

T&D Holdings, Inc.

2006 Merrill Lynch Japan Conference

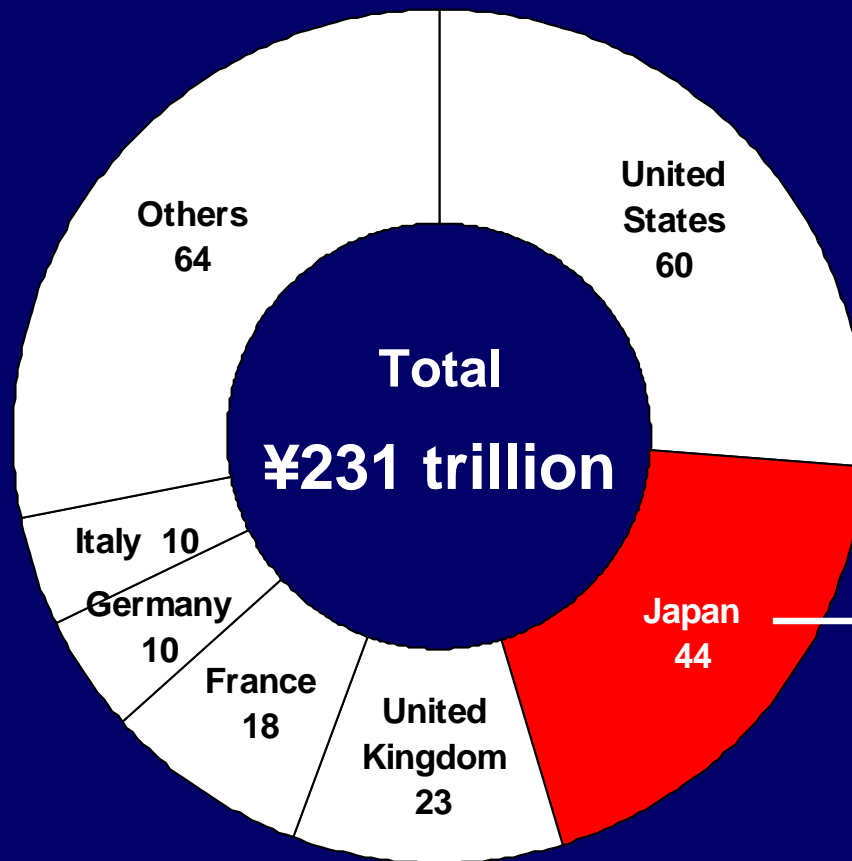
**President
Naoteru Miyato**

September 7, 2006

2nd Largest Life Insurance Market in the World

Premium Income by Country

(Trillions of yen)

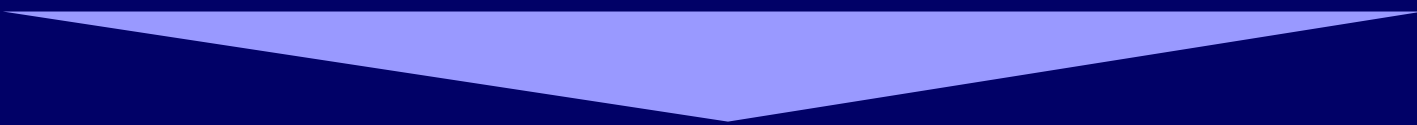


Private-Sector Life Insurers: ¥28 trillion
Postal Life: ¥11 trillion, etc.

*Source: Swiss Re Sigma No.5/2006 "World Insurance in 2005"
All figures converted at 117.47 yen to the U.S. dollar*

