

# T&D Holdings, Inc.

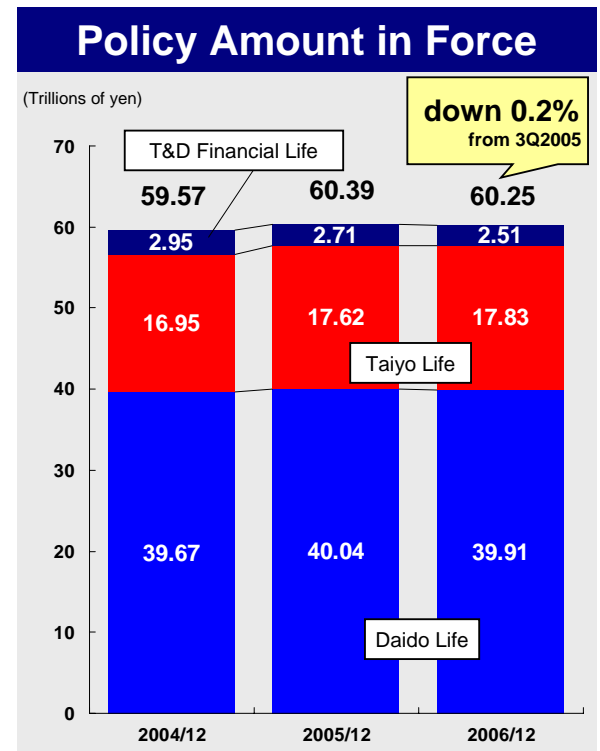
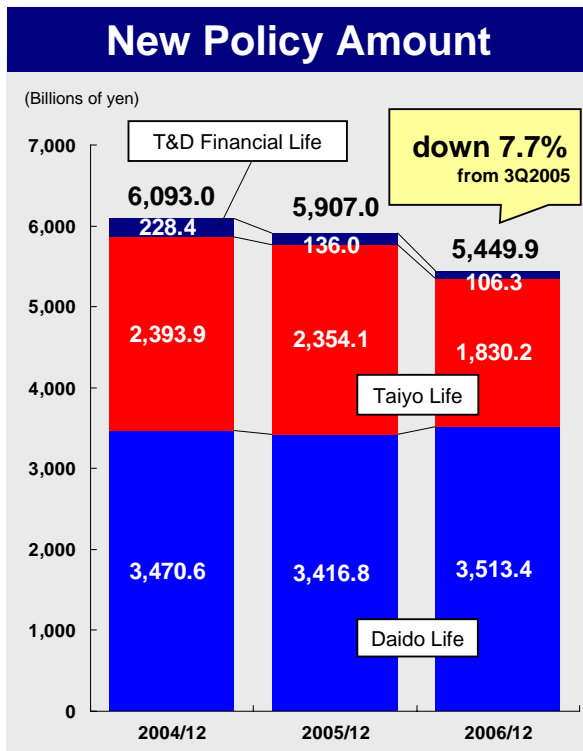
## Financial Results for the Nine Months Ended December 31, 2006

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- **The policy amount in force for the three life insurance companies resulted in stay around same level from the beginning of fiscal 2006, because the new policy amount decreased from the same term of the previous year**
- **Ordinary profit and net income increased from the same term of the previous fiscal year, mainly due to an increase in interest and dividend income**
- **Revises upward full year forecasts for the year ending March 31, 2007 and schedules to increase shareholder dividends**

- There are three points to mention about the financial results for the nine months ended December 31, 2006.
- Firstly, the total policy amount in force for the three life insurance companies resulted in stay around same level from the beginning of fiscal 2006, because the new policy amount decreased from the same term of the previous year.
- Secondly, ordinary profit and net income increased from the same term of the previous fiscal year, mainly due to an increase in interest and dividend income.
- Thirdly, T&D Holdings revises upward full-year forecasts for the year ending March 2007, and schedules to increase shareholder dividends.

# Sales Results



\*Total amount of individual insurance and individual annuities. New policy amount includes net increase from conversion.

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

- As for the total sales results for individual insurance and individual annuities for the three life insurance companies, the new policy amount came to 5,449.9 billion yen, down 7.7% year-on-year.
- The total policy amount in force for the three companies totaled to 60,259.6 billion yen, down 0.2% from the same term of the previous fiscal year. It resulted in stay around the same level from the 60,265.0 billion yen at the beginning of fiscal 2006.
- We would like to go into each total sales results of the three companies in further detail from the following pages.

# Sales Results: Daido Life

(Billions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Changes
<b>New policy amount*</b>			
Individual insurance	3,448.4	3,342.2	3.2%
Individual term life insurance	3,377.4	3,258.9	3.6%
Individual annuities	65.0	74.5	(12.8%)
Individual insurance and annuities total	3,513.4	3,416.8	2.8%
<b>Decrease in policy amount**</b>			
Individual insurance and annuities total	3,607.1	3,061.1	17.8%
Individual term life insurance	3,346.4	2,798.4	19.6%
Surrender and lapse amount	2,841.6	2,342.0	21.3%
Surrender and lapse rate***	9.47%	7.87%	1.60P
Individual term life insurance	2,696.6	2,192.9	23.0%
<b>Policy amount in force</b>			
Individual insurance and annuities total	39,914.3	40,049.8	(0.3%)
Individual term life insurance	35,964.7	35,940.1	0.1%
<b>Annualized premiums of total policies</b>	<b>692.2</b>	<b>684.3</b>	<b>1.2%</b>

Reflecting solid sales of non-participating term life insurance launched May 2006

Mainly due to;  
-In August 2006: Guided future trends in surrender payment to the policyholders with accumulated higher-cash value  
-In September 2006: Informed all policyholders of future trends in surrender payment on annual notices

Slightly decreased by 93.7 billion yen from the beginning of the fiscal year

Increased by 31.0 billion yen from the beginning of the fiscal year

\* New policy amount includes net increase from conversion

\*\* Decrease in policy amount = New policy amount - Net increase in policy amount in force from previous fiscal year end

\*\*\* Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 4/3

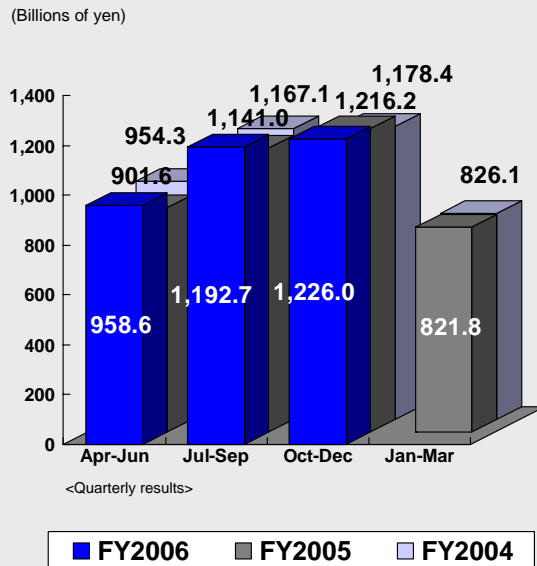
- The total new policy amount for individual insurance and individual annuities rose by 2.8% year-on-year, to 3,513.4 billion yen. Solid sales of new individual term life insurance products launched in May 2006 have been leading the new policy amount for term life insurance to increase by 3.6% from the same term in the previous fiscal year.

- On the other hand, the surrender and lapse amounted to 2,841.6 billion yen, rose by 21.3% from the same term of the previous year which was lower level than we usually had. The annualized surrender and lapse rate was 9.47%, which has become worse compared to the 7.87% rate in the same term of the previous fiscal year. This was mainly due to followings; in August 2006, Daido guided future trends in surrender payment to the policyholders with accumulated higher-cash value, and in September 2006, Daido informed all policyholders of future trends in surrender payment on annual notices.

- As a result, the total policy amount in force slightly decreased from the beginning of fiscal 2006, although the amount for individual term life insurance increased.

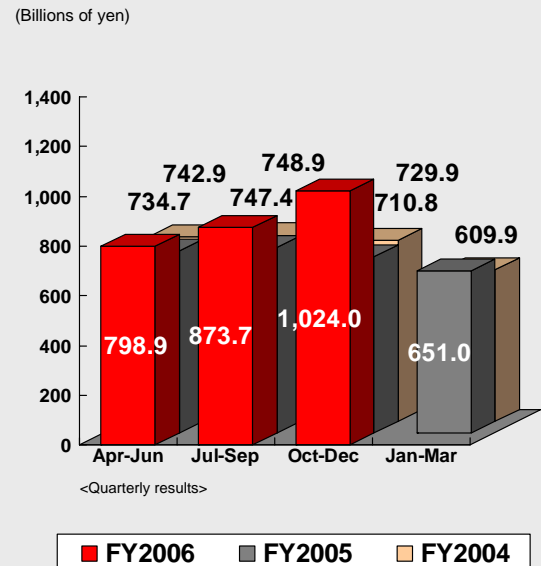
# Quarterly Trends: Daido Life Individual Term Life Insurance

## Trends in New Policy Amount\*



\* Includes net increase from conversion.

## Trends in Surrender and Lapse Amount



- The graphs above show quarterly trends of the term life insurance's new policy amount, and surrender and lapse amount.

# Sales Results: Taiyo Life

(Billions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Changes
<b>New policy amount*</b>			
Individual insurance	1,816.9	2,375.7	(23.5%)
Protection-oriented products	1,777.8	2,340.2	(24.0%)
Individual annuities	13.2	(21.6)	-
Individual insurance and annuities total	1,830.2	2,354.1	(22.3%)
Net increase from conversion	490.2	393.1	24.7%
<b>Decrease in policy amount**</b>			
Individual insurance and annuities total	1,591.2	1,693.5	(6.0%)
Surrender and lapse amount	1,154.1	1,246.7	(7.4%)
Surrender and lapse rate***	8.75%	9.80%	(1.05P)
Number of surrender and lapse	146 thousands	168 thousands	(13.0%)
<b>Policy amount in force</b>			
Individual insurance and annuities total	17,830.4	17,626.8	1.2%
Protection-oriented products	12,777.0	12,224.3	4.5%
<b>Annualized premiums of total policies</b>	<b>671.2</b>	<b>705.1</b>	<b>(4.8%)</b>

-“Taiyo Life’s *Hoken Kumikyoku*” including conversions: 1,519.8 billion yen (down 18.7% y-o-y)  
-Annualized premiums for new policies: 29.6 billion yen (down 12% y-o-y), including 10.8 billion yen of 3rd sector products (down 5.3% y-o-y).

-Since 2H2005, trying to improve the quality of new policies by selective sales and improve persistency rate in order to increase net insurance income  
-Decreased due to a drop in sales momentum as a reaction on improving surrender & lapse rate, and a decline in the number of in-house sales reps.

-Posted 238.9 billion yen, or 1.4% net increase from previous FYE  
-The share of the protection products to policy amount total rose to 71.7% (up 2.3 point y-o-y)

\* New policy amount includes net increase from conversion

\*\* Decrease in policy amount = New policy amount – Net increase in policy amount in force from previous fiscal year end

\*\*\* Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 4/3

- The total new policy amount for individual insurance and individual annuities fell 22.3% year-on-year, to 1,830.2 billion yen. However, this result was close to the forecast which Taiyo had revised downward at the announcement of the interim financial results.

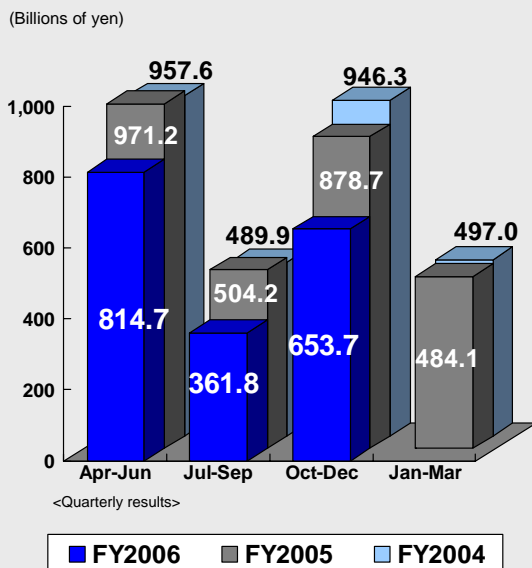
- As explained at the interim, since 2H2005, Taiyo has been trying to improve the quality of new policies by selective sales and improve persistency rate in order to increase net insurance income. Taiyo continues to work on surrender prevention through communication with policyholders, and to recruit selectively and train sales representatives. As a result, sales momentum is dropping as a reaction on improving surrender and lapse rate, and a decline in the number of in-house sales representatives.

