to the improvement in surrender and lapse rate**
- **Both ordinary profit and net income are in line with our forecast**
- **Adjusted book value increased to ¥287.1 billion**

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- As an introduction, I would like to make three points.
- Firstly, in terms of policy amount, our main line of individual term life insurance policies improved to a net increase from a net decrease at the 1st half of the fiscal year. This is due to an improvement in the surrender and lapse rate, and the fact that new policies have regained the previous year's level since the second quarter.
- Secondly, both ordinary profit and net income for the period under review (Apr.-Dec.) are in line with our full year forecasts. Consequently, there is no change in either the non-consolidated or consolidated forecasts for the fiscal year ending March 31, 2004 that we announced on November 20 of last year.
- Thirdly, adjusted book value as determined by calculated embedded value increased by ¥15.7 billion yen from the September 2003 reporting period to ¥287.1 billion.
- I would now like to explain each of these trends in greater detail.

Sales Results



(Billions of Yen)

	Nine Months Ended Dec. 31st, 2003	Nine Months Ended Dec. 31st, 2002	Change
New Policy Amount*			
Individual Life Insurance	3,298.5	3,499.1	(5.7%)
Individual Term Life Insurance	3,194.9	3,315.4	(3.6%)
Individual Annuities	57.6	92.0	(37.3%)
Individual Life and Annuities Total	3,356.2	3,591.1	(6.5%)
Decrease in Policy Amount**			
Individual Life and Annuities Total	3,419.1	3,243.1	5.4%
Individual Term Life Insurance	3,094.6	2,907.0	6.5%
Surrender and Lapse	2,618.5	2,504.2	4.6%
Individual Term Life Insurance	2,412.6	2,296.7	5.0%
Policy Amount in Force			
Individual Life and Annuities Total	39,279.7	39,277.0	0.0%
Individual Term Life Insurance	34,904.9	34,717.4	0.5%
Group Life	12,293.2	12,604.3	(2.5%)
Group Annuities	2,381.2	2,490.1	(4.4%)

2nd and 3rd quarter sales recovered to almost the same level as previous terms

Surrender and lapse rate*** declined to 8.9% (annualized) for nine months ended Dec. 31st, 2003 vs 9.3% for 1st half period

-Decreased by ¥62.9 billion (0.2% decrease) from the amount as of the beginning of the fiscal year which stood at ¥39,342.6 billion
-Achieved ¥203.8 billion net increase in 3rd quarter (Oct-Dec)

-Increased by ¥100.2 billion (0.3% increase) from the amount as of the beginning of the fiscal year which stood at ¥34,804.6 billion
-Achieved ¥242.3 billion net increase in 3rd quarter (Oct-Dec)

- * Includes net increase from conversion (hereinafter, the same definition applies to "new policy amount" unless otherwise stated)
 ** New policy amount for 3rd quarter (Oct-Dec) – Net increase of policy amount in force from the beginning of the fiscal year
 ***The amount of surrender and lapse/ Policy amount in force as of the beginning of the fiscal year

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



The new policy amount of individual life insurance and individual annuities was ¥3,356.2 billion, or 6.5% lower than the same period a year ago. The new policy amount of our main line of individual term life insurance also declined by 3.6% from the previous year. While we were unable to completely cover the drop that was seen in the first quarter of the year, new policy amounts have regained the previous year's level since the second quarter.

- The decrease in policy amount was 5.4% higher than the previous year. Additionally, the surrender and lapse rate on an annualized basis improved to 8.9% from 9.3% in the first half of the fiscal year.
- Total policy amount in force was ¥39,279.7 billion, which is ¥62.9 billion lower than the beginning of the year, but represented a modest year-on-year increase. In particular, our main line of individual term life insurance had declined by ¥142.0 billion from the beginning of the year at the time of our interim results, but recorded a net increase of ¥100.2 billion by the end of the third quarter.

Quarterly Trends: Individual Life and Annuities



(Billions of Yen)

	Nine Months Ended Dec. 31st, 2003	Nine Months Ended Dec. 31st, 2002	Change
New Policy Amount*	3,356.2	3,591.1	(6.5%)
1Q (Apr-Jun)	886.6	1,034.8	(14.3%)
2Q (Jul-Sep)	1,222.8	1,261.5	(3.1%)
3Q (Oct-Dec)	1,246.7	1,294.6	(3.7%)
Surrender and Lapse	2,618.5	2,504.2	4.6%
1Q (Apr-Jun)	936.2	819.7	14.2%
2Q (Jul-Sep)	887.2	826.7	7.3%
3Q (Oct-Dec)	795.1	857.7	(7.3%)
Policy Amount in Force	39,279.7	39,277.0	0.0%
1Q (as of Jun 30)	39,030.7	38,913.2	0.3%
2Q (as of Sep 30)	39,075.8	39,086.3	(0.0%)
3Q (as of Dec 31)	39,279.7	39,277.0	0.0%
Net Increase(Decrease)	(62.9)	347.9	-
1Q (Apr-Jun)	(311.9)	(15.8)	-
2Q (Jul-Sep)	45.1	173.0	(73.9%)
3Q (Oct-Dec)	203.8	190.7	6.8%

2nd and 3rd quarters sales recovered to almost the same level as previous terms

Surrender and laps rate (before annualized base)
 · 1st Quarter (Apr-Jun): 2.38%
 · 2nd Quarter (Jul-Sep): 2.26%
 · 3rd Quarter (Oct-Dec) :2.02%

Achieved ¥203.8 billion net increase in 3rd quarter (Oct-Dec)

* Includes net increase from conversion

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

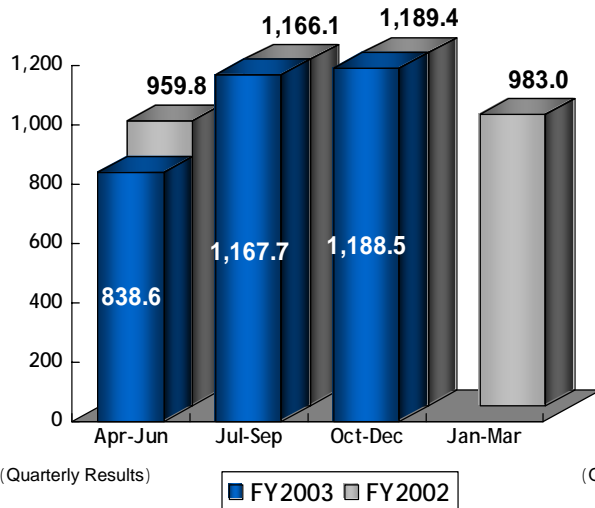


- Let's now examine the quarterly trend of individual life insurance and annuities. In terms of new policy amount, the first quarter was weak, recording a decline of 14.3% year-on-year, but thereafter recovered to a level flat with the previous year in the second and third quarters.
- Looking at the trend in the surrender and lapse rate (before annualized base), we see a consistent recovery, from 2.38% in the first quarter, 2.26% in the second quarter and to 2.02% in the third quarter. This trend has continued with the onset of 2004, indicating that the surrender and lapse rate has stabilized.
- As a result, while the net change in policy amount in force was minus ¥311.9 billion in the first quarter, the trend had reversed to an increase of ¥203.8 billion by the third quarter.

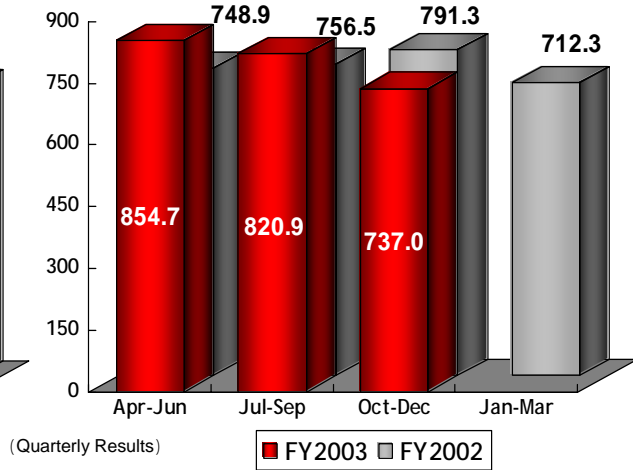
Quarterly Trends: Individual Term Life Insurance



Trends in New Policy Amount of Individual Term Life Insurance*



Trends in the Amount of Surrender and Lapse



* Includes net increase from conversion

- As previously explained, individual term life insurance followed the same trend as individual life and annuities, both in terms of new policy amount and amount of surrender and lapse.