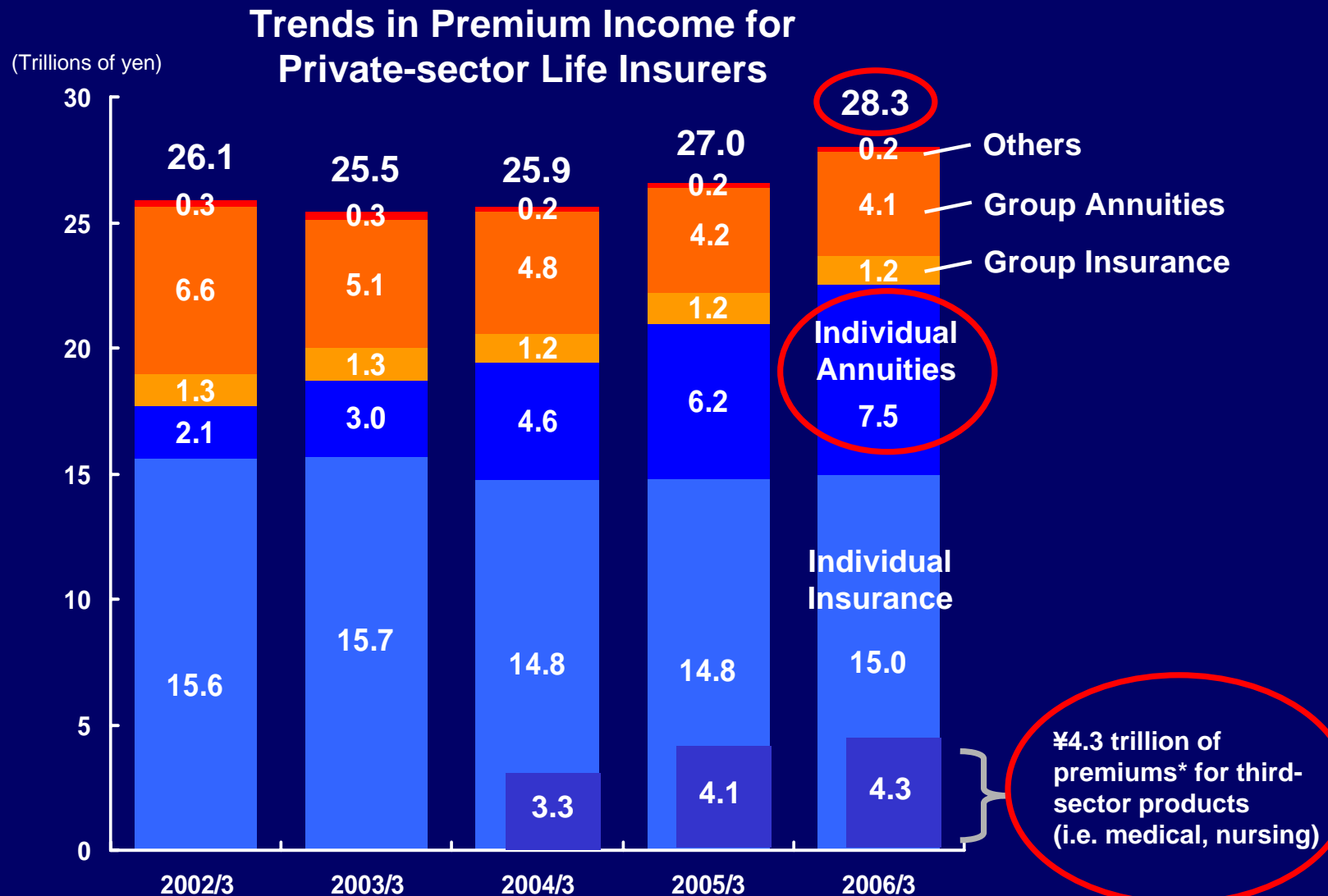
Changing Environment

- **Decreasing customer demand for householder large death protection**
- **Sharply rising demand for medical and nursing care insurance as well as variable annuities, reflecting the concern about risks associated with longer life expectancy**
- **Anticipated changes in the competitive landscape, due to the privatization of Postal Life Insurance and full deregulation of over-the-counter (OTC) sales at banks**
- **Diversification of life insurance market players due to the entry of foreign and property and casualty insurers**



The Key to Winning:
How to response to this environmental change?

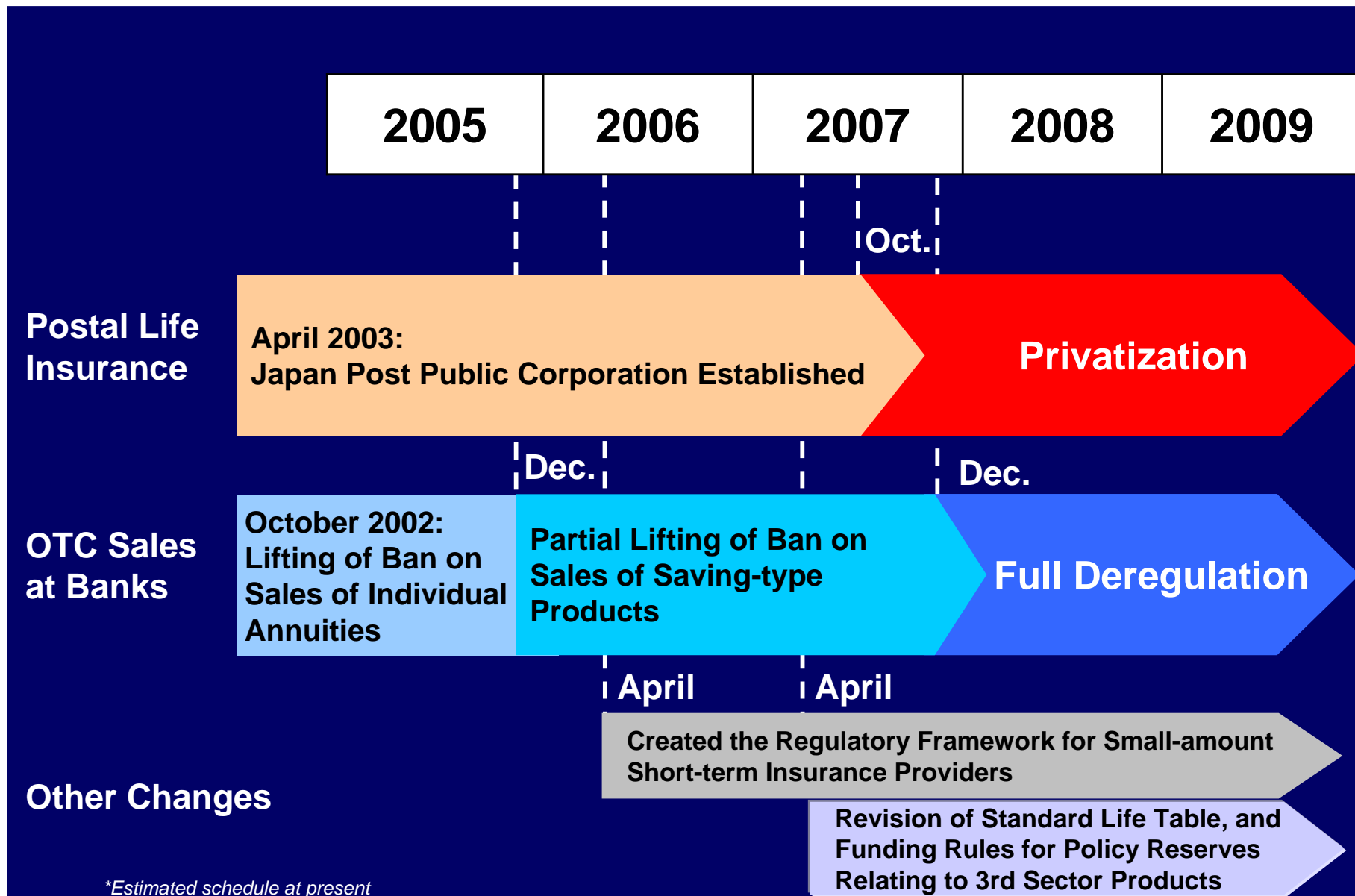
Changing Customer Needs



Source: Compiled by T&D Holdings based on 'Summary of Life Insurance Business in Japan'