- On the other hand, the surrender and lapse amount improved by 7.4% from the same term of the previous fiscal year, to 1,154.1 billion yen. The surrender and lapse rate improved 1.05 points from the same term of the previous year, to 8.75%.

- As a result, the policy amount in force increased by 238.9 billion yen, or 1.4% to 17,830.4 billion yen from the beginning of fiscal year 2006. Taiyo considers it important to regain sales momentum by strengthening sales channel in the medium and long term.

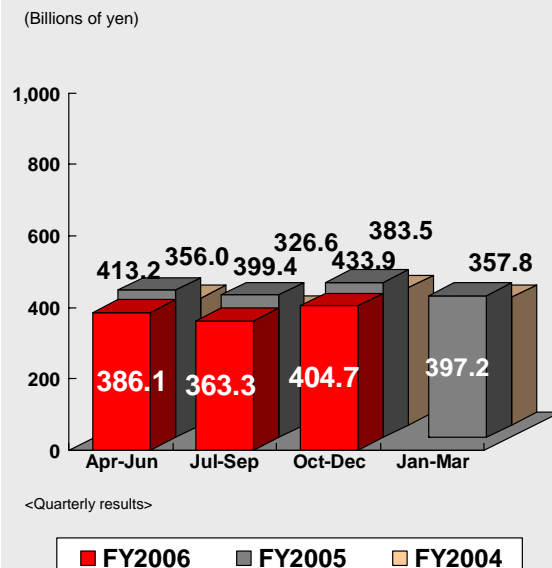
# Quarterly Trends: Taiyo Life Individual Insurance and Annuities

## Trends in New Policy Amount\*



\* Includes net increase from conversion.

## Trends in Surrender and Lapse Amount



- The quarterly trends in individual insurance and individual annuities are shown in the graph. The new policy amount in 3Q2006 decreased by 25.6% year-on-year.

# Sales Results: T&D Financial Life



(Billions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Changes
<b>New policy amount</b>			
Individual insurance and annuities total	106.3	136.0	(21.8%)
Individual variable annuities	106.3	101.9	4.3%
<b>Decrease in policy amount*</b>			
Individual insurance and annuities total	256.8	330.4	(22.3%)
Surrender and lapse amount	195.8	339.2	(42.3%)
<b>Policy amount in force</b>			
Individual insurance and annuities total	2,514.9	2,718.6	(7.5%)
Individual variable annuities	555.1	422.6	31.4%
<b>Annualized premiums of total policies</b>	<b>83.4</b>	<b>74.6</b>	<b>11.8%</b>

\* Decrease in policy amount = New policy amount - Net increase of policy amount in force from previous fiscal year end

## Individual Variable Annuities Sales Update

	Nine Months Ended December 31, 2006		Nine Months Ended December 31, 2005	
	Number of Policies	Income from Insurance premiums	Number of Policies	Income from Insurance Premiums
<b>Sales results</b>	13,928	124.4 bn yen	16,010	127.2 bn yen
<b>Over-the-counter sales at banks*</b>	12,550	108.9 bn yen	14,676	112.5 bn yen
<b>Number of financial institution agents*</b>	40 Banks 4 Securities Firms, 1 other agent		29 Banks 2 Securities Firms	

\* Banks include Shinkin (Credit Association) banks.

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

Mainly due to the termination of new policy sales by in-house sales representatives on August 2005

Turned positive from a negative result at the interim, due to the favorable sales of new products launched in August 2006

Includes 23.1 billion yen for individual variable annuities (up 7.6 billion yen y-o-y mainly due to the surrender of traditional GMDB products)

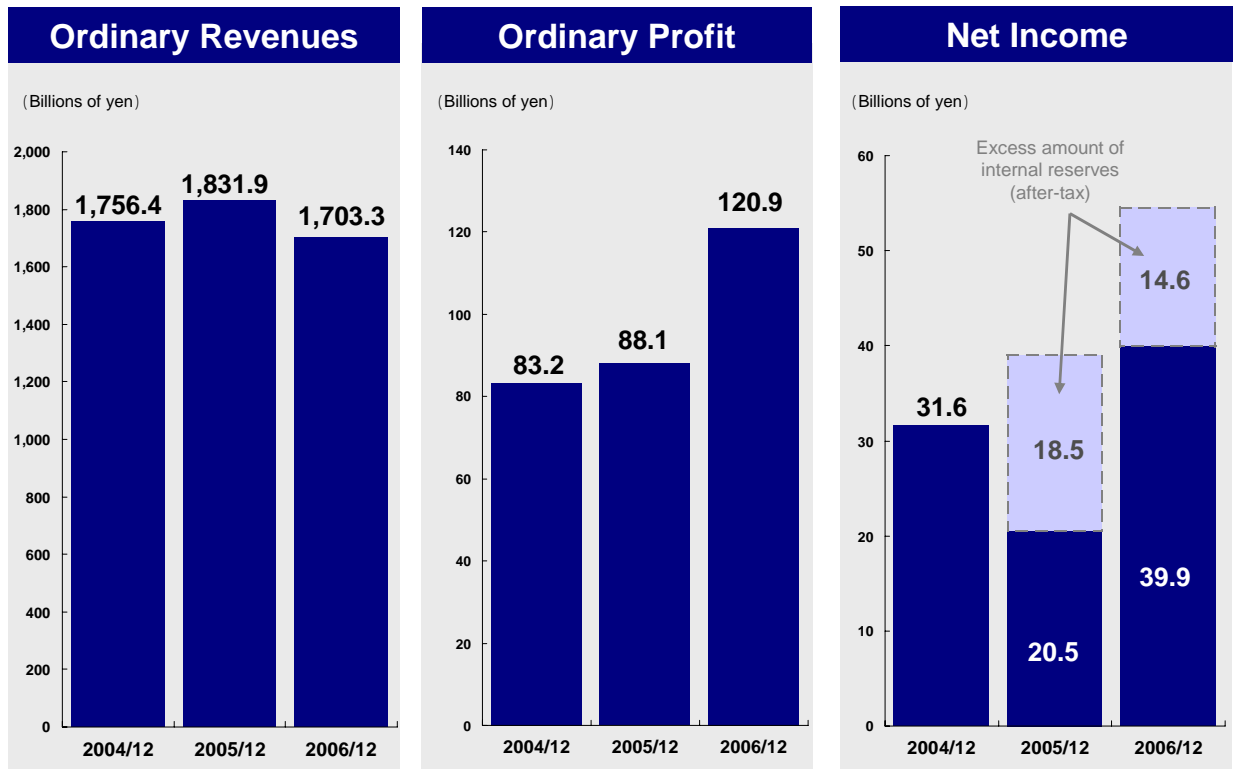
The number of policies and the policy amount in force for individual variable annuities increased in net by 11,789 policies and 95.6 billion yen y-o-y, respectively

Includes an additional 18.1 billion yen income from premiums paid by existing policyholders on exercise of additional coverage options

Two more banks initiated sales after January 2007

- The new policy amount turned positive from a negative result at the interim, due to the favorable sales of new products, especially seven year investment type GMLB launched in August 2006.
- However, sales of individual variable annuities through banks and securities firms including additional coverage options decreased by 2.7 billion yen, to 124.4 billion yen.
- The total policy amount in force for individual variable annuities increased by 132.5 billion yen from the same term in this previous year, or by 95.6 billion yen from the beginning of fiscal 2006, to 555.1 billion yen.

# Consolidated Operation Results



- Consolidated operating results are shown in the graphs.
- Ordinary profit and net income increased from the same term of the previous year, mainly due to an increase in interest and dividend income.
- We would like to explain about consolidated statement of operations in further detail in the following pages.

# Consolidated Statements of Operations

(Billions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Changes	Full year Forecast
<b>Ordinary revenues</b>	<b>1,703.3</b>	<b>1,831.9</b>	<b>(128.5)</b>	<b>2,260</b>
Income from insurance premiums	1,349.4	1,427.6	(78.1)	
Investment income	304.1	346.1	(41.9)	
Interest, dividends and income from real estate for rent	193.2	168.9	24.3	
Gains on sale of securities	80.8	60.1	20.7	
Gains on separate accounts, net	13.2	99.5	(86.2)	
Other ordinary income	49.6	58.1	(8.4)	
<b>Ordinary expenses</b>	<b>1,582.4</b>	<b>1,743.8</b>	<b>(161.3)</b>	
Insurance claims and other payments	1,246.8	1,345.2	(98.3)	
Provision for policy and other reserves	33.6	108.2	(74.5)	
Investment expenses	88.8	76.3	12.4	
Losses on sale of securities	38.6	16.1	22.5	
Losses from derivatives, net	31.3	43.4	(12.1)	
Operating expenses	154.4	158.0	(3.5)	
Other ordinary expenses	58.5	55.9	2.6	
<b>Ordinary profit</b>	<b>120.9</b>	<b>88.1</b>	<b>32.8</b>	<b>139</b>
<b>Net extraordinary gains (losses)</b>	<b>(21.5)</b>	<b>(27.7)</b>	<b>6.1</b>	
Provision for reserve for policyholder dividends	31.8	29.4	2.4	
<b>Income before income taxes</b>	<b>67.5</b>	<b>30.9</b>	<b>36.5</b>	
<b>Income taxes</b>	<b>27.5</b>	<b>10.3</b>	<b>17.2</b>	
<b>Net income</b>	<b>39.9</b>	<b>20.5</b>	<b>19.3</b>	<b>34</b>

Includes;

- A 69.4 billion yen decrease at Taiyo, including a 45.6 billion yen decrease for group annuities and a 23.4 billion yen for individual insurance and individual annuities

-Daido: Mainly due to the increase in dividends from investment trusts and private equity funds

-Taiyo: Mainly due to the increase in interests from domestic bonds, and dividends from private equity funds

Mainly due to;

- A 35.2 billion yen decrease in maturity benefits for individual insurance at Taiyo
- A 34.7 billion yen decrease in other payments for group annuities at Daido
- A 25.1 billion yen decrease in maturity benefits for group annuities at Taiyo

Includes in extraordinary losses (y-o-y changes) :

- Provision for reserve for price fluctuations of 17.7 billion yen (down 4.1 billion yen), including excess amount of 14.2 billion yen as additional internal reserves (down 4.3 billion yen)
- Impairment loss of 1.8 billion yen (down 1.4 billion yen)
- Headquarters removal costs of 1.3 billion yen (up 1.3 billion yen)

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

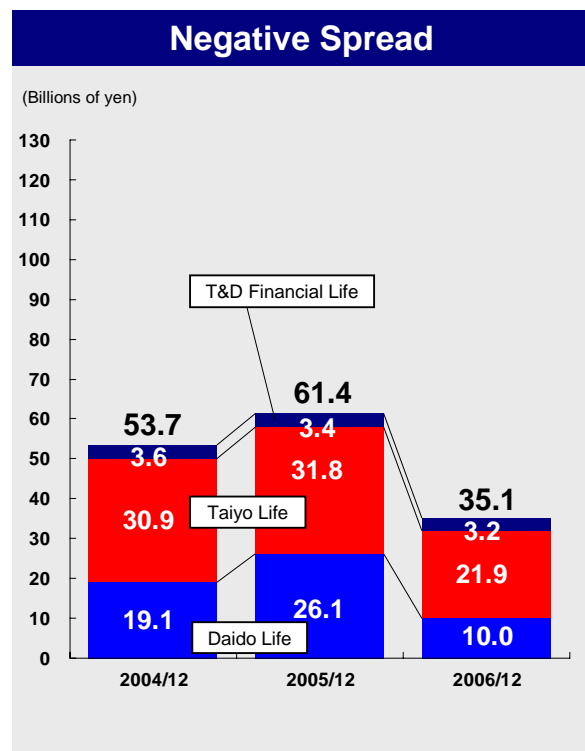
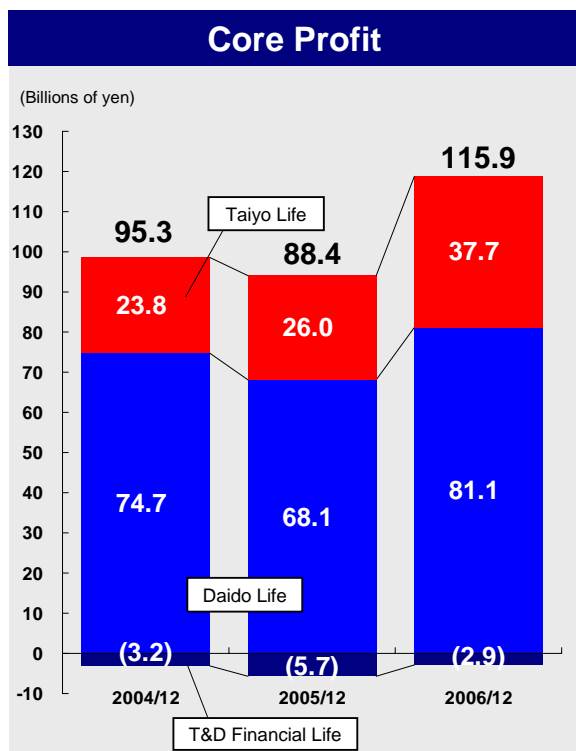
- The consolidated statements of operations is shown in the table. We would like to explain about ordinary profit and net income.