Non-Consolidated Statements of Operations



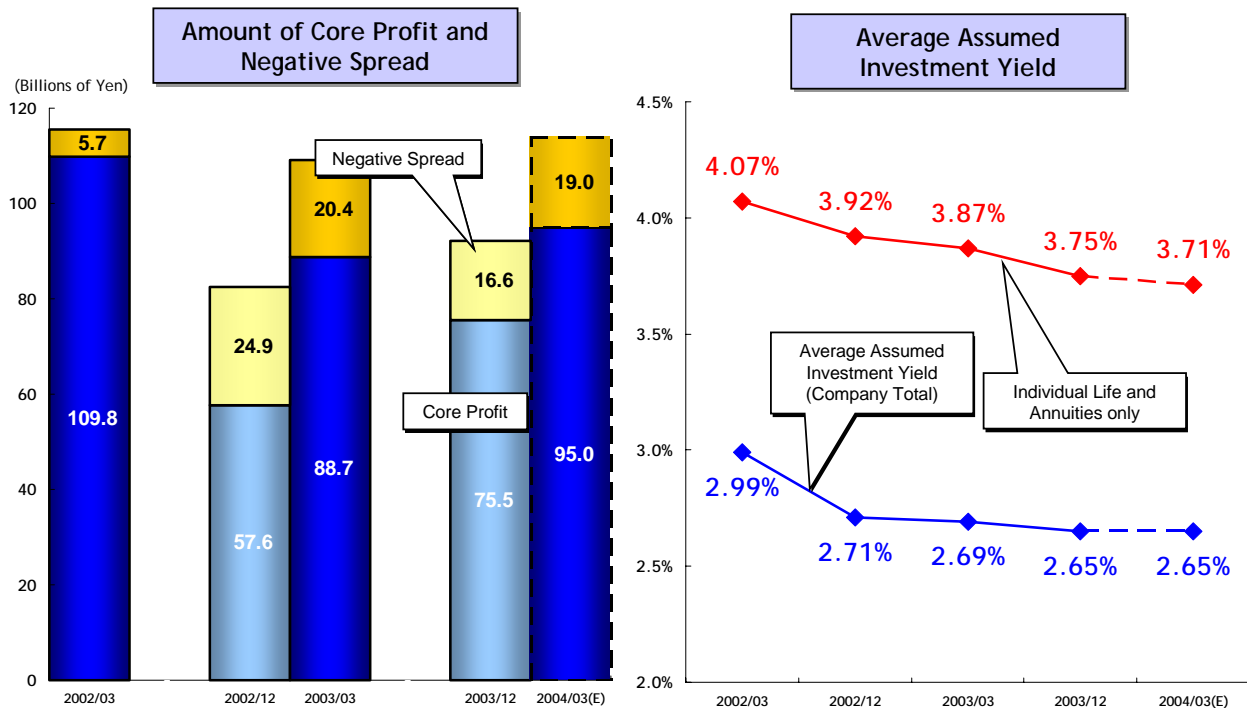
	Nine Months Ended Dec. 31st, 2003	Nine Months Ended Dec. 31st, 2002	Change	Six Months Ended Sep. 30th, 2003	(Billions of Yen)
Ordinary Revenues	851.4	896.5	(5.0%)	599.3	
Income from insurance premiums	697.8	758.2	(8.0%)	480.7	While total premium income declined, premium income on individual term life, our core product, increased by ¥3.8 billion y-o-y.
Investment income/ gains	137.3	129.6	5.9%	103.1	
Interest and dividends	89.7	91.9	(2.4%)	61.1	
Gains from monetary trusts, net	4.8	-	-	5.0	
Gains on sale of securities	22.8	16.9	34.8%	22.4	
Gains from derivatives, net	-	20.3	(100.0%)	-	
Gains from separate accounts, net	17.9	-	-	13.2	
Other ordinary income	16.2	8.6	88.4%	15.3	
Reversal of policy reserves	5.6	-	-	8.5	
Ordinary Expenses	776.7	877.9	(11.5%)	533.4	Includes; -Domestic Bonds ¥0.8billion -Domestic Stocks ¥1.7billion -Foreign Securities ¥5.8billion
Insurance claims and other payments	651.3	641.7	1.5%	458.4	Includes; -Losses on stock index futures: ¥23.0 billion -Gains on foreign exchange forward contracts: ¥5.6 billion -Gains on foreign exchange forward contracts: ¥4.8 billion
Provision for policy and other reserves	0.7	38.8	(98.1%)	0.5	
Investment expenses/ losses	33.6	103.0	(67.3%)	13.6	
Losses from monetary trusts, net	-	6.7	(100.0%)	-	
Losses on sale of securities	8.4	10.8	(21.9%)	1.0	
Devaluation losses on securities	0.9	51.8	(98.1%)	0.4	
Losses from derivatives, net	12.4	-	-	3.5	
Losses from separate accounts, net	-	23.2	(100.0%)	-	
Operating Expenses	81.0	83.1	(2.5%)	54.2	
Ordinary Profit	74.6	18.6	301.0%	65.9	Policyholder dividend related to investment for group annuities calculated based on actual results through the third quarter and full-year projection.
Extraordinary Gains/ Losses	(2.3)	(1.0)	-	(1.9)	
Provision for Reserve for Policyholder Dividends	22.5	14.0	60.3%	17.7	
Net Income	30.8	1.6	1764.4%	28.8	

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- With regards to our non-consolidated performance, ordinary profit as well as net income is trending favorably in line with our previous forecasts.
- In terms of ordinary revenues, premium income was down 8.0% year-on-year due to the decrease in single payment insurance and group annuity premiums. However, premiums for our main line of individual term life were ¥356.0 billion, and ¥3.8 billion higher than the ¥352.2 billion recorded during the same period last year.
- Investment expenses and losses were ¥7.3 billion higher than the 1st half period owing to losses on sale of securities amounting to ¥8.4 billion. These losses were mainly due to the realization of valuation losses of foreign bonds held for group annuities.
- In addition, ¥12.4 billion losses from derivatives were recorded, representing an increase of ¥8.9 billion from the 1st half period. These losses were mainly attributable to losses on forward exchange contracts which increased by ¥6.3 billion due to the weakness in the Yen against the Euro during the period.
- Net investment returns and gains in the general account were ¥85.6 billion, which represents an improvement of ¥35.8 billion from the ¥49.8 billion recorded in the previous year.
- Ordinary profits recorded a sharp improvement of ¥18.6 billion over the previous year to ¥74.6 billion.
- Provision for reserve for policyholder dividends have been calculated at an amount representing the first three quarters of annual indicated dividends using the previous year's payout ratio. However, the dividend related to investment for group annuities was calculated based on actual results through the 3rd quarter and full-year projection. As a result, provision for reserve for policyholder dividends increased by ¥4.7 billion from the 1st half period.
- Reflecting the above, net income for the period under review (Apr.-Dec.) was ¥30.8 billion, representing a large year-on-year improvement from ¥1.6 billion recorded a year ago.

Core Profit/ Negative Spread, Average Assumed Investment Yield



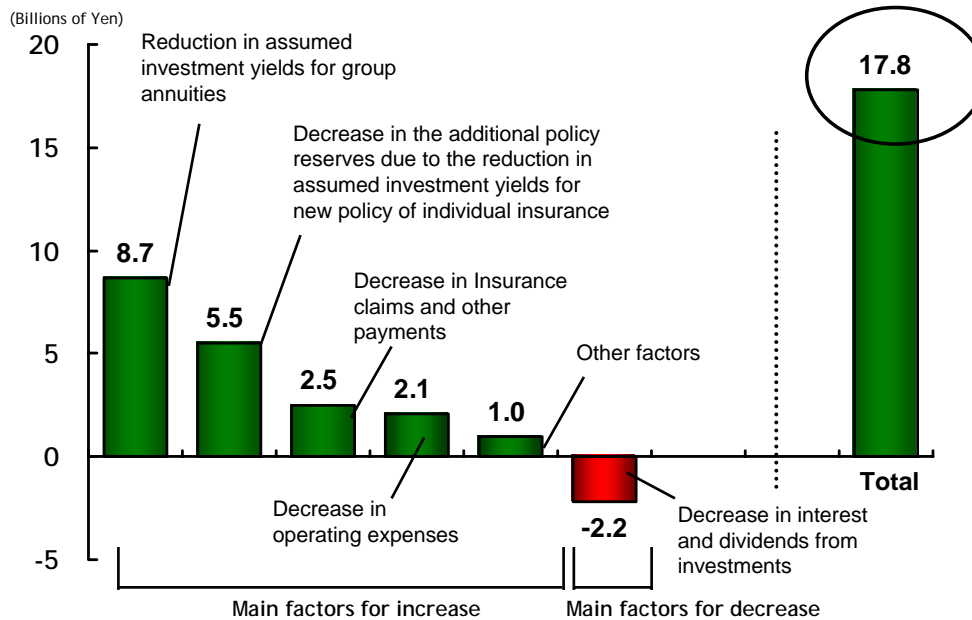
T&D Life Group Financial Results for Nine Months Ended December 31, 2003

- Core profit for the period increased by ¥17.8 billion over the previous year to ¥75.5 billion.
- In addition, the negative spread improved by ¥8.3 billion to ¥16.6 billion.
- Average assumed investment yield, as is shown in the graph at right, is showing a steady decline. However, the average assumed investment yield to the end of March, 2004 is expected to be flat with the level at the end of December 2003. This is because the weight of individual insurance and annuity policies, whose assumed yields are higher than that of group annuities, is expected to increase, while the average assumed investment yield on individual insurance and annuities is expected to continue declining.