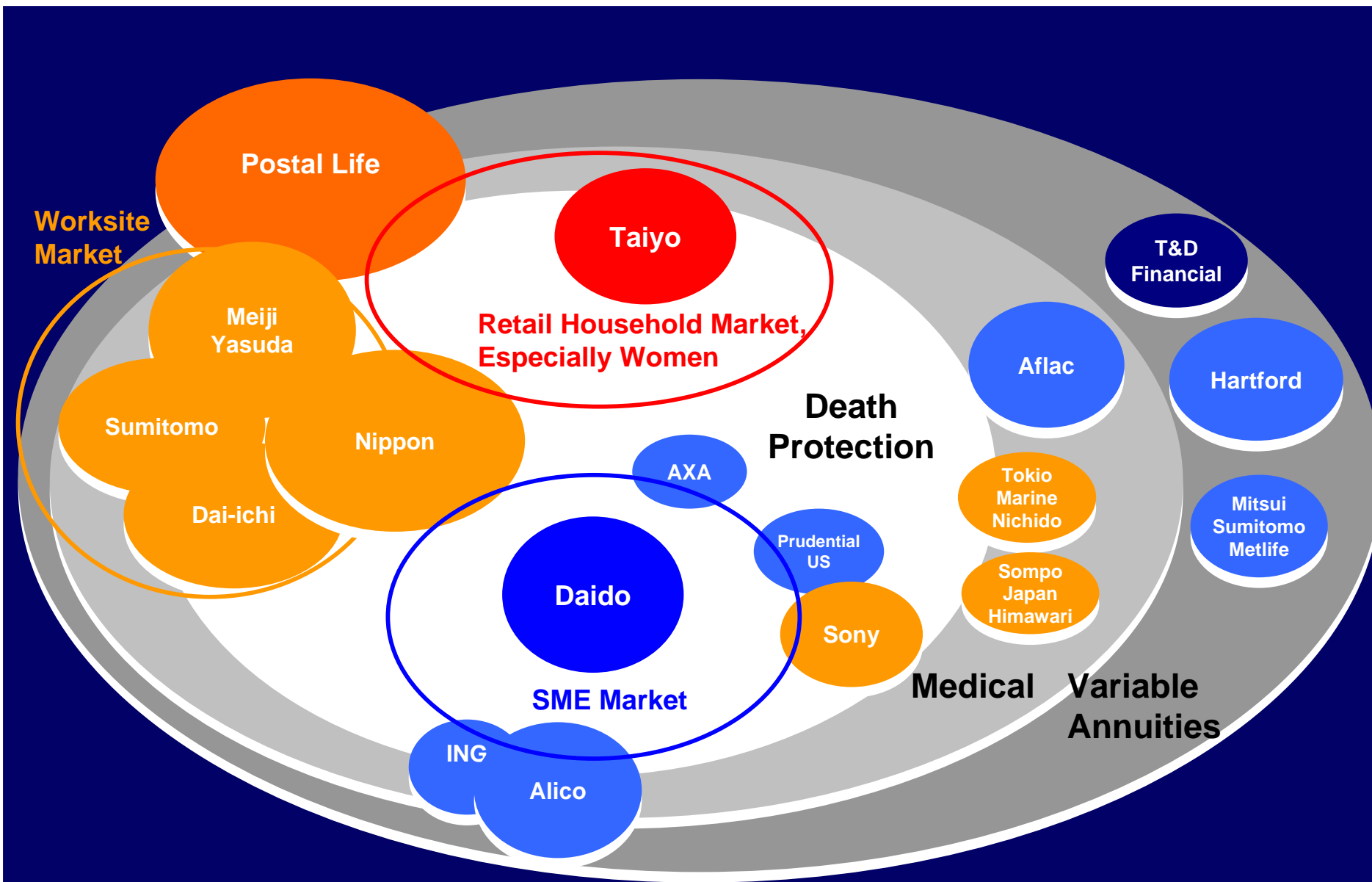
* Estimate of Annualized premiums for third-sector policy amounts.

Changing Regulatory Environment



**Estimated schedule at present*

Diversification of Market Players



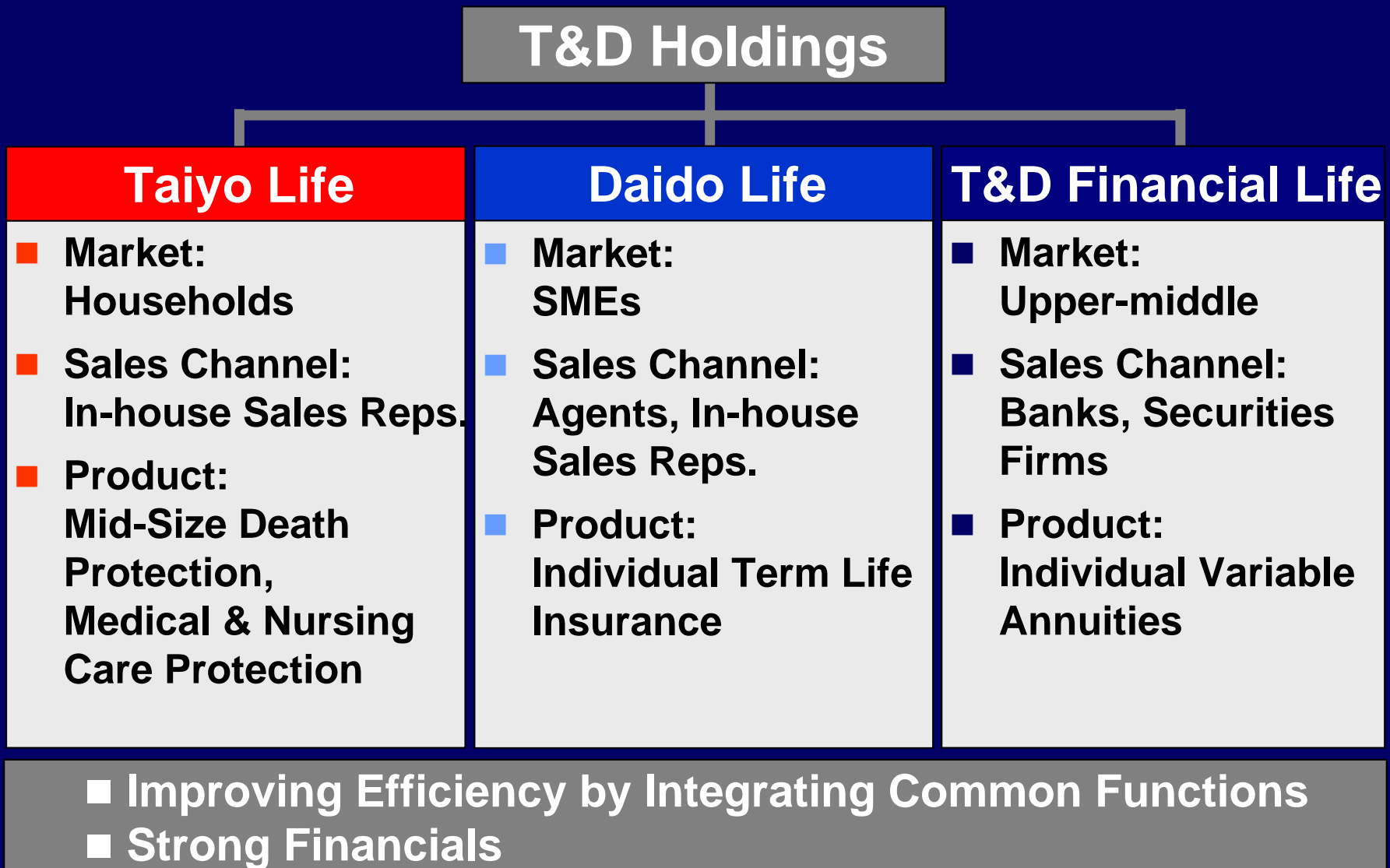
**Prepared by T&D Holdings. These categories may differ for or may not be recognized by each individual company.*

Who is T&D?