- Ordinary profit was 120.9 billion yen, up by 32.8 billion yen year-on-year. This was mainly due to a 24.3 billion yen increase in interest and dividend income, and a 12.1 billion yen decrease in losses from derivatives, net.

- Interest and dividend income increased mainly due to an increase in dividends from investment trusts and private equity funds at Daido, and an increase in interests from domestic bonds and dividends from private equity funds at Taiyo.

- As a result, net income increased by 19.3 billion yen, to 39.9 billion yen from the same term of the previous fiscal year.

# Core Profit/ Negative Spread



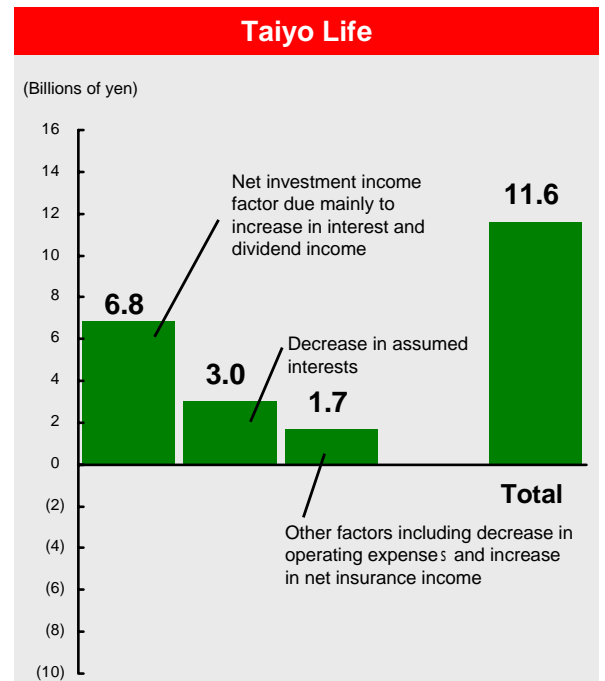
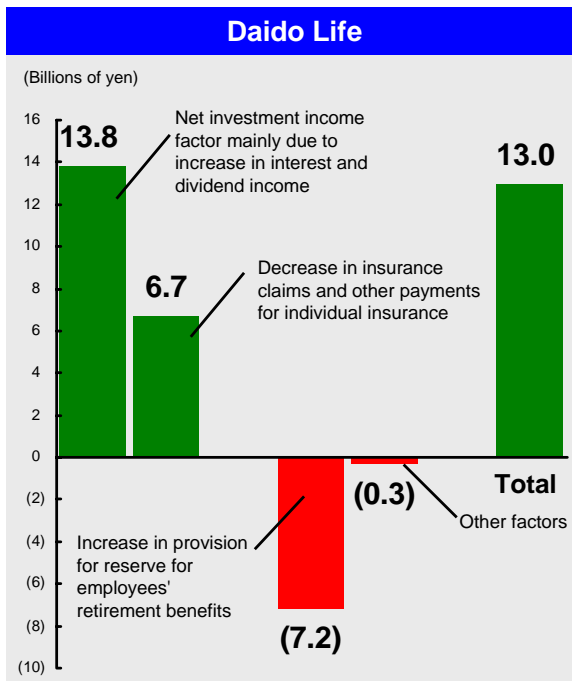
T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

- The total negative spread for the three companies decreased by 26.2 billion yen from the same term of the previous year, to 35.1 billion yen. The total core profit after offsetting the negative spread increased by 27.5 billion from the same term of the previous year, to 115.9 billion yen.

- The main factor of the increase in core profit and the decrease in negative spread was a 24.2 billion yen\* increase in interest and dividend income. (\*Sum of three companies)

# Factors for Increase/ Decrease in Core Profit

## Factors for Increase/ Decrease in Core Profit for Nine Months Ended December 31, 2006 (vs. Nine Months Ended December 31, 2005)



- These graphs show the factors for increase/decrease in core profit for Daido and Taiyo.

# Consolidated Balance Sheets

(Billions of yen)				(Billions of yen)			
	As of December 31, 2006	As of March 31, 2005	Changes		As of December 31, 2006	As of March 31, 2005	Changes
<b>Assets:</b>				<b>Liabilities:</b>			
Cash and deposits, call loans	642.2	639.9	2.3	Total policy reserves	12,269.9	12,250.8	19.0
Monetary claims purchased	545.8	280.5	265.2	Policy reserve	12,018.4	11,985.4	32.9
Monetary trusts	118.7	250.4	(131.7)	Contingency reserve	168.5	155.4	13.1
Securities	9,763.2	9,830.6	(67.3)	Reserve for price fluctuations	91.7	73.9	17.7
Loans	2,441.1	2,518.7	(77.5)	<b>Total liabilities</b>	<b>12,904.5</b>	<b>12,904.6</b>	<b>(0.0)</b>
Tangible fixed assets *	317.2	318.6	(1.3)	<b>Net assets: **</b>			
Other assets	106.5	141.4	(34.8)	Common stock	118.5	118.5	-
Reserve for possible loan losses	(3.2)	(3.7)	0.4	Capital surplus	106.1	106.1	-
<b>Total assets</b>	<b>13,964.2</b>	<b>13,986.2</b>	<b>(21.9)</b>	Retained earnings	232.0	205.8	-
				Total stockholders' equity	456.3	-	-
				Net unrealized gains on securities	648.9	697.5	-
				Land revaluation	(47.7)	(47.7)	-
				Total valuation and translation adjustment	601.8	-	-
				Total net assets	1,059.7	1,080.0	-
				<b>Total liabilities and net assets</b>	<b>13,964.2</b>	<b>13,986.2</b>	<b>-</b>

\* The figure as of March 31, 2006 represents property and equipment on the balance sheet

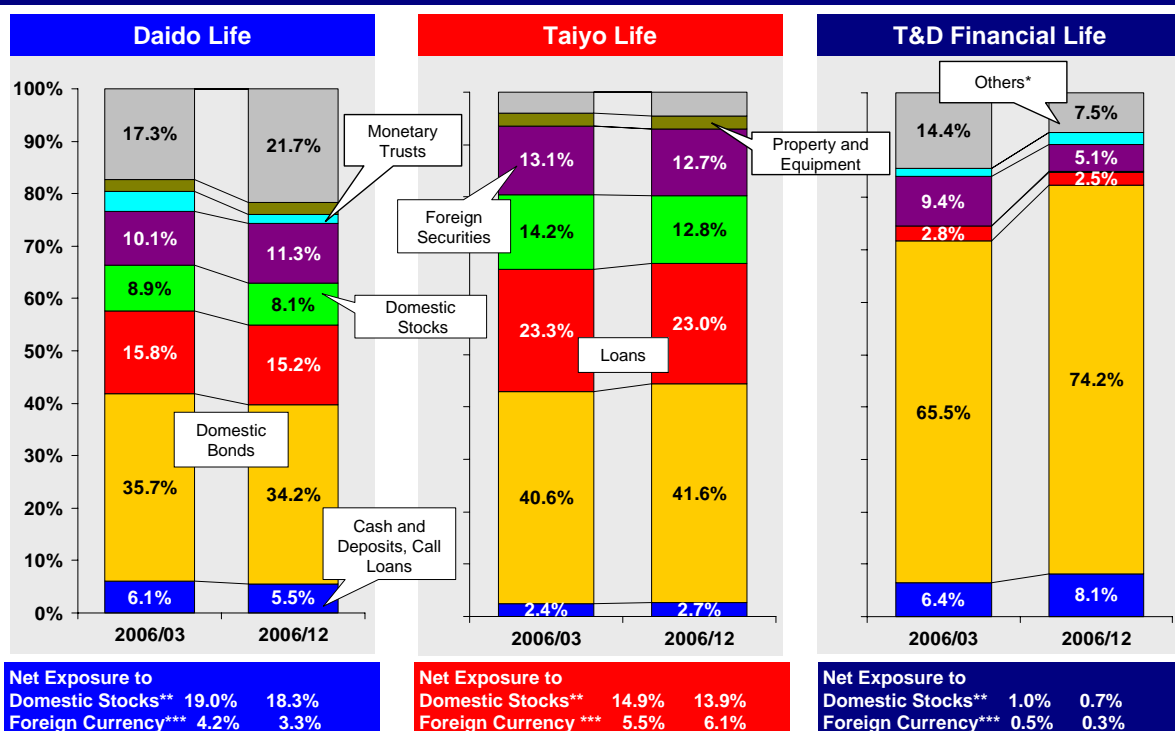
Includes 8.8 billion yen of additional contingency reserve at Taiyo

Includes additional reserve for price fluctuations, 8.3 billion yen at Daido and 5.8 billion yen at Taiyo

\*\* Changes are omitted because account standards for presentation of net assets in the balance sheet has been applied since this fiscal year  
The figure as of March 31, 2006 represents stockholders' equity on the balance sheet

- The consolidated balance sheets is shown in the table.

# General Account Assets Composition



\*Others; Other Securities (mainly investment trusts), Deferred Tax Assets, Monetary Claims Purchased and Other Assets \*\* Net exposure to domestic stocks adjusting the hedging position and including stocks held in monetary and investment trusts. Taiyo Life has changed the calculation method of hedging position since this fiscal year \*\*\* Net foreign currency exposure adjusting for hedges \*\*\*\*Calculation of each net exposure is based on each company's method.

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

- The each assets composition of the three life companies is shown in the graphs.
- The net exposure to domestic stocks for each company was 18.3% for Daido, 13.9% for Taiyo, and 0.7% for T&D Financial. As for Daido, the net exposure decreased by 0.7 points compared to that of the end of the fiscal 2005, due to sales of stocks when stock price rose, in spite of the additional purchases when stock prices fell. As for Taiyo, the net exposure decreased by 1.0 points from the end of fiscal 2005 mainly due to the sale of domestic stocks in 1Q2006.
- The net foreign currency exposure for each company was 3.3% for Daido, 6.1% for Taiyo, and 0.3% for T&D Financial. As for Daido, the net foreign currency exposure fell by 0.9 points from the end of fiscal 2005, mainly due to the sale of U.S. dollar at a time when the dollar was strong against the yen in 1H2006. As for Taiyo, the net foreign currency exposure came up by 0.6 points mainly due to a decrease in currency-hedging position, depreciation of the yen, and an increase in net unrealized gains on foreign stocks.