Factors for Increase/ Decrease in Core Profit



Factors for Increase/ Decrease in Core Profit for Nine Months Ended December 31, 2003 (Change from the same term of Previous Fiscal Year)



T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- Let's now examine the factors affecting core profit.
- The main factors supporting the increase in core profit were;
 - a) A reduction of assumed investment yields for group annuities which contributed ¥8.7 billion,
 - b) ¥5.5 billion from the decrease in the additional policy reserves due to the reduction of assumed investment yields for new policy of individual insurance and annuities,
 - c) ¥2.5 billion from the decrease in insurance claims and other payment,
 - d) ¥2.1 billion from the decrease in operating expenses due to the absence of costs recorded last year related to our demutualization.
- Conversely, the main factor detracting from core profit was a decrease in interest and dividends from investment of ¥2.2 billion.
- As a result, core profit increased by ¥17.8 billion over the previous year.

(Note)

- Group annuity assumed investment yields were reduced in December 2002 from 1.75% to 1.25%.
- Assumed investment yields for new policy of individual insurance and annuities were reduced in April 2003 from 2.0% to 1.5% for participating insurance, from 2.15% to 1.65% for semi-participating insurance, and from 2.35% to 1.85% for non-participating insurance.

Non-Consolidated Balance Sheets



(Billions of Yen)

	As of Dec. 31, 2003	As of Sep. 30, 2003	Changes
Assets			
Cash and Deposits, Call Loans	422.1	364.8	57.3
Securities	3,969.2	4,006.8	(37.5)
Domestic bonds	2,554.0	2,632.5	(78.4)
Domestic stocks	345.1	330.9	14.2
Foreign securities	753.1	746.8	6.3
Loans	1,137.0	1,165.1	(28.1)
Property and Equipment	167.2	168.8	(1.6)
Deferred Tax Assets	31.5	41.1	(9.5)
Reserve for Possible Loan Losses	(4.7)	(4.4)	(0.2)
Total Assets	5,996.8	6,051.6	(54.8)

Decrease due mainly to a ¥67.4 billion decrease in cash collateral received under security lending contracts

	As of Dec. 31, 2003	As of Sep. 30, 2003	Changes
Liabilities			
Total Policy Reserves	5,564.7	5,567.1	(2.4)
Policy reserve	5,389.0	5,386.1	2.8
Contingency reserve	76.0	75.6	0.4
Other Liabilities	87.1	158.2	(71.0)
Reserve for Price Fluctuations	30.3	30.0	0.3
Total Liabilities	5,746.0	5,818.8	(72.7)
Shareholders' Equity			
Common Stock	75.0	75.0	0.0
Capital Surplus	0.0	0.0	0.0
Total Retained Earnings	79.5	77.5	2.0
Appropriated retained earnings	40.9	40.9	(0.0)
Unappropriated retained earnings	36.7	34.6	2.0
Net Income	30.8	28.8	2.0
Net Unrealized Gains on Securities	96.1	80.2	15.9
Total Shareholders' Equity	250.8	232.8	17.9
Total Liabilities and Shareholders' Equity	5,996.8	6,051.6	(54.8)

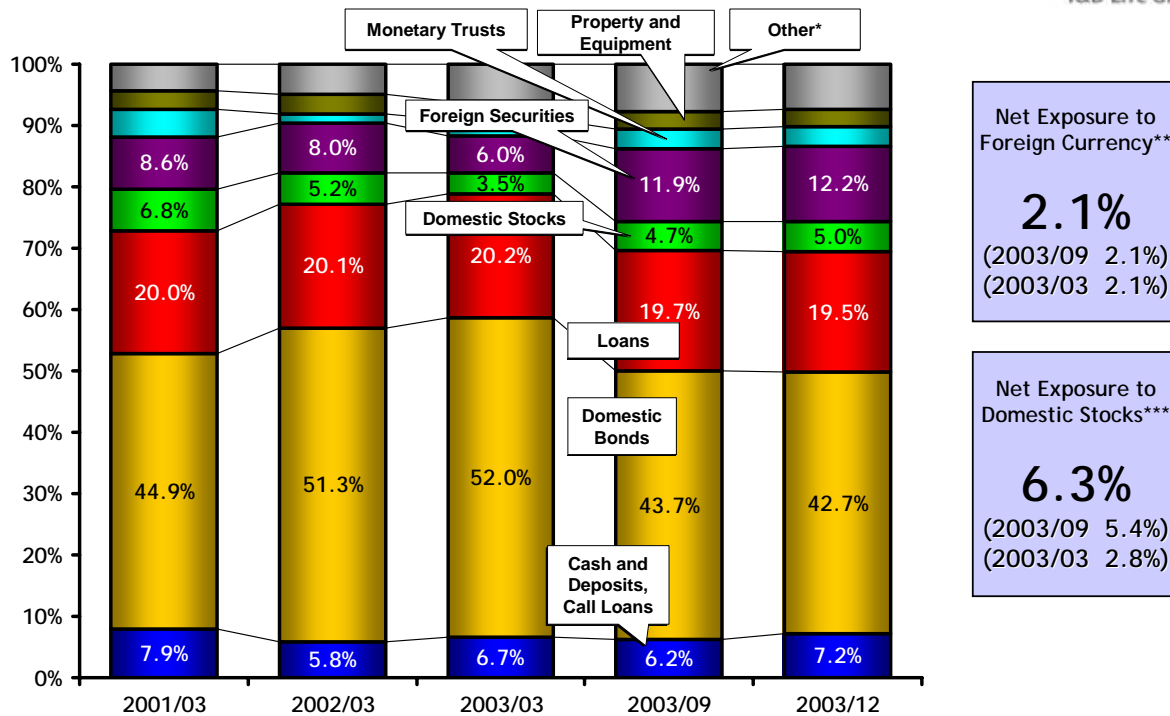
T&D Life Group Financial Results for Nine Months Ended December 31, 2003



•Let us now talk about our non-consolidated balance sheets.

•Total liabilities decreased by ¥72.7 billion from September 30, 2003 to ¥5,746.0 billion, due mainly to a ¥67.4 billion decrease in cash collateral received under security lending contracts.

General Accounts Asset Composition



Net Exposure to Foreign Currency**
2.1%
(2003/09 2.1%)
(2003/03 2.1%)

Net Exposure to Domestic Stocks***
6.3%
(2003/09 5.4%)
(2003/03 2.8%)

* 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

- Let's now turn to the asset composition of the general account.
- While there has been no change in our basic asset allocation policy of investing the bulk of our assets in yen-fixed income asset, in order to cope with a possible risk of a rise in interest rates, we continue to limit new investments in bonds. As a result, the proportion of bonds to total assets as of December, 2003 was 42.7%, or 1.0 percentage point lower than the ratio at the end of September, 2003.
- The proportion held in domestic stocks was 5.0%. The net exposure to domestic stocks, accounting for rises in stock prices and the partial buy-back of stock index futures short positions, rose to 6.3%.
- The proportion of foreign securities was 12.2%, while the net exposure to foreign currency adjusting for foreign exchange hedge positions remained flat at 2.1%.