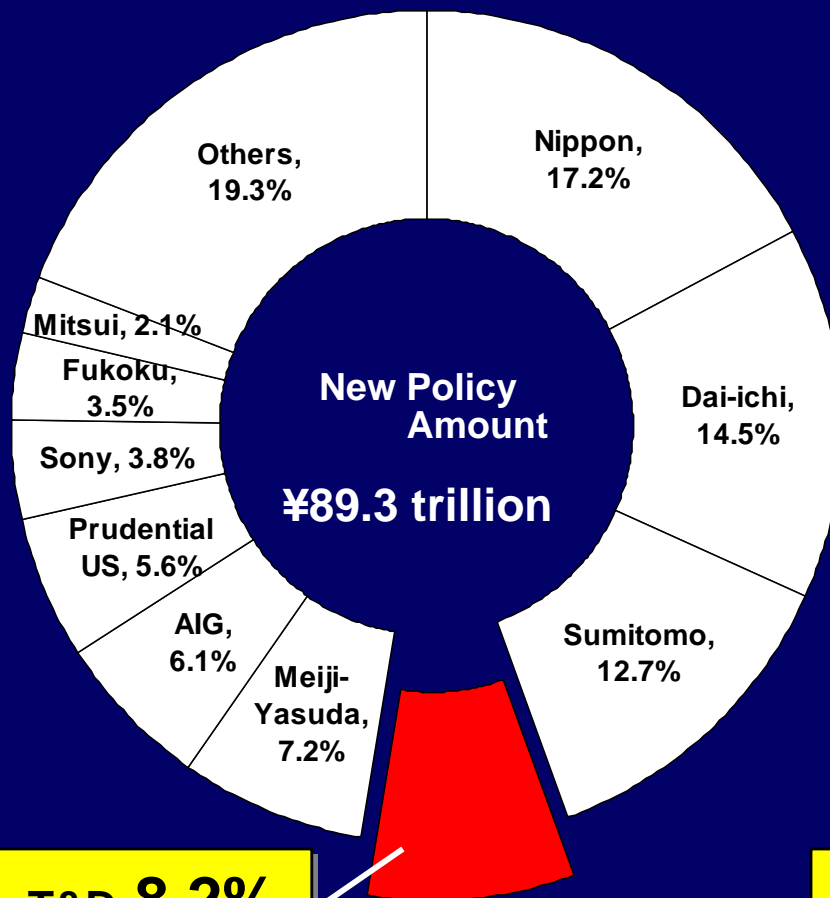
- **Established in April 2004. The only listed company in Japan focusing on the life insurance business**
- **Focus on a stable growth market, such as middle-aged and elderly individual market, SME market, and variable annuity market**
- **Is maintaining solid sales performance while others have been struggling**

T&D Group Structure



Market Position of T&D

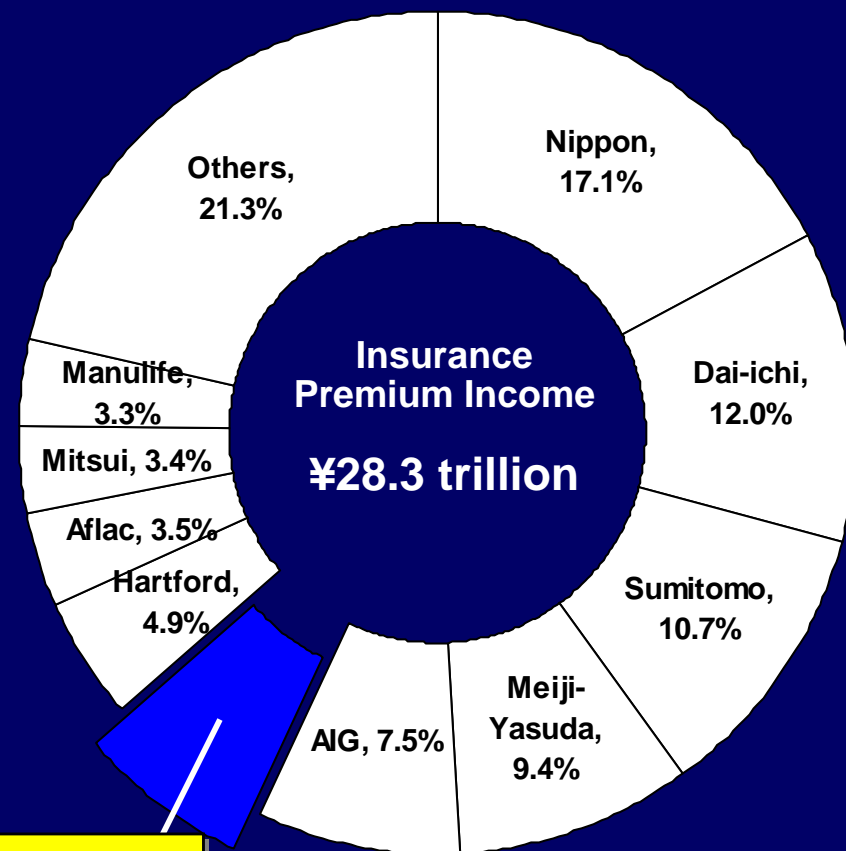
New Policy Amount (FY2005)



T&D 8.2%
(4th Largest)

Sources: Company financial reports

Insurance Premium Income (FY2005)