# Unrealized Gains/ Losses (General Account Assets)

(Securities with market value)

(Billions of yen)

	Daido Life		Taiyo Life		T&D Financial Life		Total		
	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	Changes
<b>Total</b>	<b>536.5</b>	<b>587.7</b>	<b>451.8</b>	<b>466.6</b>	<b>(0.7)</b>	<b>(1.3)</b>	<b>987.6</b>	<b>1,053.0</b>	<b>(65.4)</b>
Domestic bonds	15.2	13.5	(6.5)	(23.2)	(1.4)	(2.6)	7.2	(12.4)	19.6
Domestic stocks	251.5	298.1	390.9	448.8	0.1	0.2	642.6	747.2	(104.5)
Foreign securities	11.8	8.5	57.5	24.5	0.1	0.0	69.6	33.1	36.4
Other securities	229.4	230.9	11.3	19.0	0.4	1.0	241.2	250.9	(9.7)
Monetary claims purchased	(0.0)	(1.0)	(1.4)	(2.4)	-	-	(1.5)	(3.5)	1.9
Certificates of deposit	-	-	(0.0)	0.0	-	-	(0.0)	0.0	(0.0)
Monetary trusts	28.4	37.7	-	-	-	-	28.4	37.7	(9.2)
<b>Net unrealized gains/ losses on real estate</b>	<b>(3.3)</b>	<b>(4.9)</b>	<b>(3.7)</b>	<b>(4.6)</b>	<b>-</b>	<b>-</b>	<b>(7.1)</b>	<b>(9.6)</b>	<b>2.4</b>

\* Unrealized gains/ losses on real estate for Daido Life is basically calculated based on the appraisal price, and as for less important properties, they are calculated based on the posted price.

\*\* Unrealized gains/ losses on real estate for Taiyo Life is calculated based on the appraisal price or posted price.

- The total net unrealized gains on securities of the three companies came to 987.6 billion yen, down 65.4 billion yen from March 31, 2006. This was mainly due to a fall in holding stock prices.

# Financial Soundness, Adjusted Book Value on EV

( Billions of yen )

	As of December 31, 2006	As of March 31, 2006	Changes
<b>Daido Life</b>			
Solvency margin ratio	1,244.9%	1,254.4%	(9.5P)
Adjusted net assets	1,054.0	1,062.3	(8.2)
Adjusted book value on EV	665.2	667.1	(1.9)
<b>Taiyo Life</b>			
Solvency margin ratio	1,037.4%	1,045.2%	(7.8P)
Adjusted net assets	764.5	757.5	6.9
Adjusted book value on EV	519.3	514.8	4.4
<b>T&amp;D Financial Life</b>			
Solvency margin ratio	1,420.3%	1,911.8%	(491.5P)
Adjusted net assets	63.9	64.5	(0.6)
Adjusted book value on EV	44.7	50.5	(5.7)
<b>Total of Three Insurance Companies</b>			
Adjusted net assets	1,882.5	1,884.4	(1.9)
Adjusted book value on EV	1,229.3	1,232.5	(3.2)

Mainly due to a drop in holding stock prices

Mainly due to increases in net income and internal reserves as quasi-equity liabilities

Due to a decrease in total solvency margin reflecting net loss, and an increase in minimum guarantee risks with the growth in policy amount in force for variable annuities

- The solvency margin ratio, adjusted net assets as well as adjusted book value used for the calculation of the embedded value (EV) were shown in the table.

# Forecasts for the Year Ending March 31, 2007

- Revises upward full year forecasts and schedules to increase shareholder dividends
- Revises each forecast for three life insurance companies

## T&D Holdings' Consolidated Forecasts

( Billions of yen )

	Initial Forecast	Revised Forecast	Nine Months Ended December 31, 2006	(Ref.) Year Ended March 2006
Ordinary revenues	2,280	2,260	1,703.3	2,444.2
Ordinary profit	105	139	120.9	136.8
Net income	26	34	39.9	35.5

Forecast for shareholder dividends : 65 yen per share

Revises upward mainly because interest and dividend income, and gains on sales of securities are expected to increase

Revises slightly compared to the revised forecast of ordinary profit, since additional reserve for price fluctuations of 24 billion yen (16 billion yen after-tax) will be set aside

## Total of Three Life Insurance Companies

( Billions of yen )

	Initial Forecast	Revised Forecast	Nine Months Ended December 31, 2006	(Ref.) Year Ended March 2006
New policy amount	6,940	6,800	5,449.9	7,293.8
Policy amount in force	60,500	59,830	60,259.6	60,265.0
Income from insurance premiums	1,940	1,820	1,349.4	1,902.3
Core profit	118	148	115.9	127.2
Negative spread	73	47	35.1	72.2

\* New policy amount and policy amount in force include individual insurance and individual annuities. New policy amount includes net increase from conversion.

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

- The full year forecasts for the year ending March 31, 2007 are shown in the table.
- The full year forecast for T&D Holdings' consolidated ordinary profit is revised upward to 139 billion yen from the initial forecast of 105 billion yen at this stage, since interest and dividend income and gains on sales of securities are expected to increase from the initial estimate.
- On the other hand, the forecast for consolidated net income is revised slightly compared to the revised forecast of ordinary profit, from 26 billion yen to 34 billion yen, since additional reserve for price fluctuations will continue to be set aside in 4Q2006.
- Next, we would like to explain about the major forecasts for the total of three life insurance companies.
- At this stage, the full year forecasts for Daido's and T&D Financial's new policy amount and policy amount in force are revised reflecting their sales results in 3Q2006, while Taiyo already revised its forecast in interim 2006.
- In addition, the full year forecast for total core profit of three companies is revised upward to 148 billion yen from the initial forecast of 118 billion yen.

# (Ref.) Forecasts for the Year Ending March 31, 2007

(Billions of yen)

	Daido Life		Taiyo Life		T&D Financial Life	
	Initial Forecast	Revised Forecast	Initial Forecast	Revised Forecast	Initial Forecast	Revised Forecast
Ordinary revenues	1,010	1,050	940	980	310	250
Income from insurance premiums	880	870	770	720	290	230
Ordinary profit	86	110	30	46	(14)	(16)
Core profit	88	111	38	46	(8)	(9)
Net income	32	41	4	10	(12)	(12)
New policy amount	4,430	4,350	2,270	2,270	240**	180**
Core product	4,210	4,180	-	-	240**	180**
Policy amount in force	40,380	39,700	17,750	17,750	2,370	2,380
Core product	36,410	35,820	-	-	650	600
Annualized premiums of total policies	700	700	670	670	80	84
Negative spread	32	10	37	33	4	4
Surrender and lapse rate	7.7%	9.3%	8.5%	8.5%	12.7%	13.1%

\* New policy amount and policy amount in force include individual insurance and individual annuities. New policy amount includes net increase from conversion. Individual term life insurance and individual variable annuities are the core product for Daido Life and T&D Financial Life respectively.

\*\* Not includes an additional income from premiums paid by existing policyholders on exercise of additional coverage options. If includes, these forecasts are revised to 200 billion yen.

## FY2006 provision schedule of excess amount of internal reserves

<Initial schedule>  
 Daido: Reserve for price fluctuations of 5 billion yen  
 Taiyo: Contingency reserve of 8 billion yen  
 Reserve for price fluctuations of 4 billion yen  
 -Plan to replenish the withdrawn reserve for price fluctuations in an amount of 52.7 billion yen at March 2003

<Revised schedule as of November 16 >  
 Daido: Targeted 80% of reserve rate for price fluctuations (12 billion yen)  
 Taiyo: Contingency reserve of 13 billion yen  
 Reserve for price fluctuations of 9 billion yen

<Revised schedule as of February 15, 2007>  
 Daido: Targeted 80% of reserve rate for price fluctuations (10 billion yen; down 2 billion yen on the amount basis reflecting a decrease in the reserve limit)  
 Taiyo: Contingency reserve 13 billion yen  
 Reserve for price fluctuations of 14 billion yen  
 -Added 5 billion yen, mainly due to gains on sales of securities which is expected to be accounted in 4Q2006

- The full year forecasts of three life insurance companies are shown in the table.
- Daido's forecasts for ordinary revenues and ordinary profit are revised upward, due to an expected increase in interest and dividend income. On the other hand, T&D Financial's are revised downward based on the 3Q2006 result.
- In addition, Daido and Taiyo will continue to set aside additional internal reserves in 4Q2006. At this stage, Taiyo adds 5 billion yen to the provision schedule of excess amount of reserve for price fluctuations as of November 16, 2006, to 14 billion yen. This is mainly due to gains on sales of securities which is expected to be accounted in 4Q2006. Consequently, full year provisions of excess amount of internal reserves will be 10 billion yen at Daido, and 27 billion yen at Taiyo.
- As for sales forecasts, Daido revised downward its forecasts for policy amount in force, reflecting a rise in surrender and lapse rate. T&D Financial also revised downward its forecast for new policy amount, even though sales of new products has been favorable since September 2006.

# Shareholders' Dividend

- Intend to return about 30 percent of adjusted net income\* to shareholders in the medium and long term with the dividend policy linked to business performance, while maintaining financial soundness and capital efficiency
- Schedule to increase shareholder dividends for the year ending March 2007, because the adjusted net income is expected to exceed the initial forecast, while decreasing year-on-year

*\* Consolidated net income + excess amount of reserve for price fluctuations + excess amount of contingency reserve*



- Under the dividend policy linked to business performance, we intend to return about 30 percent of adjusted net income to shareholders in the medium and long term, while maintaining financial soundness and capital efficiency of each subsidiaries.

- Based on this policy, we schedule to increase shareholder dividends from 55 yen to 65 yen per share, reflecting the adjusted net income is expected to exceed the initial forecast, while decreasing year-on-year. The payout ratio of dividends to the revised forecast of adjusted net income for fiscal 2006 will be about 28 percent.

# Appendix

- Appendix

# Non-Consolidated Statements of Operations: Daido Life



	(Billions of yen)		
	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Changes
<b>Ordinary revenues</b>	<b>798.8</b>	<b>795.9</b>	<b>2.8</b>
Income from insurance premiums	646.3	647.3	(1.0)
Individual insurance and annuities	504.2	497.4	6.7
Investment income	131.9	127.6	4.2
Interest, dividends and income from real estate for rent	91.4	75.3	16.1
Gains on investment in trading securities, net	10.2	15.0	(4.8)
Gains on sale of securities	15.2	8.7	6.4
Gains on separate accounts, net	5.3	24.7	(19.3)
Other ordinary income	20.5	21.0	(0.4)
Reversal of policy reserve	12.8	10.4	2.4
<b>Ordinary expenses</b>	<b>714.8</b>	<b>735.0</b>	<b>(20.1)</b>
Insurance claims and other payments	576.3	606.0	(29.7)
Provision for policy and other reserves	0.6	0.6	(0.0)
Investment expenses	36.6	36.6	0.0
Losses on sale of securities	5.7	0.9	4.7
Devaluation losses on securities	0.3	0.3	0.0
Losses from derivatives, net	18.4	26.4	(7.9)
Operating expenses	83.6	81.8	1.8
Other ordinary expenses	17.5	9.7	7.8
<b>Ordinary profit</b>	<b>83.9</b>	<b>60.9</b>	<b>23.0</b>
<b>Net extraordinary gains (losses)</b>	<b>(11.4)</b>	<b>(10.0)</b>	<b>(1.4)</b>
<b>Provision for reserve for policyholder dividends</b>	<b>20.1</b>	<b>18.4</b>	<b>1.7</b>
<b>Net income before taxes</b>	<b>52.3</b>	<b>32.4</b>	<b>19.8</b>
<b>Income taxes</b>	<b>20.1</b>	<b>8.7</b>	<b>11.3</b>
<b>Net income</b>	<b>32.1</b>	<b>23.6</b>	<b>8.4</b>

Premiums for individual term life insurance, a main product line, rose by 14.4 billion yen y-o-y

Net investment income (general accounts) increased by 23.6 billion yen y-o-y, to 89.9 billion yen, mainly due to an increase in interest and dividend income, and an improvement in capital gains and losses

Mainly due to a 6.4 billion yen increase in dividends from investment trusts and a 3.9 billion yen increase in dividends from private equities funds

Includes;  
 -Insurance claims for individual insurance: down 10.1 billion yen y-o-y  
 -Insurance benefits for group annuities: down 16.7 billion yen y-o-y  
 -Surrender payments for individual insurance: up 43.5 billion yen y-o-y  
 -Other payments for group annuities: down 34.7 billion yen y-o-y

Mainly due to the partial sales of domestic bonds in order to improve bond investment yield