Unrealized Gains/ Losses (General Account)



T&D Life Group

(Billions of Yen)

	Unrealized gains/losses on Held-to-maturity securities		Unrealized gains/losses on Available-for-sale securities		Total		
	As of Dec. 31, 2003	As of Sep. 30, 2003	As of Dec. 31, 2003	As of Sep. 30, 2003	As of Dec. 31, 2003	As of Sep. 30, 2003	Change
Total	55.2	52.5	151.0	125.6	206.2	178.1	28.0
Domestic Bonds	53.3	51.1	38.6	37.0	91.9	88.2	3.7
Domestic Stocks	-	-	91.6	84.8	91.6	84.8	6.7
Foreign Securities	1.8	1.3	0.5	(7.7)	2.4	(6.3)	8.8
Other Securities	-	-	16.6	9.7	16.6	9.7	6.9
Monetary Trusts	-	-	3.5	1.6	3.5	1.6	1.8

Net Unrealized Gains/losses on Real Estate					(16.1)	(14.1)	(2.0)
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(Domestic Stocks) Increased due mainly to the rise in stock prices
 (Foreign Securities) Increased due mainly to realization of valuation losses on foreign bonds
 (Other Securities) Increased due mainly to the increase of unrealized gains/ losses on investment trusts in the stock market

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- Unrealized gains on marketable securities were ¥206.2 billion, representing an increase of ¥28.0 billion when compared to the end of September, 2003.
- In available-for-sale securities category, unrealized gains/losses on foreign securities improved from a loss of ¥7.7 billion at the end of September, 2003 to a slight gain of 0.5 billion. As previously explained, this is largely due to realization of foreign bond holdings with valuation losses.
- Net unrealized losses on real estate based on the publicly appraised land values increased by ¥2.0 billion to ¥16.1 billion, from the end of September 2003 reflecting the downward trend in land prices. There is no change in our original plan to realize a portion of these valuation losses during the current fiscal year.

Financial Soundness, Adjusted Book Value



(Billions of Yen)

	As of Dec. 31, 2003	As of Sep. 30, 2003	Change	As of March 31, 2003
Solvency Margin Ratio	1061.5%	1069.7%	(8.2P)	860.2%
Total Solvency Margin	536.2	515.7	20.4	424.8
Equity*	265.1	263.6	1.5	237.5
Net income	30.8	28.8	2.0	-
Net unrealized gains on available-for-sale securities X 90 per cent	135.4	113.0	22.4	67.0
Deferred tax assets	40.6	40.3	0.3	25.5
Others	94.9	98.8	(3.9)	94.7
Total Risk**	101.0	96.4	4.5	98.7
Insurance risk R ₁	34.5	34.5	(0.0)	34.8
Assumed investment yield risk R ₂	21.8	22.0	(0.1)	22.5
Investment risk R ₃	70.3	65.3	5.0	67.1
Business risk R ₄	2.5	2.4	0.0	2.4
Value of Adjusted Net Asset	569.6	541.5	28.1	515.4
Adjusted Book Value	287.1	271.3	15.7	193.2

Includes;
Market risk: ¥1.8 billion
Credit risk: ¥1.4 billion
Derivatives counterparty risk: ¥1.6 billion

Increased by ¥93.8 billion from March 31, 2003

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

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

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- Daido's solvency margin as of December 31, 2003 was 1,061.5%, or 8.2 percentage points lower than the level as of September 30, 2003.
- Adjusted net asset compared to the end of September 30, 2003 increased by ¥28.1 billion to ¥569.6 billion.
- Adjusted book value used for the calculation of the embedded value was ¥287.1 billion, or ¥15.7 billion higher than the calculated value as of September 2003, and ¥93.8 billion higher than the calculated value as of March 2003. This was due mainly to the increase in after-tax net unrealized gains on securities which reflected the rise in stock prices during the period.

Consolidated Financial Results



(Billions of Yen)

	Nine Months Ended Dec. 31st, 2003	Nine Months Ended Dec. 31st, 2002	[Consolidated/ Non-Consolidated]
Ordinary Revenues	852.8	901.9	1.00
Ordinary Expenses	781.8	883.7	1.01
Ordinary Profit	70.9	18.1	0.95
Net Extraordinary Gains	3.1	3.7	1.01
Net Extraordinary Losses	5.5	5.1	1.00
Net Income	26.8	0.1	0.87

Total Assets	6,023.0	5,962.1	1.00
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Equity method investment losses of ¥1.7 billion (including ¥1.9 billion 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 ¥1.7 billion and the offset of the dividends from a subsidiary of ¥2.5 billion

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- Consolidated net income for the nine months ended December 31, 2003 was ¥26.8 billion, substantially increased from the same term of the previous fiscal year of ¥0.1 billion. This increase was due mainly to the increase in non-consolidated net income for the nine months ended December 31, 2003.
- The differential between consolidated and non-consolidated net income for the period was ¥4.0 billion. This was due mainly to the offset of the dividends from subsidiaries of ¥2.5 billion, and the equity method investment losses of ¥1.0 billion reflected under the equity method.
- T&D Financial Life Insurance, an affiliated company whose accounts are reflected under the equity method, generated insurance premium income of ¥84.1 billion from the sale of individual variable annuities, ¥77.2 billion of which came from over the counter sales at banks.
- Sales performance for the third quarter was favorable, as insurance premium income was ¥24.9 billion, of which ¥22.1 billion came from over the counter sales at banks.

Taiyo Life Insurance Company

Financial Results for Nine Months Ended December 31, 2003



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- Taiyo Life Insurance Company Financial Results for Nine Months Ended December 31, 2003

Taiyo Life Financial Highlights



- **New policy amount and policy amount in force recorded healthy gains due mainly to the strong sales of our new product “*Taiyo Life’s Hoken Kumikyoku*”**
- **Both ordinary profit and net income are in line with our forecast**
- **Adjusted book value increased to ¥214.8 billion**

- There are three major points regarding Taiyo Life’s results for the period under review (Apr.-Dec.).
- Firstly, sales of new product “Hoken Kumikyoku” marketed from April have been very favorable, with the new policy amount of individual life insurance and annuities for the period under review (Apr.-Dec.) increasing 34.4% from the previous year.
- Secondly, both ordinary profit and net income are in line with our full year forecasts.
- Thirdly, adjusted book value used for the calculation of the embedded value method were ¥214.8 billion, or ¥74.9 billion higher than the ¥139.9 billion recorded at the end of March.
- I would now like to go into these points in further detail.

Sales Results



- **Total new policy amount including individual life insurance and annuities recorded strong growth, up 34.4% from the same term of the previous fiscal year. Total policy amount in force including individual life insurance and annuities increased by 5.4% from the amount as of the beginning of the fiscal year.**

(Billions of Yen)

	Nine Months Ended Dec. 31st, 2003	Nine Months Ended Dec. 31st, 2002	Change
New Policy Amount*			
Individual Life Insurance	2,327.5	1,676.3	38.9%
Individual Annuities	16.9	67.5	(75.0%)
Individual Life and Annuities Total	2,344.4	1,743.8	34.4%
Net Increase from Conversions	531.0	-	-
Decrease in Policy Amount**			
Individual Life and Annuities Total	1,523.5	1,663.2	(8.4%)
Amount of Surrender and Lapse	1,025.5	985.0	4.1%
Number of Surrender and Lapse	221 thousands	249 thousands	(11.3%)
Policy Amount in Force			
Individual Life and Annuities Total	16,089.5	15,313.5	5.1%
Group Life	11,020.8	11,095.4	(0.7%)
Group Annuities	778.0	804.2	(3.3%)

Decreased mainly due to the decrease in maturity benefits

While surrender and lapse rate*** deteriorated by 0.34 points to 8.96% (annualized), number of surrender and lapse decreased by 11.3% and policy surrender payment decreased by 8.8% y-o-y

Increased by ¥820.9 billion (5.4% 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 for 3rd quarter (Oct-Dec) – Net increase of policy amount in force from the beginning of the fiscal year

***The amount of surrender and lapse/ Policy amount in force as of the beginning of the fiscal year

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

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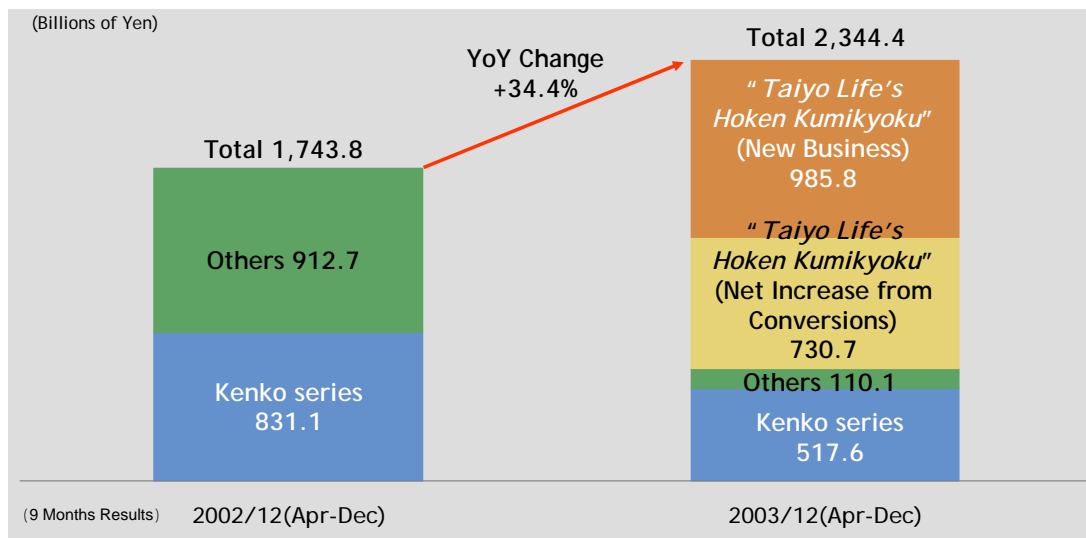
- Let's first look at the trend in new policies.
- As previously mentioned, the new policy amount of individual insurance and annuities was 34.4% higher than last year, with new policy amount of individual insurance in particular rising by 38.9%.
- On the other hand, the amount of maturing policies declined from the previous year, meaning that the decrease in policy amount fell by 8.4%. In terms of surrender and lapse, the number of surrender and lapse and the policy surrender payment decreased, but the benefit amount per policy increased. As a result, the total amount of surrender and lapse increased by 4.1% from the previous year.
- Due to these factors, the amount in force of individual insurance and annuities increased by 5.1% from the previous year, and by 5.4% from the end of March, 2003.