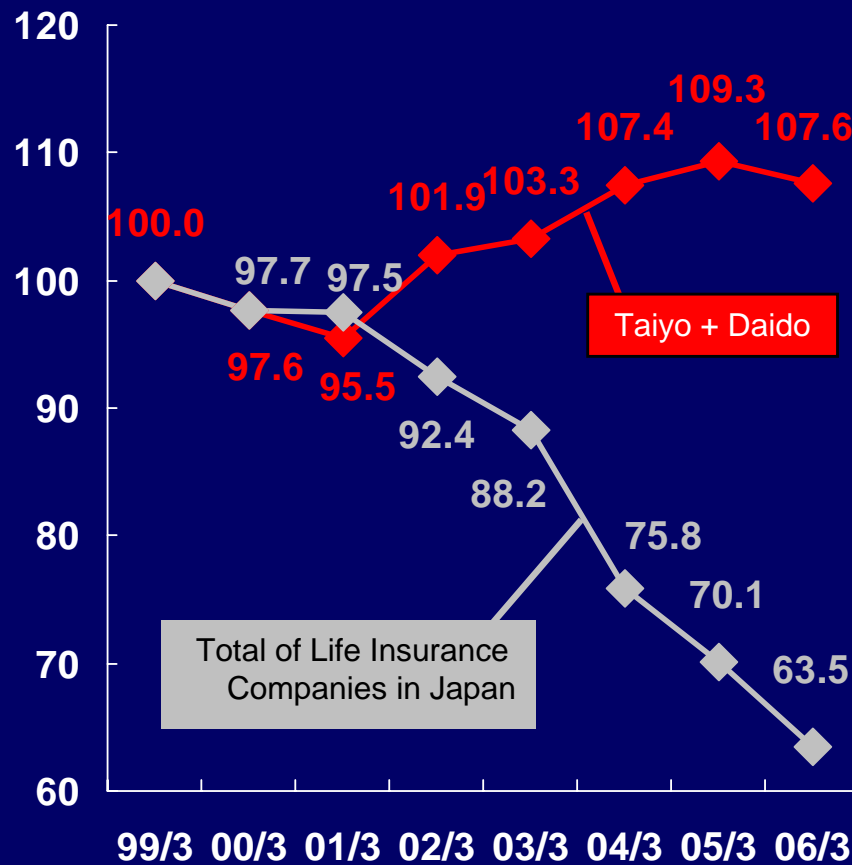


T&D 6.7%
(6th Largest)

Sources: Company financial reports

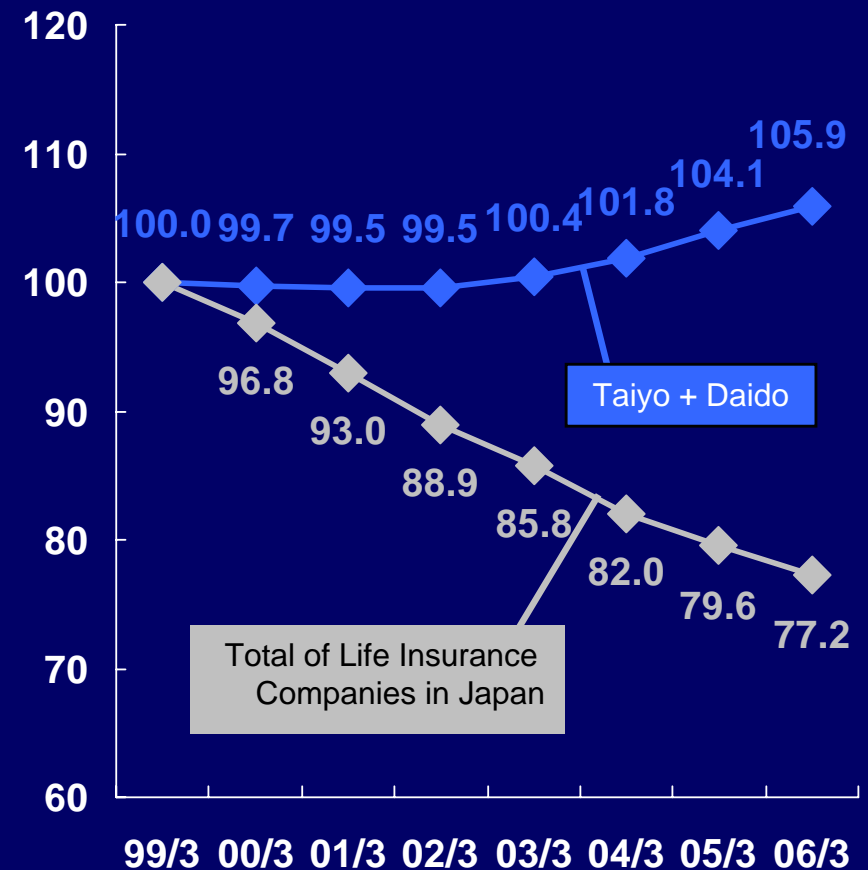
Solid Trends in T&D Sales

New Policy Amount



Source: Summary of Life Insurance Business in Japan

Policy Amount in Force



Source: Summary of Life Insurance Business in Japan

* Indices based on new policy amount and policy amount in force as of FY1998 as 100
Based on simple aggregate totals of individual insurance and individual annuities of Taiyo Life and Daido Life