Losses from derivatives, net includes;  
 -Losses on foreign exchange forward contracts: 22.1 billion yen (up 2.9 billion yen y-o-y)  
 -Gains on stock index futures: 3.2 billion yen (up 11.5 billion yen y-o-y)  
 -Losses on bond futures: 0.6 billion yen (up 0.7 billion yen y-o-y)

Mainly due to a 7.2 billion yen increase in provision for reserve for employees' retirement benefits because of the revision of basic rate for the calculation of retirement benefits

Includes 10.2 billion of provision for reserve for price fluctuations (of which 8.3 billion yen as additional internal reserves)

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

## - Non-Consolidated Statements of Operations: Daido Life

# Non-Consolidated Statements of Operations: Taiyo Life



(Billions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2006	Changes
<b>Ordinary revenues</b>	<b>782.6</b>	<b>828.7</b>	<b>(46.1)</b>
Income from insurance premiums	550.0	619.3	(69.2)
Investment income	165.1	143.6	21.4
Interest, dividends and income from real estate for rent	99.6	91.5	8.1
Gains on sale of securities	65.0	50.8	14.1
Other ordinary income	67.3	65.7	1.6
Reversal of policy reserve	45.5	40.6	4.9
<b>Ordinary expenses</b>	<b>734.7</b>	<b>795.8</b>	<b>(61.1)</b>
Insurance claims and other payments	597.1	668.7	(71.5)
Provision for policy and other reserves	0.3	0.6	(0.2)
Investment expenses	51.2	38.2	13.0
Losses on sale of securities	32.1	14.9	17.1
Losses from derivatives, net	12.8	17.0	(4.1)
Operating expenses	59.1	62.1	(2.9)
Other ordinary expenses	26.8	26.1	0.7
<b>Ordinary profit</b>	<b>47.9</b>	<b>32.9</b>	<b>14.9</b>
<b>Net extraordinary gains (losses)</b>	<b>(9.2)</b>	<b>(15.5)</b>	<b>6.3</b>
<b>Provision for reserve for policyholder dividends</b>	<b>10.8</b>	<b>9.8</b>	<b>0.9</b>
<b>Net income before taxes</b>	<b>27.8</b>	<b>7.5</b>	<b>20.3</b>
<b>Income taxes</b>	<b>10.7</b>	<b>3.7</b>	<b>6.9</b>
<b>Net income</b>	<b>17.1</b>	<b>3.8</b>	<b>13.3</b>

Includes insurance premiums for group annuities of 80.3 billion yen (down 45.6 billion yen y-o-y) and those for individual insurance and annuities of 442.8 billion yen (down 23.4 billion yen y-o-y)

Major increase/decrease factors are;  
-Increase in interests from yen-denominated bonds: 5.2 billion yen  
- Increase in dividends from domestic and foreign investment trusts: 4.8 billion yen  
-Increase in dividends from domestic stocks: 1.4 billion yen  
-Decrease in interest income from loans: (2.4) billion yen

Includes;  
-Domestic stocks: 53.6 billion yen (up 22.1 billion yen y-o-y)  
-Foreign securities: 10.5 billion yen (down 6.0 billion yen y-o-y)  
-Domestic bonds: 0.8 billion yen (down 0.3 billion yen y-o-y)

Includes payment for group annuities of 68.1 billion yen (down 44.5 billion yen y-o-y) and maturity benefits for individual insurance of 240.9 billion yen (down 35.2 billion yen y-o-y)

Includes;  
-Domestic stocks: 16.3 billion yen (up 9.5 billion yen y-o-y)  
-Foreign securities: 8.9 billion yen (up 3.2 billion yen y-o-y)  
-Domestic bonds: 6.8 billion yen (up 4.3 billion yen y-o-y)

Includes;  
-Currency-related: 12.6 billion yen (down 1.2 billion yen y-o-y), including 9.8 billion yen of hedge accounting applied (up 0.0 billion yen y-o-y)  
-Stock-related: 0.1 billion yen (down 2.8 billion yen y-o-y)

Includes in extraordinary losses;  
-Provision for reserve for price fluctuations: 7.5 billion yen (down 4.6 billion yen y-o-y), including additional internal reserves of 5.8 billion yen (down 4.6 billion yen y-o-y)  
-Impairment loss: 1.3 billion yen (down 1.7 billion yen y-o-y)  
-Headquarters removal costs: 0.2 billion yen (up 0.2 billion yen y-o-y)

## - Non-Consolidated Statements of Operations: Taiyo Life

# Non-Consolidated Statements of Operations: T&D Financial Life



(Billions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Changes	
<b>Ordinary revenues</b>	<b>170.4</b>	<b>247.2</b>	<b>(76.7)</b>	
Income from insurance premiums	153.0	160.9	(7.8)	Insurance premiums for individual variable annuities decreased 124.4 billion yen from 127.2 billion yen at the same term of the previous year
Investment income	11.4	77.5	(66.0)	
Interest, dividends and income from real estate for rent	3.2	3.2	(0.0)	
Gains on separate accounts, net	7.6	73.7	(66.1)	
Other ordinary income	5.9	8.7	(2.7)	
<b>Ordinary expenses</b>	<b>179.1</b>	<b>255.3</b>	<b>(76.1)</b>	
Insurance claims and other payments	73.4	70.4	3.0	Includes 4.3 billion yen of provision for policy reserve relating to minimum guarantee risks for variable annuities
Provision for policy and other reserves	87.3	158.8	(71.5)	
Investment expenses	3.9	2.9	0.9	
Losses from monetary trusts, net	3.1	2.7	0.4	
Losses on sales of securities	0.8	0.1	0.6	Amortization of goodwill was concluded in FY2005
Operating expenses	12.4	16.3	(3.8)	
Other ordinary expenses	1.9	6.7	(4.8)	
<b>Ordinary profit (losses)</b>	<b>(8.6)</b>	<b>(8.1)</b>	<b>(0.5)</b>	
<b>Net extraordinary gains (losses)</b>	<b>(0.9)</b>	<b>(2.4)</b>	<b>1.4</b>	Due to the extraordinary factor for FY2005 of premium severance payments for voluntary retirements of 1.9 billion yen
<b>Provision for reserve for policyholder dividends</b>	<b>0.8</b>	<b>1.1</b>	<b>(0.2)</b>	
<b>Net income before taxes</b>	<b>(10.4)</b>	<b>(11.6)</b>	<b>1.1</b>	
<b>Income taxes</b>	<b>(3.1)</b>	<b>(3.4)</b>	<b>0.3</b>	
<b>Net income (loss)</b>	<b>(7.3)</b>	<b>(8.2)</b>	<b>0.8</b>	

- Non-consolidated statements of operations: T&D Financial Life

# Non-Consolidated Balance Sheets: Daido Life



(Billions of yen)				(Billions of yen)			
	As of December 31, 2006	As of March 31, 2006	Changes		As of December 31, 2006	As of March 31, 2006	Changes
<b>Assets:</b>				<b>Liabilities:</b>			
Cash and deposits, call loans	343.9	384.3	(40.4)	Total policy reserves	5,451.2	5,476.0	(24.8)
Monetary claims purchased	398.8	156.2	242.5	Policy reserve	5,293.6	5,306.5	(12.8)
Monetary trusts	108.1	242.6	(134.5)	Contingency reserve	79.8	79.0	0.7
Securities	4,364.0	4,435.6	(71.5)	Other liabilities	49.3	76.8	(27.4)
Domestic bonds	2,175.0	2,286.0	(110.9)	Reserve for price fluctuations	57.8	47.5	10.2
Domestic stocks	556.4	609.1	(52.6)	Deferrd tax liabilities	105.9	125.9	(19.9)
Foreign securities	742.2	673.5	68.7	<b>Total liabilities</b>	<b>5,771.4</b>	<b>5,815.8</b>	<b>(44.3)</b>
Other securities	890.3	866.9	23.3	<b>Net assets: **</b>			
Loans	942.3	986.2	(43.9)	Common stock	75.0	75.0	-
Tangible fixed assets *	144.1	143.0	1.1	Capital surplus	0.0	0.0	-
Reserve for possible loan losses	(1.3)	(1.6)	0.3	Retained earnings	155.2	132.1	-
<b>Total assets</b>	<b>6,356.8</b>	<b>6,406.1</b>	<b>(49.2)</b>	Total stockholders' equity	230.3	-	-
				Net unrealized gains on securities	354.1	383.0	-
				Total valuation and translation adjustment	355.0	-	-
				<b>Total net assets</b>	<b>585.3</b>	<b>590.2</b>	<b>-</b>
				<b>Total liabilities and net assets</b>	<b>6,356.8</b>	<b>6,406.1</b>	<b>-</b>

\* The figure as of March 31, 2006 represents property and equipment on the balance sheet

-Monetary claims purchased: Increased mainly due to the purchase of CP and trust beneficiary rights  
 -Monetary trusts: Decreased mainly due to a decrease in short-term monetary trusts  
 -Domestic bonds: Decreased mainly due to the limitation of new investments in group annuities and the shift to trust beneficiary rights  
 -Domestic stocks: Decreased due to the sales and a drop in holding stock prices  
 -Foreign securities: Increased mainly due to increase in alternative investments and the purchase of foreign bonds

\*\* Changes are omitted because account standards for presentation of net assets in the balance sheet has been applied since this fiscal year  
 The figure as of March 31, 2006 represents stockholders' equity on the balance sheet

## - Non-Consolidated Balance Sheets: Daido Life

# Non-Consolidated Balance Sheets: Taiyo Life

(Billions of yen)				(Billions of yen)			
	As of December 31, 2006	As of March 31, 2006	Changes		As of December 31, 2006	As of March 31, 2006	Changes
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits, call loans	178.9	159.0	19.9	Total policy reserves	5,851.9	5,899.1	(47.1)
Securities	4,493.3	4,556.8	(63.4)	Policy reserve	5,765.5	5,811.1	(45.5)
Domestic bonds	2,714.8	2,673.0	41.7	Contingency reserve	80.8	71.2	9.5
Domestic stocks	839.8	936.4	(96.5)	Reserve for price fluctuations	33.5	26.0	7.5
Foreign securities	832.9	865.3	(32.4)	Deferred tax liabilities	95.5	111.8	(16.2)
Other securities	105.7	82.0	23.7	<b>Total liabilities</b>	<b>6,121.1</b>	<b>6,173.4</b>	<b>(52.3)</b>
Loans	1,502.9	1,535.8	(32.9)	<b>Net assets **</b>			
Tangible fixed assets *	165.3	168.9	(3.5)	Common stock	37.5	37.5	-
Reserve for possible loan losses	(1.6)	(1.6)	0.0	Capital surplus	37.5	37.5	-
<b>Total assets</b>	<b>6,532.3</b>	<b>6,591.9</b>	<b>(59.6)</b>	Retained earnings	88.9	76.3	-
				Total stockholders' equity	163.9	-	-
				Net unrealized gains on securities	295.4	314.9	-
				Land revaluation	(47.7)	(47.7)	-
				Total valuation and translation adjustment	247.3	-	-
				<b>Total net assets</b>	<b>411.2</b>	<b>418.5</b>	<b>-</b>
				<b>Total liabilities and net assets</b>	<b>6,532.3</b>	<b>6,591.9</b>	<b>-</b>

\* The figure as of March 31, 2006 represents property and equipment on the balance sheet

-Domestic bonds: Increased mainly due to increase in purchase of mid-to-long term bonds  
 -Domestic stocks: Decreased due to sales of stocks (mostly in 1Q), and a fall in holding stock prices  
 -Foreign securities: Decreased due to sales of currency-hedged foreign bonds

Includes internal reserves as quasi-equity liabilities, which exceeded legal requirements of :  
 -Contingency reserve : 8.8 billion yen (down 1.6 billion yen y-o-y)  
 -Reserve for price fluctuations: 5.8 billion yen (down 4.6 billion yen y-o-y)

\*\* Changes are omitted because account standards for presentation of net assets in the balance sheet has been applied since this fiscal year  
 The figure as of March 31, 2006 represents stockholders' equity on the balance sheet