Sales Results: New Business, including Conversions

T&D Life Group


- Our new product, “*Taiyo Life’s Hoken Kumikyoku*”, enjoyed strong sales
- Conversions of existing policies beginning in April 2003 have been successful

New Policy Amount* (Individual Life and Annuities) (Nine Months Ended Dec.31, 2003)



* Includes net increase from conversion

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

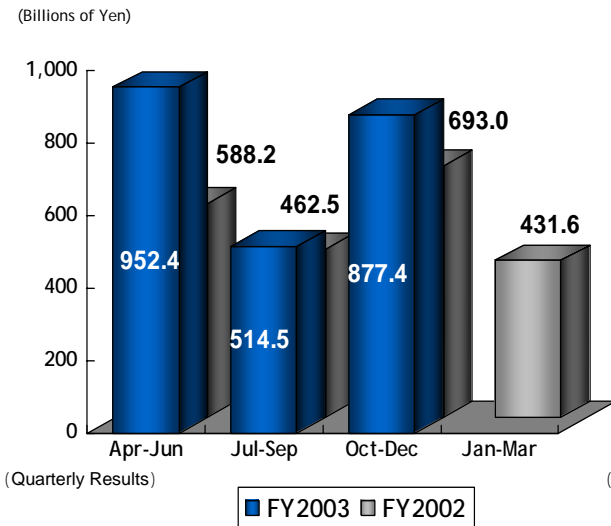
 TAIYO-LIFE 18

- Regarding the sales trends of new products;
- The new policy amount of “*Taiyo Life Hoken Kumikyoku*”, marketed from April 2003, reached ¥1.7 trillion, including policy conversions. The number of policies sold has reached 93,000 or more than three-fourths of our annual target of 110,000 policies.
- The shift to protection-oriented products, which is our main management challenge, has progressed further, with the proportion to total new policy amount sold rising to 97.6% by December 2003, or nearly 100%. In addition, the proportion of these policies to total policy amount in force rose to 61.4%, or 4.3 percentage points higher than at the end of March, 2003.

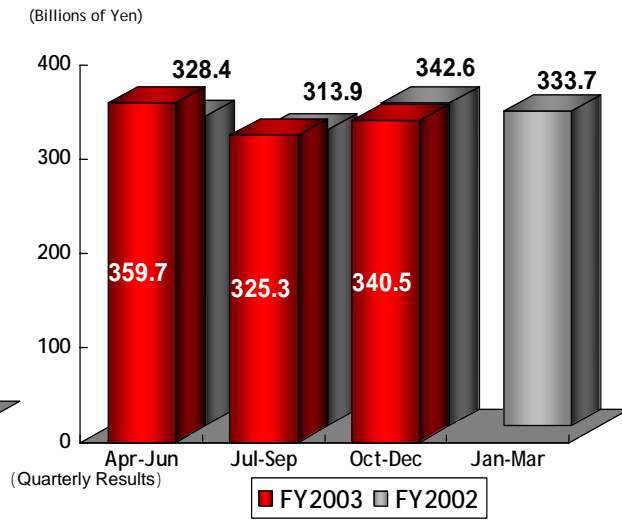
Quarterly Trends: Individual Life Insurance and Annuities



Trends in New Policy Amount of Individual Life Insurance and Annuities*



Trends in the Amount of Surrender and Lapse



* Includes net increase from conversion

- Let's now look at the quarterly trend in policy sales.
- New policy amount of individual insurance and annuities during the third quarter rose by 26.6% over the previous year.
- On the other hand, amount of surrender and lapse, with the exception of a temporary rise in the first quarter because of the downward adjustment of assumed investment yields during the period, has generally stabilized.

Non-Consolidated Statements of Operations



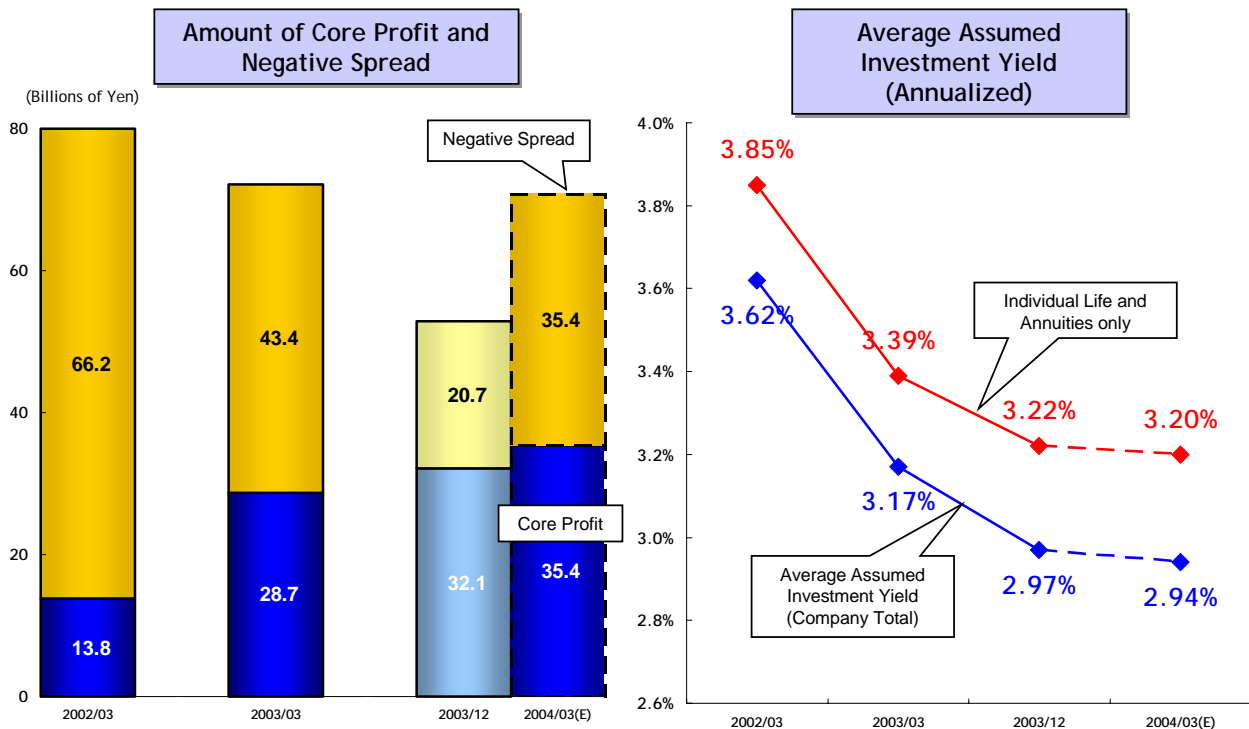
	Nine Months Ended Dec. 31, 2003	Six Months Ended Sep. 30, 2003	Year Ended Mar. 31, 2003	(Billions of Yen)
Ordinary Revenue	933.4	623.6	1,385.2	
Income from insurance premiums	607.3	413.6	887.9	Income from insurance premiums for individual insurance and annuities is trending downward reflecting our efforts to encourage a shift from saving-oriented products to protection-oriented products.
Investment income/ gains	192.6	142.3	229.3	
Interest and dividends	109.1	74.4	150.2	
Gains on sale of securities	67.2	46.2	70.2	Increased by ¥21.0 billion vs 1st half period ended Includes: -Domestic Stocks ¥12.0 billion -Foreign Securities ¥ 5.9 billion -Domestic Bonds ¥ 3.0 billion
Gains from derivatives, net	4.5	11.2	-	
Other ordinary income	133.4	67.6	267.9	
Reversal of policy reserves	110.7	52.4	224.6	
Ordinary Expenses	908.3	603.7	1,362.1	
Insurance claims and other payments	726.4	473.5	1,138.3	Decreased due to the decrease in maturity proceeds of individual life and annuities
Provision for policy and other reserves	0.9	0.1	0.5	
Investment expenses/ losses	84.1	66.5	93.6	
Losses on sale of securities	51.3	37.1	42.1	Increased by ¥14.2 billion vs 1st half period Includes: -Foreign Bonds ¥10.4 billion -Domestic Bonds ¥2.9 billion -Domestic Stocks ¥0.8 billion
Devaluation losses on securities	0.4	0.0	24.9	
Foreign exchange loss	25.0	24.3	8.2	
Operating Expenses	65.0	43.4	86.1	
Ordinary Profit	25.0	19.8	23.0	
Extraordinary Gains/ Losses	(1.0)	(0.4)	(14.4)	
Provision for Reserve for Policyholder Dividends	10.1	6.6	-	Provision for reserve for policyholder dividends was recognized for the progress period according to fiscal year budget as expenses following the demutualization. ¥11.2 bil recognized as extraordinary loss in the year ended Mar 2003
Net Income	7.7	7.2	4.8	