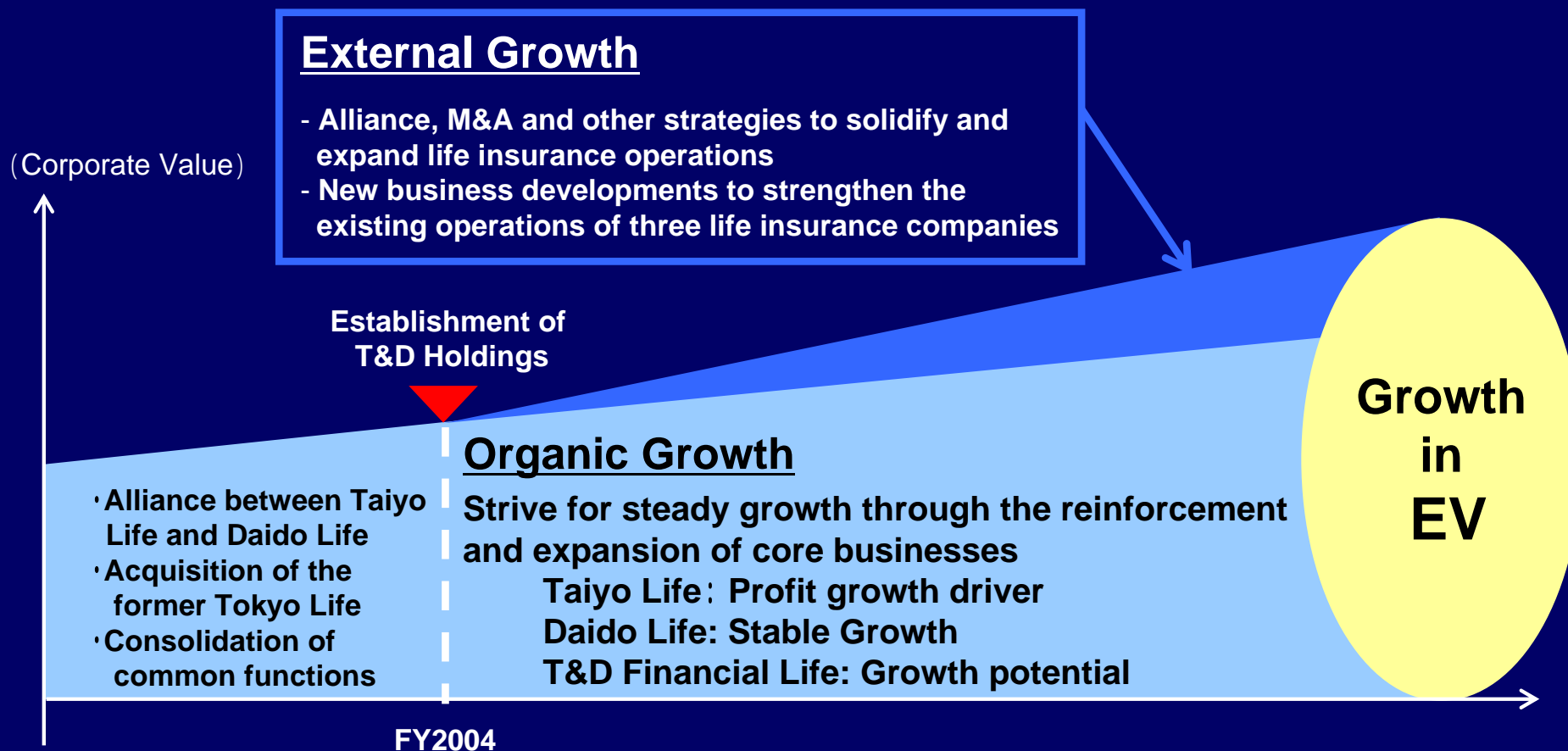
Group Management Initiatives



- **Sustainable increase in embedded value (EV) by pursuing both organic and external growth**
- **Response to full deregulation of OTC sales at banks by focusing management resources on T&D Financial which specializes in that sales channel**
- **Emphasize shareholders' value while maintaining both soundness and appropriate capital efficiency**
- **Aim to extend asset durations gradually to cope with rises in interest rates based on liability-driven ALM and asset allocation within tolerable risk levels**

Expansion of Corporate Value

- Defining EV as the yardstick to measure corporate value, we will strive for a sustainable growth in EV by pursuing both organic and external growth



Expansion and Penetration of Business Domains

- Through the acquisition of sales channels and markets yet to be addressed, we will pursue external business growth which will contribute to the reinforcement of domestic life insurance business unit and to the increase in EV

	In-house Sales Representatives	Financial Planners	Agents	Banks/ Securities Firms	Direct
Retail			Alico Tokio Marine Nichido Sompo Japan Himawari		Aflac Alico
Worksite	Major Life Insurers		Aflac		
Household	Taiyo				
Upper Middle		Sony Prudential		T&D Financial Hartford MitsuiSumitomo MetLife	
SMEs	Daido		Daido		

*Prepared by T&D Holdings. This categorization may differ from the self-image held by each of other insurers.

Response to Full Deregulation of OTC Sales at Banks

- In advance of the full deregulation of OTC sales scheduled December 2007, T&D Financial expand the number of financial institutions' agents
- After the full deregulation, T&D Financial aims to launch various products including death protection, medical and nursing care products, considering its cost of capital and risk volume

Phase 3

- Aim to launch various products upon full deregulation as a platform for the T&D group's sales activities for OTC sales at banks (Dec. 2007)

Phase 2

- Reorganized T&D Financial Life as a strategic company specialized in banks OTC sales (Sep. 2005)
- Issued new shares through public offering to strengthen equity capital (Feb. 2006)

Phase 1

- Acquired former Tokyo Life (Oct. 2001)
- Launched variable annuities through OTC sales at banks (Oct. 2002)

Aim to further establish a strong business base by the expansion of financial institutions' agent

Oct. 2002 :
Ban lifted on sales of individual annuities

Dec. 2005 :
Partial deregulation on OTC sales of savings-type products

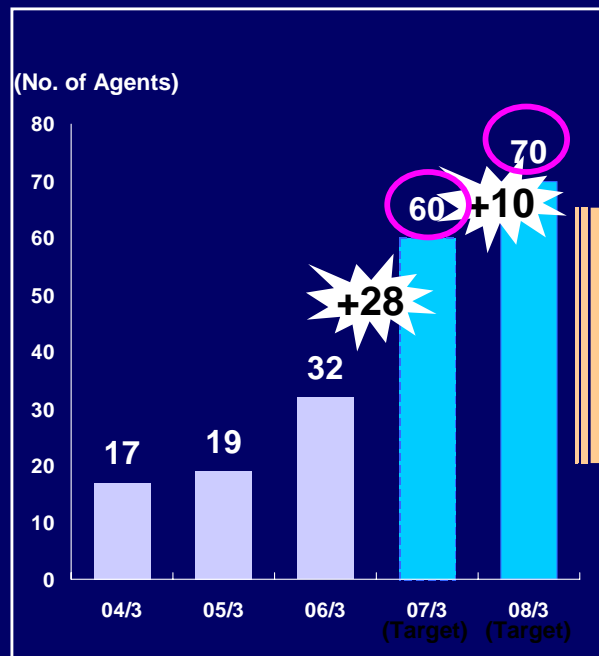
Dec. 2007 :
Full deregulation (Plan)

Three-Step Growth Plan by Capitalizing on OTC Sales at Banks

- “Expansion of Financial Institution Agents Network” ▶ “Growth of Policy Amount in Force” ▶ “Increase in the EV of New Businesses” Attainment of the favorable cycle of these three steps will enhance profitability and contribute to the growth of EV

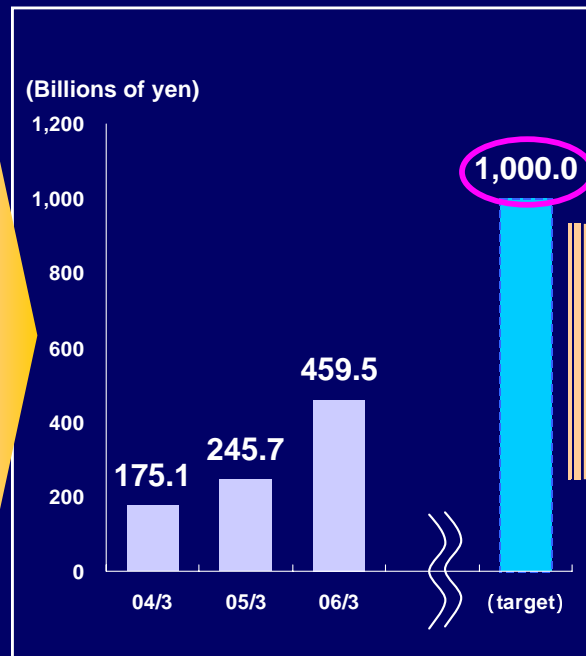
Financial Institution Agents

- ✓ In preparation for the full deregulation of OTC sales at banks effective December 2007, we will secure 60 financial institutions as our agents by March 2007 and 70 by March 2008