## - Non-Consolidated Balance Sheets: Taiyo Life

# Non-Consolidated Balance Sheets: T&D Financial Life



(Billions of yen)				(Billions of yen)			
	As of December 31, 2006	As of March 31, 2006	Changes		As of December 31, 2006	As of March 31, 2006	Changes
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits, call loans	53.8	41.6	12.2	Total policy reserves	961.7	874.8	86.9
Monetary trusts	10.6	7.7	2.8	Policy reserve	954.2	866.9	87.2
Securities	912.1	844.3	67.8	Contingency reserve	7.8	5.1	2.7
Domestic bonds	344.2	312.4	31.8	Reserve for price fluctuations	0.3	0.3	0.0
Domestic stocks	2.1	2.3	(0.2)	<b>Total liabilities</b>	<b>976.2</b>	<b>888.8</b>	<b>87.3</b>
Foreign securities	25.9	46.6	(20.7)	<b>Net assets **</b>			
Other securities	539.8	482.9	56.9	Common stock	36.0	36.0	-
Loans	11.7	13.3	(1.5)	Capital surplus	26.0	26.0	-
Tangible fixed assets *	0.3	0.1	0.1	Retained earnings	(23.5)	(16.2)	-
Intangible fixed assets	2.4	-	-	Total stockholders' equity	38.4	-	-
Deferred tax assets	5.2	5.2	0.0	Net unrealized gains on securities	(0.6)	(0.5)	-
<b>Total assets</b>	<b>1,014.0</b>	<b>934.1</b>	<b>79.9</b>	Total valuation and translation adjustment	(0.6)	(0.5)	-
				<b>Total net assets</b>	<b>37.8</b>	<b>45.2</b>	-
				<b>Total liabilities and net assets</b>	<b>1,014.0</b>	<b>934.1</b>	-

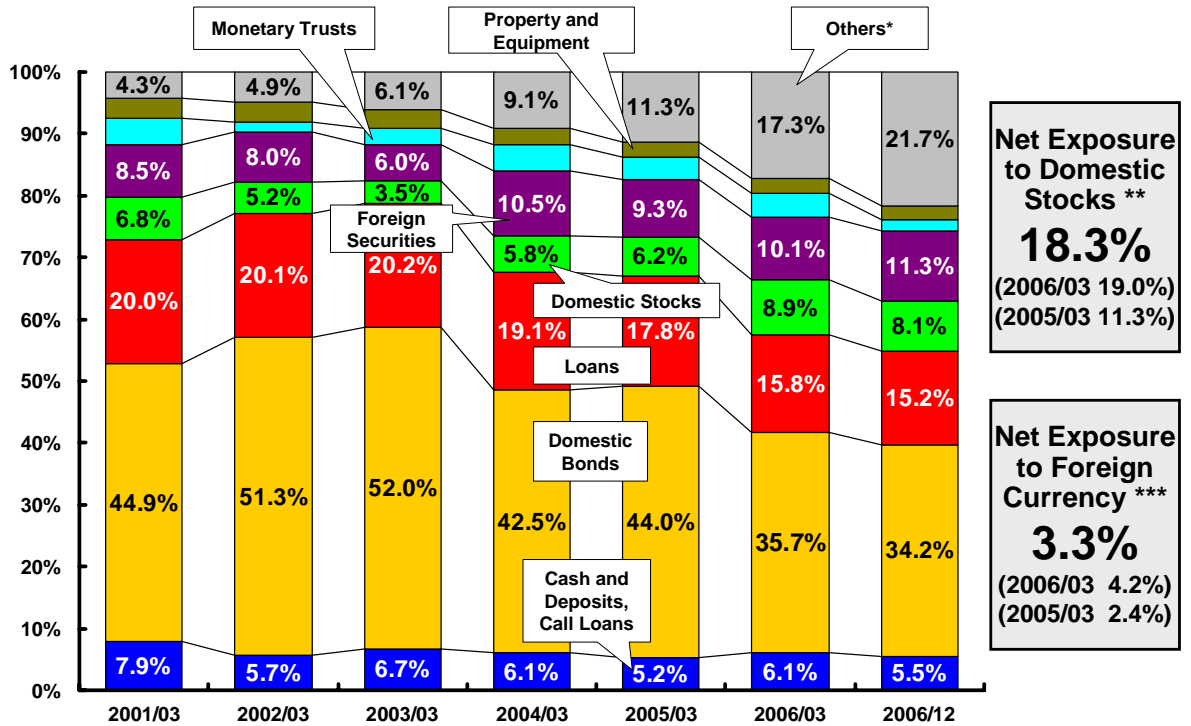
\* The figure as of March 31, 2006 represents property and equipment on the balance sheet

-Domestic bonds: Increased mainly due to the purchase of short-term government bonds  
 -Foreign securities: Decreased due to sale of currency-hedged foreign bonds  
 -Other securities: Increased due to an increase in investment trusts reflecting an increase in the policies for individual variable annuities

\*\* Changes are omitted because account standards for presentation of net assets in the balance sheet has been applied since this fiscal year  
 The figure as of March 31, 2006 represents stockholders' equity on the balance sheet

## - Non-Consolidated Balance Sheets: T&D Financial Life

# General Account Assets Composition: Daido Life



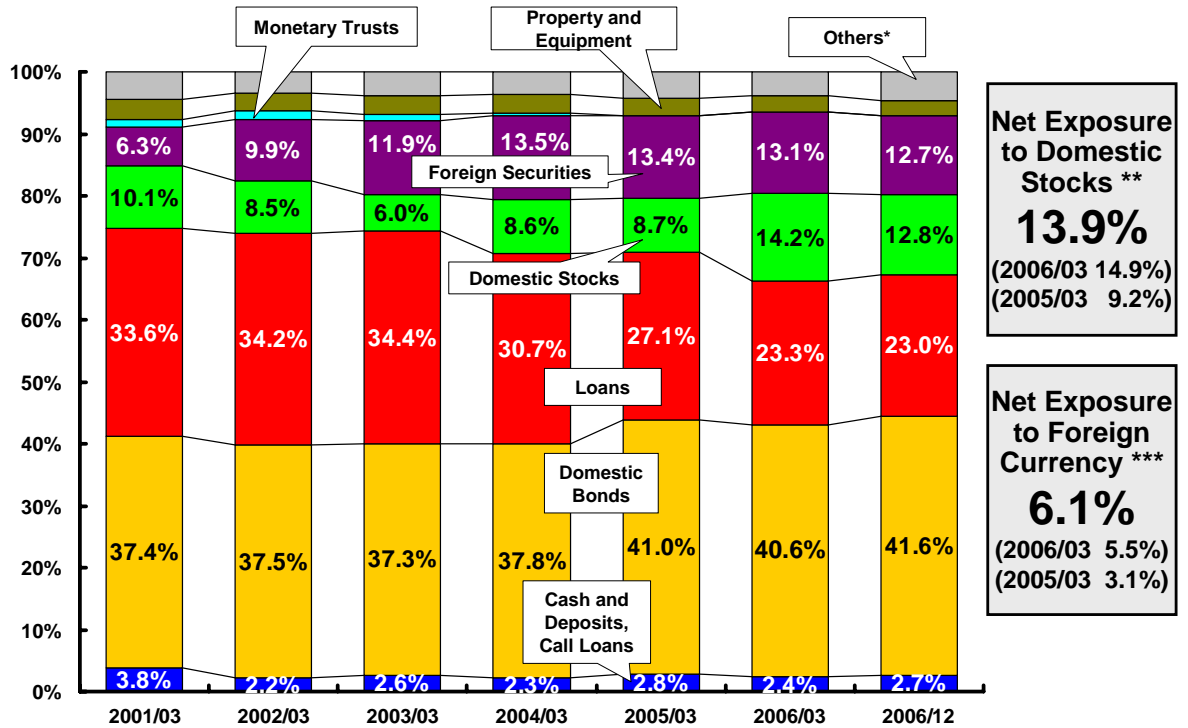
\* Others as of December 31, 2006; other securities (mainly investment trusts): 14.3%, monetary claims purchased : 6.4%, and other assets  
 \*\* Net exposure to domestic stocks adjusting the hedging position and including stocks held in monetary and investment trusts  
 \*\*\* Net foreign currency exposure adjusting for hedges

**Net Exposure to Domestic Stocks \*\***  
**18.3%**  
 (2006/03 19.0%)  
 (2005/03 11.3%)

**Net Exposure to Foreign Currency \*\*\***  
**3.3%**  
 (2006/03 4.2%)  
 (2005/03 2.4%)

## - General Account Assets Composition: Daido Life

# General Account Assets Composition: Taiyo Life



\* Others as of December 31, 2006; monetary claims purchased : 2.3%, other securities (mainly investment trusts): 1.6%, and other assets  
 \*\* Net exposure to domestic stocks adjusting the hedging position and including investment trusts  
 \*\*\* Net foreign currency exposure adjusting for hedges

- General Account Assets Composition: Taiyo Life

# Unrealized Gains/Losses (General Account): Daido Life

(Securities with market value)

(Billions of yen)

	Net Unrealized gains/ losses on Held-to-maturity securities		Net Unrealized gains/ losses on Available-for-sale securities		Total		
	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	Changes
<b>Total</b>	<b>(0.1)</b>	<b>0.8</b>	<b>536.6</b>	<b>586.9</b>	<b>536.5</b>	<b>587.7</b>	<b>(51.2)</b>
Domestic bonds	(0.1)	1.7	15.3	11.7	15.2	13.5	1.7
Domestic stocks	-	-	251.5	298.1	251.5	298.1	(46.5)
Foreign securities	-	0.1	11.8	8.3	11.8	8.5	3.3
Other securities	-	-	229.4	230.9	229.4	230.9	(1.4)
Monetary claims purchased	-	(1.0)	(0.0)	-	(0.0)	(1.0)	1.0
Monetary trusts	-	-	28.4	37.7	28.4	37.7	(9.2)

Net unrealized gains/losses on real estate					(3.3)	(4.9)	1.5
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\* Net unrealized gains/ losses on real estate is basically calculated based on the appraisal price. Less important properties are calculated based on the posted price.

- Unrealized Gains/Losses (General Account): Daido Life

# Unrealized Gains/Losses (General Account): Taiyo Life

(Securities with market value)

(Billions of yen)