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

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- With regards to non-consolidated revenues and earnings, ordinary profit as well as net income for the period under review (Apr.-Dec.) was in line with our full year forecasts.
- In terms of revenues, income from insurance premiums is declining, in keeping with the shift to protection-oriented products.
- In addition, gains/losses on sale of securities were recorded as we worked to rebalance our investment portfolio. In terms of change from the end of September, gains on sale of securities increased by ¥21.0 billion, while losses on sale of securities increased by ¥14.2 billion, producing year-to-date net gains of ¥15.8 billion at the end of December.
- Ordinary profit were ¥25.0 billion and higher than the previous year.
- Provision for policyholder dividend reserves were recognized in proportion to the amount allocated in the full-year budget.
- Reflecting the above, net income for the period under review (Apr.-Dec.) amounted to ¥7.7 billion.

Core Profit/ Negative Spread, Average Assumed Investment Yield



T&D Life Group Financial Results for Nine Months Ended December 31, 2003

- Reflecting the increase in investment-related returns and the decrease in negative spread, core profit exceeded the previous year's level at ¥32.1 billion.
- The negative spread is expected to decline to ¥35.4 billion for the full fiscal year, reflecting a decline in outstanding policies with relatively high assumed investment yields as savings-oriented products of relatively short duration (5-year and 10-year) reach maturity.
- In addition, as is shown in the graph at right, average assumed investment yields continue to steadily decline.

Non-Consolidated Balance Sheets



T&D Life Group
(Billions of Yen)

(Billions of Yen)				(Billions of Yen)			
	As of Dec. 31, 2003	As of Sep. 30, 2003	Changes		As of Dec. 31, 2003	As of Sep. 30, 2003	Changes
Assets				Liabilities			
Cash and Deposits, Call Loans	194.8	203.3	(8.5)	Total Policy Reserves	6,120.7	6,176.7	(55.9)
Securities	3,667.0	3,825.5	(158.5)	Policy reserve	6,023.4	6,081.8	(58.3)
Domestic bonds	2,271.6	2,264.5	7.1	Contingency reserve	55.2	54.8	0.3
Domestic stocks	501.7	481.4	20.2	Reserve for Price Fluctuations	3.7	3.2	0.4
Foreign securities	780.8	965.0	(184.2)	Total Liabilities	6,246.3	6,428.0	(181.7)
Loans	2,093.5	2,119.2	(25.7)	Shareholders' Equity			
Property and Equipment	188.8	190.1	(1.3)	Common Stock	37.5	37.5	0.0
Deferred Tax Assets	42.3	30.5	11.8	Capital Surplus	37.5	37.5	0.0
Reserve for Possible Loan Losses	(2.1)	(2.2)	(0.0)	Total Retained Earnings	70.7	70.1	0.6
Total Assets	6,410.2	6,613.2	202.9	Appropriated retained earnings	35.6	35.6	0.0
				Unappropriated retained earnings	35.1	34.4	0.6
				Net Income	7.7	7.2	0.5
				Land Revaluation	(35.0)	(35.0)	0.0
				Net Unrealized Gains on Securities	53.2	75.0	(21.8)
				Total Shareholders' Equity	163.8	185.1	(21.2)
				Total Liabilities and Shareholders' Equity	6,410.2	6,613.2	(202.9)

(Domestic bonds)
Increased due mainly a shift from hedged foreign securities.
Changes from Government bonds to Corporate bonds, etc.

(Domestic stocks)
Rebalanced the Portfolio

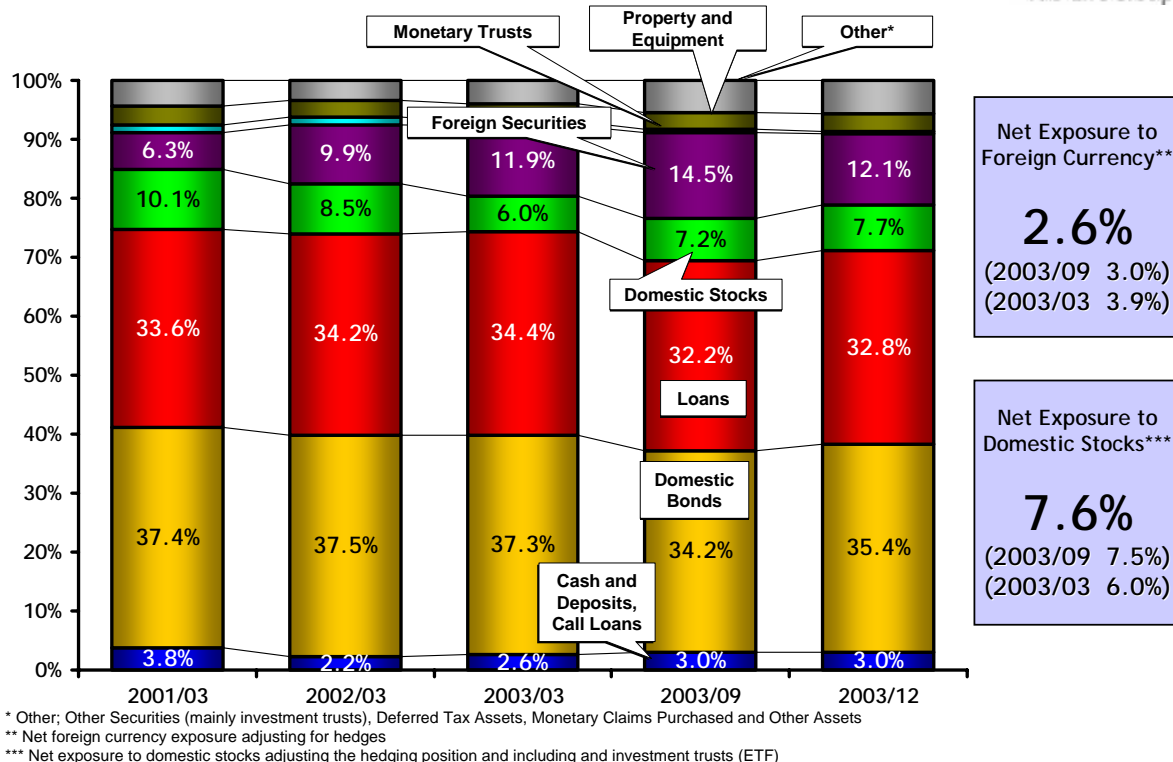
(Foreign securities)
Sold mainly hedged US bonds

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

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- Let's now look at the non-consolidated balance sheet.
- In terms of the composition of assets, we shifted funds away from currency-hedged foreign bonds to domestic bonds in marketable securities category as the result of a review of our investment portfolio.
In addition, within the bond category, funds were shifted from government bonds to corporate bonds.
- Our exposure to domestic stocks was increased as the result of a re-balancing of the portfolio. In foreign securities, taking into account the possibility of a rise in US interest rates reflecting a full-fledged recovery in the US economy, we worked to liquidate mainly our holdings of US dollar-denominated bonds. In addition, foreign investment trusts were liquidated as we shifted funds to individual foreign stocks.
- In terms of liabilities, total liabilities decreased by ¥181.7 billion from the end of September. This was largely due to a decrease in policy reserve owing to the payment of maturity benefits, and a decrease of ¥30.0 billion in subordinated debt.
- In the capital account, shareholder's equity declined by ¥21.2 billion, reflecting the decrease in net unrealized gains on securities that were caused by lower stock prices.
- Reflecting the above, total assets declined by ¥202.9 billion.