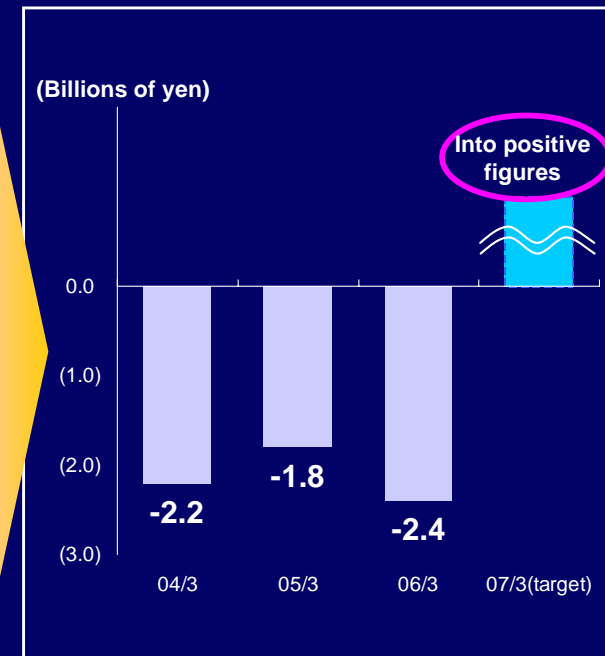
Policy Amount in Force for Variable Annuities

- ✓ We will strive for the earliest possible achievement of a “one trillion yen” milestone in the policy amount in force, by expanding agent networks and offering competitive new products

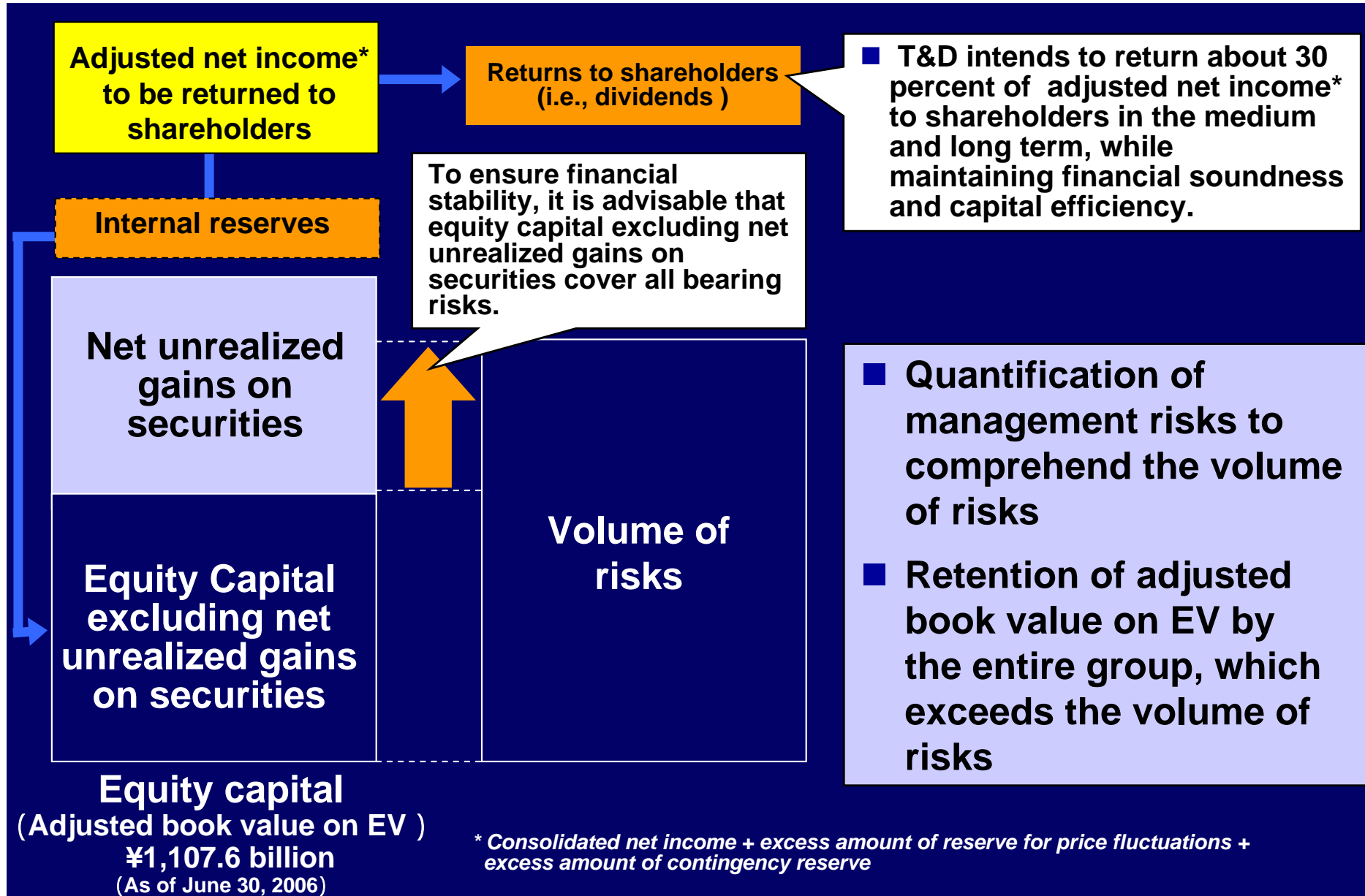


EV of New Business

- ✓ We aim to turn the EV of new businesses, heretofore recorded below zero, into positive figures during the fiscal year ending March 31, 2007 and will continue to improve it further