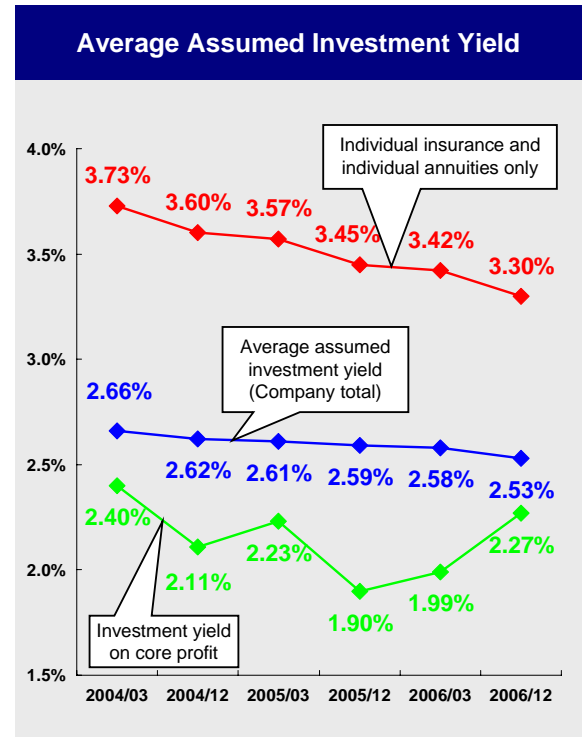
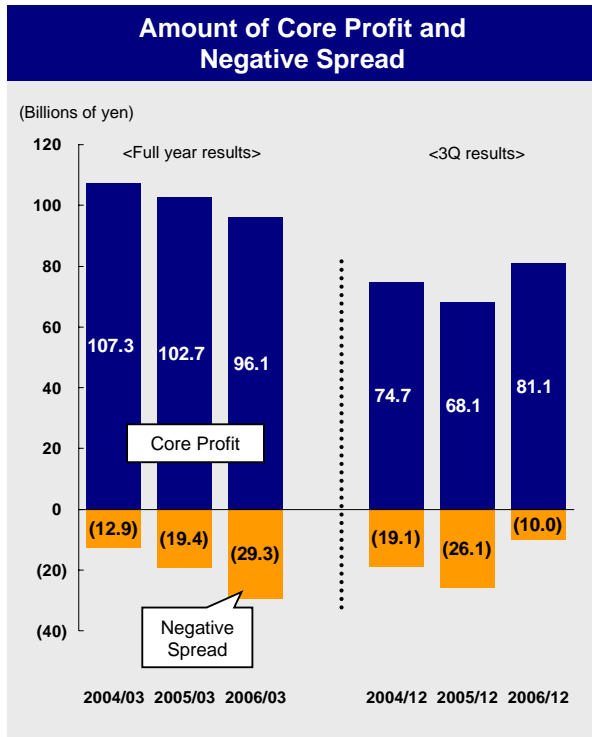
	Net Unrealized gains/losses on Held-to-maturity securities		Net Unrealized gains/losses on Policy-reserve-matching bonds		Net Unrealized gains/losses on Available-for-sale securities		Total		
	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	As of December 31, 2006	As of March 31, 2006	Changes
<b>Total</b>	<b>(4.4)</b>	<b>(3.9)</b>	<b>(6.0)</b>	<b>(22.3)</b>	<b>462.3</b>	<b>492.9</b>	<b>451.8</b>	<b>466.6</b>	<b>(14.8)</b>
Domestic bonds	(3.3)	(1.9)	(6.0)	(22.3)	2.8	1.0	(6.5)	(23.2)	16.6
Domestic stocks	-	-	-	-	390.9	448.8	390.9	448.8	(57.8)
Foreign securities	-	-	-	-	57.5	24.5	57.5	24.5	33.0
Other securities	-	-	-	-	11.3	19.0	11.3	19.0	(7.6)
Monetary claims purchased	(1.0)	(1.9)	-	-	(0.3)	(0.5)	(1.4)	(2.4)	0.9
Certificates of deposit	(0.0)	0.0	-	-	-	-	(0.0)	0.0	(0.0)
Monetary trusts	-	-	-	-	-	-	-	-	-

<b>Net unrealized gains/losses on real estate</b>							<b>(3.7)</b>	<b>(4.6)</b>	<b>0.8</b>
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\* Net unrealized gains/losses on real estate is calculated based on the appraisal price or posted price.

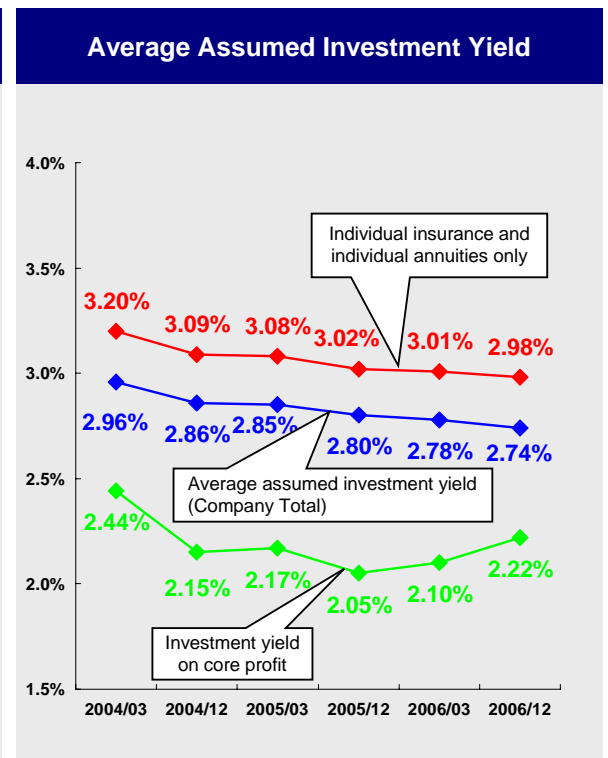
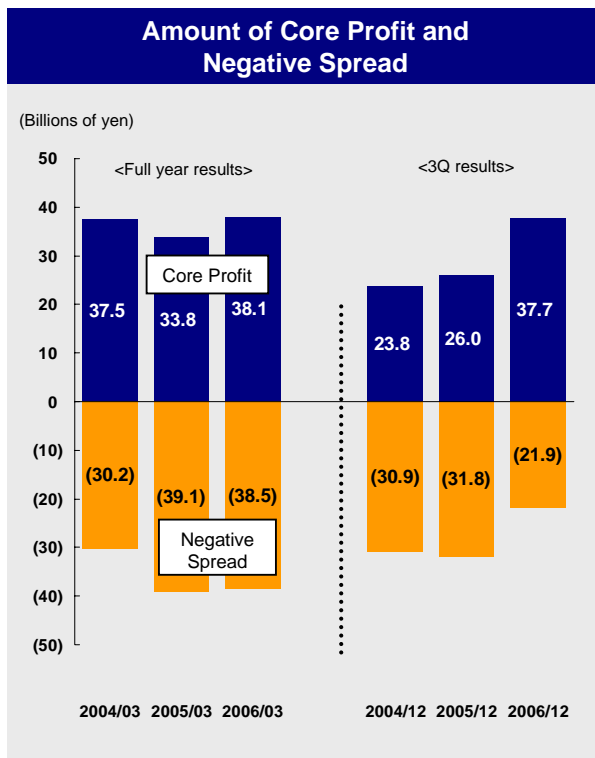
- Unrealized Gains/Losses (General Account): Taiyo Life

# Core Profit/ Negative Spread, Average Assumed Investment Yield: Daido Life



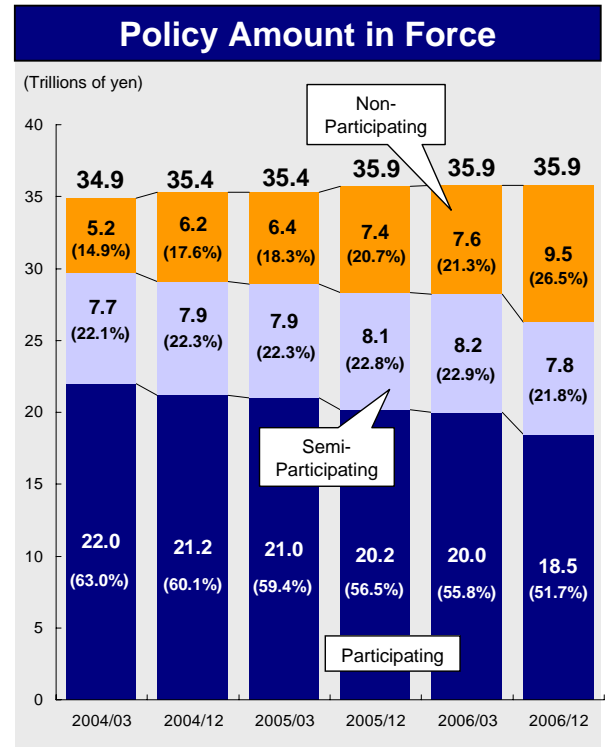
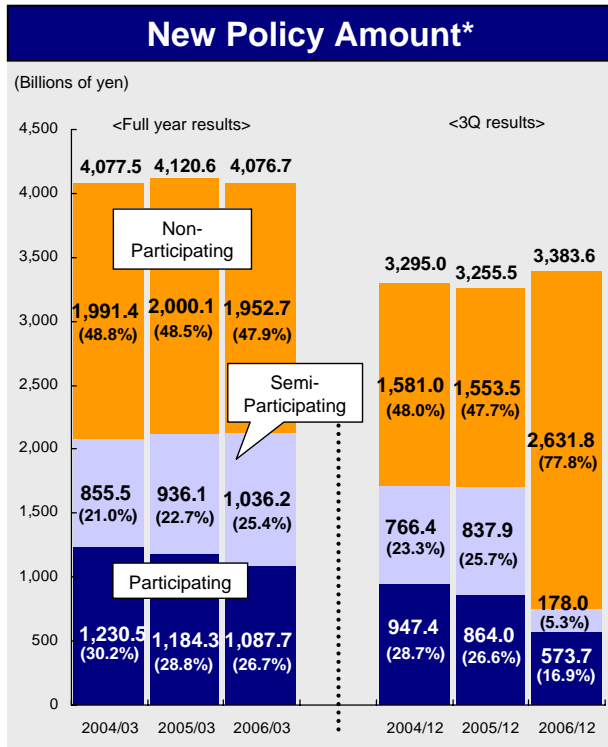
- Core Profit/ Negative Spread, Average Assumed Investment Yield: Daido Life

# Core Profit/ Negative Spread, Average Assumed Investment Yield: Taiyo Life



- Core Profit/ Negative Spread, Average Assumed Investment Yield: Taiyo Life

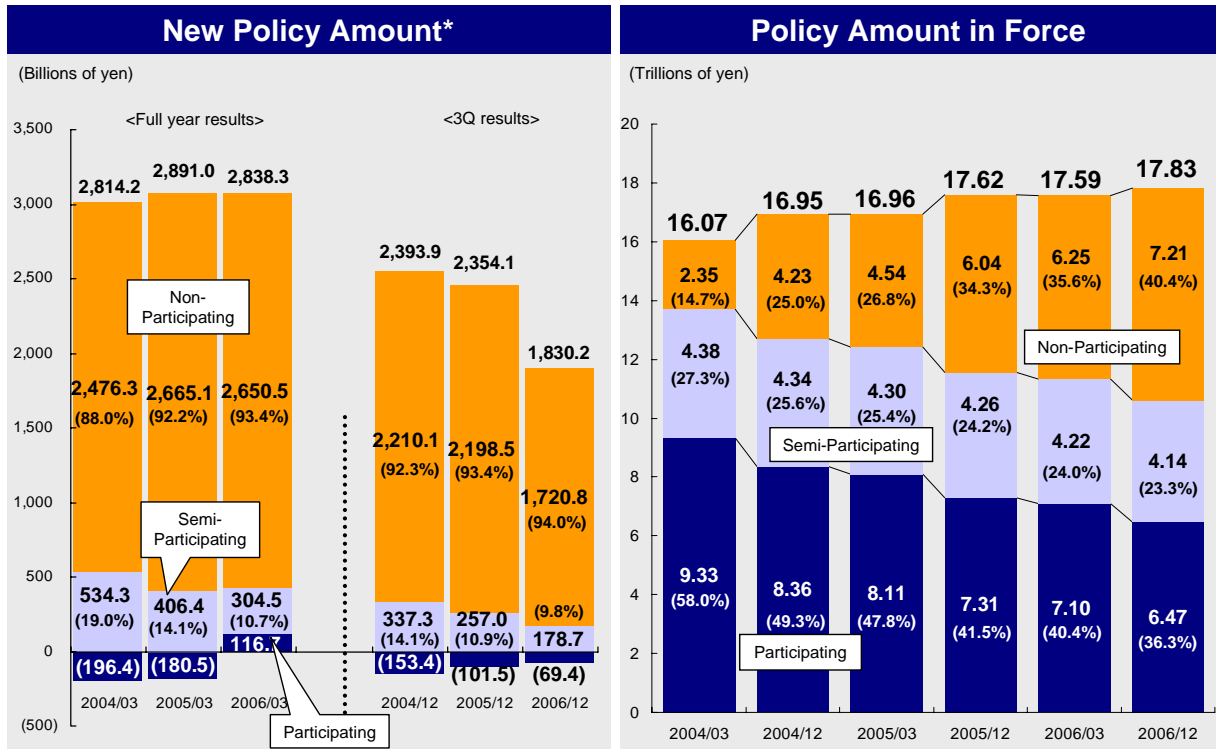
# Sales Results by Dividend Type: Daido Life (Individual Term Life)



\* Net increase from conversion is not included.