General Accounts Asset Composition



T&D Life Group Financial Results for Nine Months Ended December 31, 2003

TAIYO-LIFE 23

- Let's now examine the asset composition of the general account.
- For the third quarter, our basic policy was to maintain a portfolio comprised mainly of domestic bonds and loans other yen-fixed income asset in order to ensure a stable income flow.
- Specifically, we slightly increased our exposure to domestic bonds. At the same time, in consideration of the possibility of rises in overseas interest rates, we reduced our position in foreign currency-hedged foreign bonds, particularly our position in US bonds, which had been increased during the first half, to take advantage of domestic and international interest rate differentials and to diversify interest rate risk. Reflecting the liquidation of foreign investment trusts and declines in market value of foreign bond holdings because of a rise in interest rates, our net exposure to foreign currency declined to 2.6%.
- In domestic stocks, we increased our overall position while at the same time reshuffling holdings to improve the composition of the portfolio. Consequently, our net exposure to domestic stocks increased to 7.6%.

Unrealized Gains/ Losses (General Account)



(Billions of Yen)

	Unrealized gains/losses on Held-to-maturity securities		Unrealized gains/losses on Policy-reserve-matching Bonds		Unrealized gains/losses on Available-for-sale securities		Total		
	As of Dec. 31, 2003	As of Sep. 30, 2003	As of Dec. 31, 2003	As of Sep. 30, 2003	As of Dec. 31, 2003	As of Sep. 30, 2003	As of Dec. 31, 2003	As of Sep. 30, 2003	Change
Total	0.7	0.7	(6.7)	(11.3)	83.3	117.4	77.3	106.8	(29.4)
Domestic Bonds	0.7	0.7	(6.7)	(11.3)	20.6	25.0	14.7	14.4	0.3
Domestic Stocks	-	-	-	-	56.1	68.2	56.1	68.2	(12.1)
Foreign Securities	-	-	-	-	2.5	19.1	2.5	19.1	(16.5)
Other Securities	-	-	-	-	3.9	5.0	3.9	5.0	(1.1)
Monetary Trusts	-	-	-	-	-	-	-	-	-
Net Unrealized Gains/losses on Real Estate							(6.2)	(6.2)	0.0

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

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- Total of unrealized gains/losses on marketable securities were ¥77.3 billion, or ¥29.4 billion lower than at the end of September.
- The main reasons for this were;
 - Valuation losses on domestic stocks declined by ¥12.1 billion, reflecting gains on sale of securities resulting from a reshuffling of the composition of the portfolio, and declines in stock prices (monthly average basis).
 - A decline in foreign securities valuation losses of ¥16.5 billion reflected the appreciation of the yen against the dollar, and higher interest rates.
 - Declines in valuation losses on foreign bonds.
- Net unrealized gains/losses on real estate was largely unchanged.

(Reference: Benchmark Indicators)

	Dec.2003	Sept.2003	Mar.2003
Mo. Avg. Nikkei 225	10,295	10,650	8,169.70
Nikkei 225 (End of Period)	10,676.54	10,219.05	7,972.71
Mo. Avg. Topix	1,010.30	1,038.30	802.14
Topix (End of Period)	1,043.69	1,018.80	788.00
Mo. Avg. Dollar-Yen (TTM)	107.93	115.23	118.67
Dollar-Yen (End of Period)	107.13	111.25	120.20
Mo. Avg. Euro-Yen (TTM)	132.38	129.08	128.23
Euro-Yen (End of Period)	133.74	129.19	129.83
10-Year JGBs (%)	1.360	1.380	0.70
10-Year US TBs (%)	4.248	3.939	3.798
10-Year Bunds (%)	4.292	3.995	4.044

Financial Soundness, Adjusted Book Value



(Billions of Yen)

	As of Dec. 31, 2003	As of Sep. 30, 2003	Change	
Solvency Margin Ratio	765.4%	833.1%	(67.7P)	
Total Solvency Margin	450.2	514.5	(64.2)	
Equity*	192.3	191.6	0.7	
Net income	7.7	7.2	0.5	
Net unrealized gains on available-for-sale securities X 90 per cent	74.9	105.6	(30.7)	Decreased due mainly to the decrease in unrealized gains on domestic stocks
Deferred tax assets	37.7	37.7	0.0	Decreased ¥30 billion due to the decrease in subordinated debt
Others	145.2	179.4	(34.2)	
Total Risk**	117.6	123.5	(5.8)	
Insurance risk R 1	33.5	33.2	0.3	Includes; Market risk: ¥93.5 billion Credit risk: ¥30.4 billion Derivatives counterparty risk: (¥42.4 billion)
Assumed investment yield risk R 2	27.2	28.2	(0.9)	
Investment risk R 3	82.5	87.6	(5.1)	
Business risk R 4	2.8	2.9	(0.1)	
Value of Adjusted Net Asset	389.9	377.5	12.3	Decreased due mainly to the decrease in unrealized gains on domestic stocks
Adjusted Book Value	214.8	236.2	(21.4)	

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

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

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

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- Solvency margin ratio as of the end of December 2003 was, as is indicated in the table, 765.4%, or 67.7 percentage points lower than at the end of September. But compared to the end of March 2003, it is 83.9 percentage points higher.
- This is mainly due to the change in net unrealized gains on available-for-sale securities.
- In addition, the primary reasons that the total value of the solvency margin declined by ¥64.2 billion from the end of September 2003 were that unrealized gains/losses on domestic stocks and the outstanding value of subordinated debt declined.
- Adjusted book value used for the calculation of the embedded value method was ¥214.8 billion, or ¥74.9 billion higher than at the end of March 2003, and ¥21.4 billion lower than at the end of September 2003—owing mainly to the changes in unrealized gains/losses on domestic stocks .

Consolidated Financial Results



(Billions of Yen)

	Nine Months Ended Dec. 31st, 2003	Nine Months Ended Dec. 31st, 2002	[Consolidated/ Non-Consolidated]
Ordinary Revenues	944.8	1,401.8	1.01
Ordinary Expenses	922.1	1,380.7	1.02
Ordinary Profit	22.6	21.0	0.90
Net Extraordinary Gains	1.2	55.0	1.07
Net Extraordinary Losses	2.3	70.4	1.06
Net Income	4.8	1.5	0.63

Total Assets	6,428.0	6,549.6	1.00
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Reflecting equity method investment losses
(Including ¥1.9 billion losses on investment
in T&D Financial Life)

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

26

- Let's now turn to consolidated results.
- Net income for the period trended favorably, reaching ¥4.8 billion.
- The differential between non-consolidated and consolidated net income is due to the amount of T&D Financial Life's losses for the period that are reflected in consolidated accounts by the equity method.

Integration of Group Companies



- **A holding company preparatory committee was established in November 2003. From January 2004, group management system has become functional under the new holding company structure**
- **Solid progress in preparation for setting up an administrative service company**
- **Started preparation for integration of risk management and EV calculation methodologies**

- Good progress was made during the period in establishing a group management framework in preparation for the establishment of a holding company in April, 2004.
- Following the establishment in November 2003 of a preparatory committee to focus on the establishment of a holding company, we have been managing the Group on a virtual holding company basis since January 2004, and have effectively already moved to a group holding company management system.
- The board of directors of each company already approved last December the establishment of T&D Customer Services, a subsidiary that will handle all administrative services for the three companies.
- Specific preparations are also underway for integration risk management and the disclosure of an integrated embedded value for the Group from the March, 2004 reporting period.