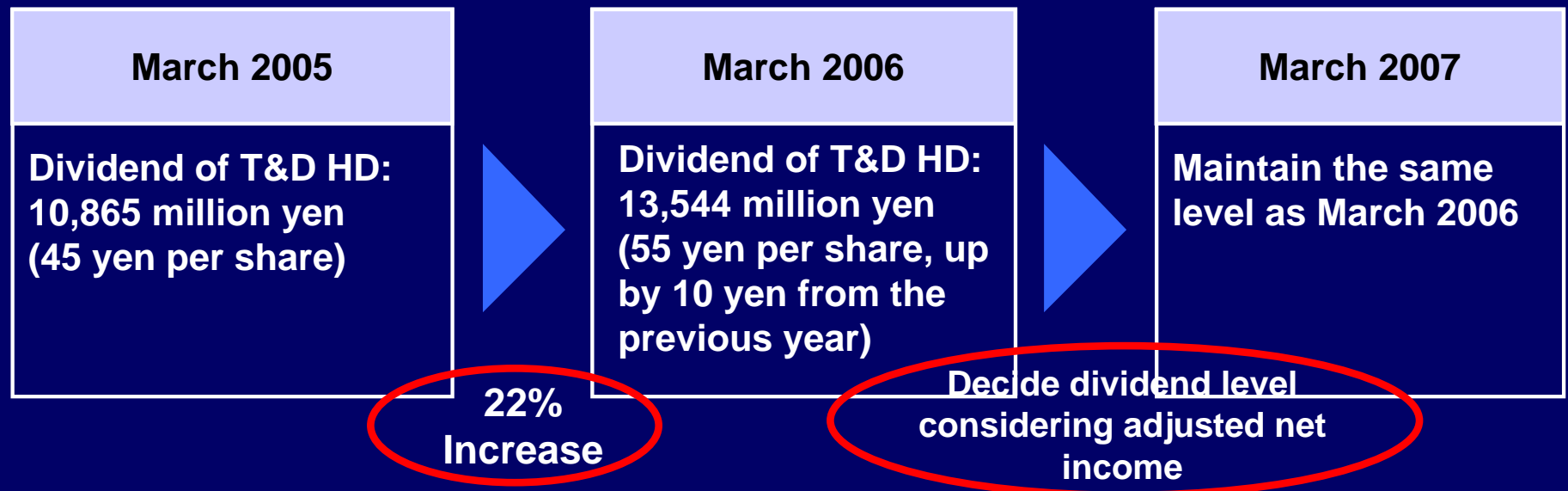
Capital Management



Emphasis on Shareholders' Value

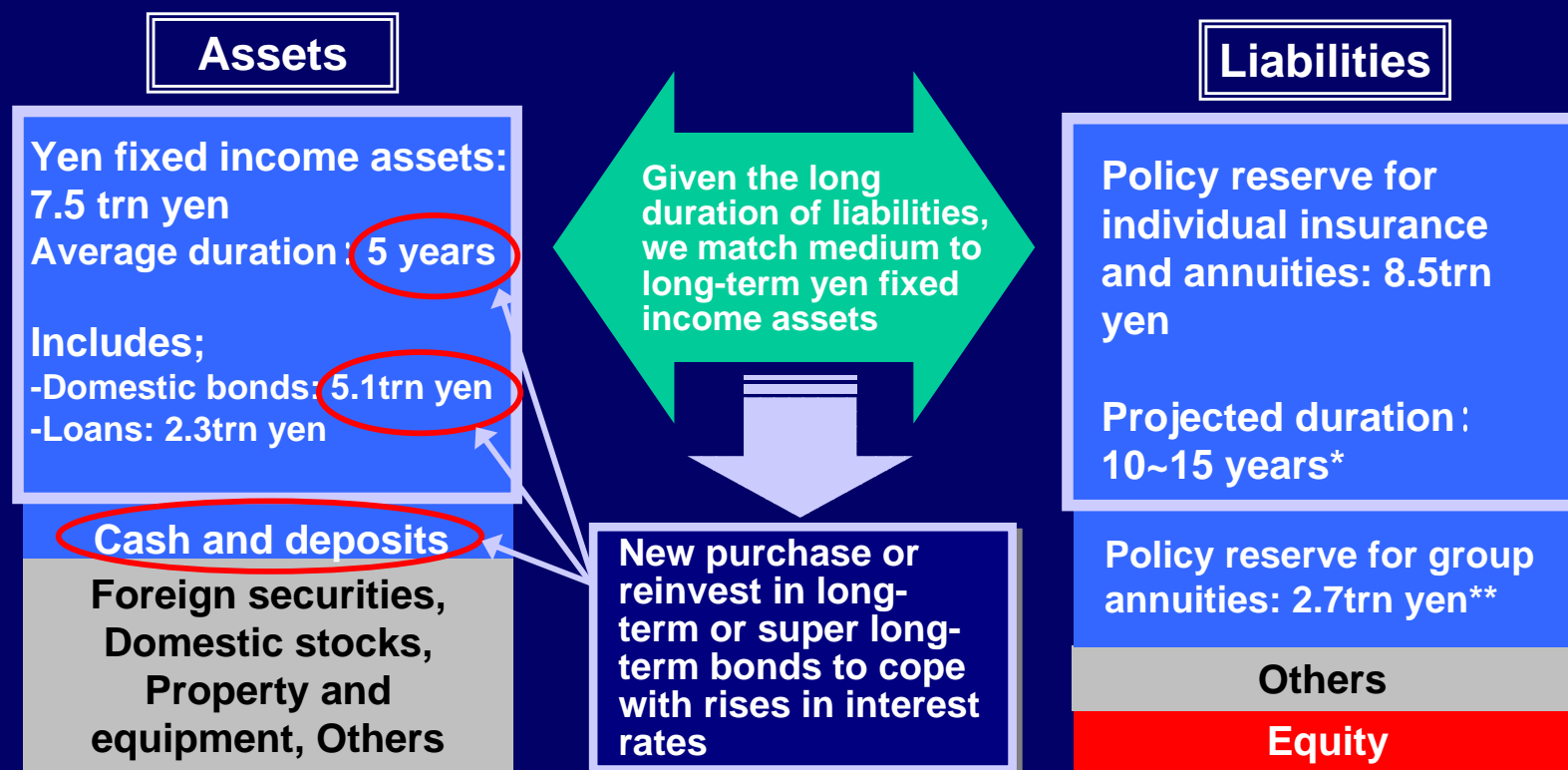
- Intends to return about 30 percent of adjusted net income to shareholders in the medium and long term, while maintaining financial soundness and capital efficiency
- Schedule to maintain the same level as March 2006 for the dividends of March 2007

*Adjusted net income is the sum of consolidated net income and the excess amount of internal reserves as quasi-equity liabilities.



ALM Concept in Interest Rate Rises

- ALM: Mismatch management between asset and liability
- T&D receives positive impact by rising in interest rates in a medium to long-term range since liability durations are longer than those of asset
- Extend asset durations gradually to cope with rises in interest rates based on liability-driven ALM and asset allocation within tolerable risk levels



As of March 31, 2006

* The Company-projected duration varies significantly due to the change in assumed policy cancellation rates.

** The projected duration for group annuities is assumed shorter than that for individual insurance and annuities, although influenced by interest-rate fluctuations.

Conclusion

- **Only listed company in Japan focusing on the life insurance business**
- **Continued solid sales results based on the distinctive business models of three life insurance companies**
- **Strives for organic and external growth in order to expand EV as the yardstick to measure corporate value**

For inquires, please contact;

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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.