Appendix

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

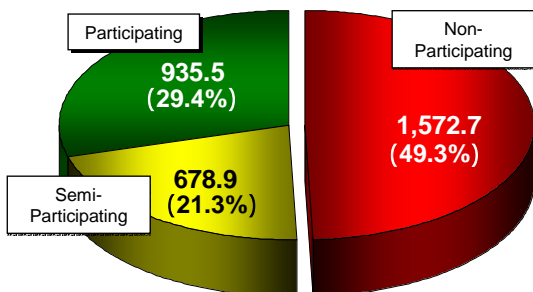
- Appendix

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

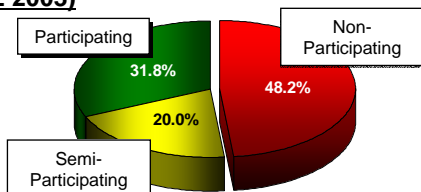


**New Policy Amount*
(April-December 2003)**

(Billions of Yen)



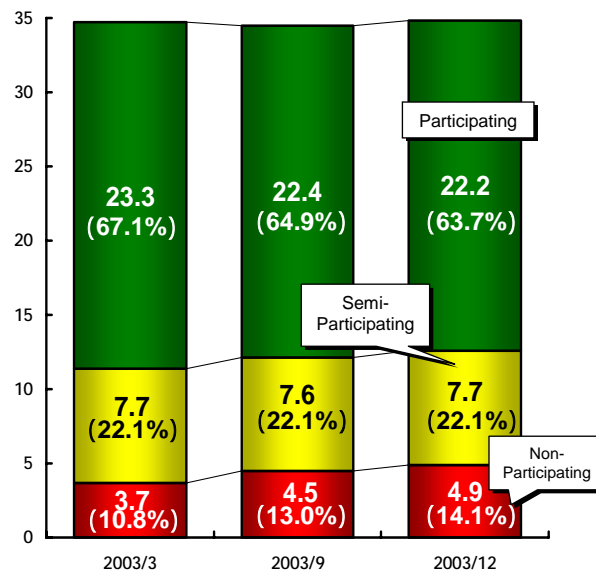
(FYE 2003)



* Net increase from conversion not included

Policy Amount in Force

(Trillions of yen)



T&D Life Group Financial Results for Nine Months Ended December 31, 2003

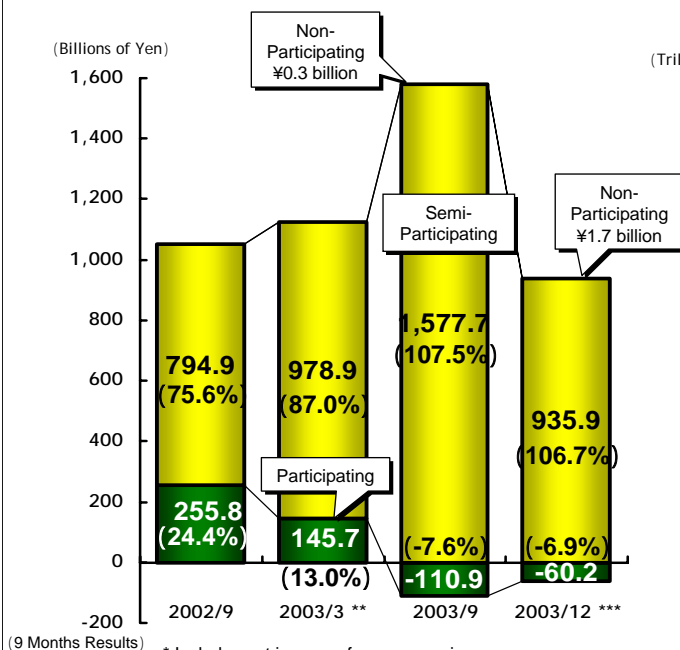


•Sales Results by Dividends Type: Daido Life (Individual Term Life Insurance)

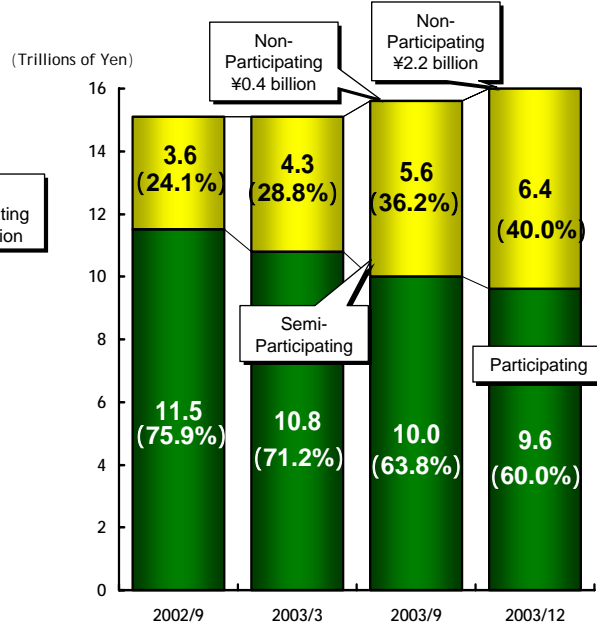
Sales Results by Dividend Type: Taiyo Life (Individual Life Insurance and Annuities)



New Policy Amount*



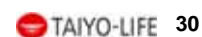
Policy Amount in Force



* Includes net increase from conversion

** Results from October 1, 2002 to March 31, 2003 *** Results from October 1, 2003 to December 31, 2003

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



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

Exposure to Japanese Bank Sector: Daido Life



- Stocks has increased by ¥4.5 billion from the fiscal year ended September 30, 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 Dec. 31, 2003	As of Sep. 30, 2003	Change	As of March 31, 2003
Stocks	82.0	77.4	4.5	38.1
Preferred Stocks issued by Foreign Subsidiaries	60.0	60.0	-	60.0
Preferred Securities issued by Foreign Subsidiaries	14.6	14.4	0.2	14.7
Subordinated Loans and Debentures	202.9	203.3	(0.3)	204.9

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

DAIDO LIFE 31

•Exposure to Japanese Bank Sector: Daido Life


Exposure to Japanese Bank Sector: Taiyo Life



(Billions of Yen)

	As of Dec. 31, 2003	As of Sep. 30, 2003	Change	As of March 31, 2003
Stocks	58.4	56.3	2.1	55.2
Preferred Stocks issued by Foreign Subsidiaries	90.0	90.0	-	90.0
Preferred Securities issued by Foreign Subsidiaries	-	-	-	-
Subordinated Loans and Debentures	291.5	301.5	(10.0)	350.5

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

 TAIYO-LIFE 32

•Exposure to Japanese Bank Sector: Taiyo Life

Sales Performance Forecast: Daido Life



(Billions of Yen)

	Forecast for the Year Ending Mar. 2004	Year Ended Mar. 2003
Individual Term Life insurance	4,300	4,298.5
New Policy Amount of Individual Life Insurance and Annuities*	4,490	4,673.5
Individual Term Life insurance	34,930	34,804.6
Policy Amount in Force of Individual Life Insurance and Annuities	39,200	39,342.6
Surrender and Lapse Rate	9.0%	8.5%
Income from Insurance Premiums	921	989.4

*Includes net increase from conversion

•Performance Forecast for the Year Ending March 31, 2004: Daido Life

Earning Forecast for the Year Ending March 31, 2004: Daido Life



[Non-Consolidated] (Billions of Yen)

	Forecast for the Year Ending Mar. 2004	Year Ended Mar. 2003
Ordinary Revenues	1,200	1,182.1
Ordinary Profit	101	46.0
Core Profit	95	88.7
Net Income	34	11.4
Annual Dividends per Share	¥3,000	¥3,000
Negative Spread	19	20.4

[Consolidated] (Billions of Yen)

	Forecast for the Year Ending Mar. 2004	Year Ended Mar. 2003
Ordinary Revenues	1,203	1,185.2
Ordinary Profit	97	41.8
Net Income	30	6.3

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



- Earning Forecast for the Year Ending March 31, 2004: Daido Life

Sales Performance Forecast: Taiyo Life



(Billions of Yen)

	Forecast for the Year Ending Mar. 2004	Year Ended Mar.2003
New Policy Amount of Individual Life Insurance and Annuities*	3,075.8	2,175.4
Amount of Surrender and Lapse	1,349.8	1,318.8
Surrender and Lapse Rate	8.84%	8.66%
Policy Amount in Force of Individual Life Insurance and Annuities	16,351.4	15,268.6
Income from Insurance Premiums	820.2	887.9

*Includes net increase from conversion

•Performance Forecast for the Year Ending March 31, 2004: Taiyo Life

Earning Forecast for the Year Ending March 31, 2004 : Taiyo Life



[Non-Consolidated] (Billions of Yen)

	Forecast for the Year Ending Mar. 2004	Year Ended Mar.2003
Ordinary Revenues	1,239.0	1,385.2
Ordinary Profit	28.6	23.0
Core Profit	35.4	28.7
Net Income	6.4	4.8
Annual Dividends per Share	¥1,500	-
Negative Spread	35.4	43.4

[Consolidated] (Billions of Yen)

	Forecast for the Year Ending Mar. 2004	Year Ended Mar.2003
Ordinary Revenues	1,255.0	1,401.8
Ordinary Profit	25.4	21.0
Net Income	3.7	1.5

•Earning Forecast for the Year Ending March 31, 2004: Taiyo Life

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

T&D Life Group Financial Results for Nine Months Ended December 31, 2003



•Business Results: Daido Life

Business Results: Taiyo Life



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

T&D Life Group Financial Results for Nine Months Ended December 31, 2003

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Business Results: Taiyo Life

For inquiries, please contact:

**T&D Holdings
Preparatory Committee
Investor Relations
Phone: +81-3-3281-1727**

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.

•For inquiries