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

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



\* Net increase from conversion included

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

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

# Breakdown of Core Profit: Daido Life



	(Millions of yen)			(Millions of yen)	
	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005
Core revenues	767,087	771,797	Core expenses	685,919	703,646
Income from insurance premiums	646,325	647,333	Insurance claims and other payments	576,309	606,099
Insurance premiums	645,541	646,528	Insurance claims	206,250	235,217
Ceded reinsurance recoveries	784	805	Annuity payments	21,203	20,858
Investment income	98,821	102,448	Insurance benefits	127,958	131,653
Interest, dividends and income from real estate for rent	91,454	75,332	Surrender payments	191,400	153,813
Gains on redemption of securities	-	467	Other payments	28,723	63,749
Other investment income	2,004	1,944	Reinsurance payments	772	806
Gains on separate accounts, net	5,363	24,703	Provision for policy and other reserves	648	687
Other ordinary income	21,373	22,014	Investment expenses	7,697	5,278
Income related to withheld insurance claims And other payments for future annuity payments	110	242	Interest expense	108	19
Income due to withheld insurance payments	1,797	2,194	Depreciation of real estate for rent	1,859	2,033
Reversal of reserve for outstanding claims	4,957	7,316	Other investment expenses	5,729	3,224
Reversal of policy reserves (except contingency reserve)	13,645	11,429	Operating expenses	83,650	81,833
Other ordinary income	861	831	Other ordinary expenses	17,577	9,747
Other core revenues	566	-	Payments related to withheld insurance claims	1,665	1,323
			Taxes	4,892	4,855
			Depreciation	3,088	3,031
			Provision for reserve for employees' retirement benefits	7,592	346
			Other ordinary expenses	338	190
			Other core expenses	35	-
			Core profit	81,167	68,150

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

- Breakdown of Core Profit: Daido Life

# Breakdown of Core Profit: Taiyo Life



(Millions of yen)			(Millions of yen)		
	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005
Core revenues	727,133	789,130	Core expenses	689,399	763,049
Income from insurance premiums	550,084	619,335	Insurance claims and other payments	597,141	668,727
Insurance premiums	549,806	619,270	Insurance claims	302,328	361,841
Ceded reinsurance recoveries	278	64	Annuity payments	100,941	90,946
Investment income	100,051	92,788	Insurance benefits	74,561	76,682
Interest, dividends and income from real estate for rent	99,691	91,572	Surrender payments	72,930	101,205
Other investment income	108	128	Other payments	46,145	37,784
Gains on separate accounts, net	252	1,087	Reinsurance payments	233	265
Other ordinary income	76,996	77,006	Provision for policy and other reserves	349	625
Income related to withheld insurance claims And other payments for future annuity payments	614	229	Investment expenses	5,983	5,490
Income due to withheld insurance payments	18,896	22,627	Interest expense	1,221	1,221
Reversal of policy reserves (except contingency reserve)	55,161	51,883	Provision for possible loan losses	-	(217)
Reversal of reserve for employees' retirement benefits	565	885	Depreciation of real estate for rent	1,851	2,018
Other ordinary income	1,759	1,380	Other investment expenses	2,911	2,468
Other core revenues	0	-	Operating expenses	59,115	62,103
			Other ordinary expenses	26,809	26,102
			Payments related to withheld insurance claims	17,712	16,901
			Taxes	3,704	4,040
			Depreciation	3,939	3,970
			Provision for reserve for employees' retirement benefits	-	-
			Other ordinary expenses	1,452	1,190
			Other core expenses	-	0
			Core Profit	37,734	26,081

T&D Holdings, Inc. Financial Results for the Nine Months Ended December 31, 2006

- Breakdown of Core Profit: Taiyo Life

# Breakdown of Core Profit: T&D Financial Life



(Millions of yen)			(Millions of yen)		
	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005
Core revenues	169,952	246,761	Core expenses	172,884	252,548
Income from insurance premiums	153,089	160,948	Insurance claims and other payments	73,422	70,400
Insurance premiums	149,480	157,113	Insurance claims	15,800	18,802
Ceded reinsurance recoveries	3,608	3,834	Annuity payments	3,935	3,838
Investment income	10,943	77,100	Insurance benefits	11,495	11,403
Interest, dividends and income from real estate for rent	3,229	3,234	Surrender payments	33,250	27,203
Gains on redemption of securities	0	0	Other payments	6,210	6,845
Other investment income	70	120	Reinsurance payments	2,730	2,306
Gains on separate accounts, net	7,644	73,744	Provision for policy and other reserves	85,034	159,025
Other ordinary income	5,919	8,711	Investment expenses	30	22
Income related to withheld insurance claims And other payments for future annuity payments	5,236	4,146	Interest expense	0	0
Income due to withheld insurance payments	262	360	Losses from redumption of securities	1	1
Reversal of reserve for outstanding claims	-	1,682	Other investment expenses	28	20
Reversal of reserve for employees' retirement benefits	412	2,480	Operating expenses	12,469	16,357
Reversal of reserve for directors' and corporate auditors' retirement benefits	-	13	Other ordinary expenses	1,926	6,742
Other ordinary income	8	28	Payments related to withheld insurance claims	458	384
			Taxes	1,030	1,071
			Depreciation	405	409
			Provisions for reserve for directors' and corporate auditors' retirement benefits	25	-
			Other ordinary expenses	5	4,877
			Core profit	(2,931)	(5,787)

## - Breakdown of Core Profit: T&D Financial Life

# Breakdown of Financial Indicator: Daido Life



(Millions of yen)

Category	1. Adjusted Book Value on EV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	230,329	230,329	230,329	
Reserve for deferred gain on sale of real estate	-	-	(1,559)	
Estimated appropriation paid in cash	-	-	(7,552)	3. Amount of payment of directors' bonuses + Shareholders' dividends
Net unrealized gains (losses) on securities	343,181	554,241	498,817	1. (Net unrealized gains/losses securities - Net unrealized gains/losses on yen denominated bonds + Net unrealized gains/losses on equity of subsidiaries and affiliates) x (1 - effective tax rate:36.11%) 2. Before-tax 3. 90% of before-tax
Deferred valuation gains (losses) on hedge	934	934	-	1.2. After-tax
Net unrealized gains (losses) on real estate	(2,162)	(3,384)	(3,384)	1. After-tax 2.3. Before-tax
Reserve for price fluctuations	57,820	57,820	57,820	
Contingency reserve	79,862	79,862	79,862	
Unallotted portion of reserve for policyholder dividends	7,590	7,590	7,590	
Excess of amount of policy surrender payment	-	126,779	126,779	
Future profits	-	-	13,440	
Deferred tax assets for quasi-equity liabilities	(52,457)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policy holder dividends) x (effective tax rate:36.11%)
Deferred tax assets	-	-	76,621	
General reserve for possible loan losses	113	-	178	1. After-tax 3. Before-tax
Subordinated debt	-	-	-	
Net unrealized gains (losses) on held-to-maturity securities	-	(107)	-	2. Before-tax
<b>Total</b>	<b>665,211</b>	<b>1,054,065</b>	<b>1,078,901</b>	

## - Breakdown of Financial Indicator: Daido Life

# Breakdown of Financial Indicator: Taiyo Life

(Millions of yen)

Category	1. Adjusted Book Value on EV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	163,909	163,909	163,909	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	(4,456)	3. Amount of payment of directors' bonuses + Shareholders' dividends
Net unrealized gains (losses) on securities	294,100	462,302	416,072	1. (Net unrealized gains/losses on securities - Net unrealized gains/losses on yen denominated bonds + Net unrealized gains/losses on equity of subsidiaries and affiliates) x (1 - effective tax rate:36.1%) 2. Before-tax 3. 90% of before-tax
Deferred valuation gains (losses) on hedge	(676)	(324)	-	1. After-tax, including net valuation gains/losses on interest rate swaps 2. After-tax
Net unrealized gains (losses) on real estate	(25,785)	(51,551)	(40,352)	1. After-tax, including net unrealized gains/losses on land revaluation 2. Before-tax, including land revaluation on B/S 3. Before-tax, including net unrealized gains/losses on land revaluation
Reserve for price fluctuations	33,577	33,577	33,577	
Contingency reserve	80,842	80,842	80,842	
Unallotted portion of reserve for policyholder dividends	22,688	22,688	22,688	
Excess of amount of policy surrender payment	-	63,579	63,579	
Future profits	-	-	6,339	
Deferred tax assets for quasi-equity liabilities	(49,496)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.1%)
Deferred tax assets	-	-	47,711	
General reserve for possible loan losses	918	-	1,437	1. After-tax 3. Before-tax
Subordinated debt	-	-	55,000	
Net unrealized gains (losses) on held-to-maturity securities and policy-reserve-matching bonds	(684)	(10,498)	-	1. After-tax, including certificate of deposit and monetary claims purchased 2. Before-tax
<b>Total</b>	<b>519,394</b>	<b>764,524</b>	<b>846,349</b>	

## - Breakdown of Financial Indicator: Taiyo Life

# Breakdown of Financial Indicator: T&D Financial Life



(Millions of yen)

Category	1. Adjusted Book Value on EV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	38,435	38,435	38,435	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	-	
Net unrealized gains (losses) on securities	482	(884)	(884)	1. (Net unrealized gains/losses on securities - Net unrealized gains/losses on yen denominated bonds + Net unrealized gains/losses on equity of subsidiaries and affiliates) x (1 - corporate tax rate: 30%) 2. Before-tax 3. 90% of before-tax
Deferred valuation gains (losses) on hedge	-	-	-	1. After-tax, including net valuation gains/losses on interest rate swaps 2. After-tax
Net unrealized gains (losses) on real estate	-	-	-	1. After-tax 2.3. Before-tax
Reserve for price fluctuations	395	395	395	
Contingency reserve	7,894	7,894	7,894	
Unallotted portion of reserve for policyholder dividends	-	-	-	
Excess of amount of policy surrender payment	-	17,995	24,825	2. Excludes due from reinsures related to variable annuities 3. Includes due from reinsures related to variable annuities
Future profits	-	-	575	
Deferred tax assets for quasi-equity liabilities	(2,486)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (corporate tax rate: 30%)
Deferred tax assets	-	-	-	
General reserve for possible loan losses	3	-	4	1. After-tax 3. Before-tax
Subordinated debt	-	-	-	
Net unrealized gains (losses) on held-to-maturity securities	-	128	-	2. Before-tax
<b>Total</b>	<b>44,723</b>	<b>63,963</b>	<b>71,246</b>	

## - Breakdown of Financial Indicator: T&D Financial Life

# Business Results: Aggregate values for the three life insurance companies



- Figures for FYE 2001 and earlier have been calculated based on the sum of the non-consolidated financial data for Daido Life and Taiyo Life. Figures from FYE 2002 are calculated based on the sum of all three companies' non-consolidated financial data.

(Billions of yen)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Policy Amount in Force (1)	52,168.3	53,928.6	54,466.0	54,412.9	54,256.1	54,162.2	57,782.1	57,925.5	58,508.4	59,573.5	60,265.0
New Policy Amount (1,2)	6,720.5	6,870.1	6,708.4	6,630.2	6,467.9	6,333.2	6,932.9	7,316.5	7,568.0	7,544.9	7,293.8
Income from Insurance Premiums	2,478.9	2,387.0	2,497.3	2,427.5	2,292.1	2,169.6	2,113.7	2,004.7	1,878.5	1,798.9	1,902.3
Amount of Surrender and Lapse (1)	3,664.1	3,825.2	4,649.2	4,792.7	4,844.0	4,728.0	4,702.8	5,215.7	5,199.1	4,875.7	5,102.7
Core Profit	101.4	138.8	135.4	114.5	96.9	128.1	126.5	114.2	141.7	129.8	127.2
Provision for Reserve for Policyholder Dividends (3)	53.8	69.1	55.3	49.9	56.1	44.3	43.6	39.6	43.6	44.9	44.4
Number of In-House Sales Reps.	17,552	16,500	15,920	16,576	15,567	14,142	15,089	14,942	14,915	14,492	13,872
Number of Agents	11,699	12,383	13,454	13,701	13,807	13,888	13,942	13,710	13,877	14,095	14,468
Total Assets	11,457.3	11,762.7	12,172.0	12,451.9	12,815.2	13,166.7	13,415.4	13,148.9	13,109.7	12,987.5	13,932.2

(1) Total amount of individual insurance and annuities. (2) Includes net increase from conversion.

(3) Figures for FYE 2002 of Daido Life, and FYE 2003 of Taiyo Life is provision for allowance for policyholder dividends which was treated as an expense.

- Business results: Aggregate values for the three life insurance companies

# Business Results: Daido Life



(Billions of yen)

FYE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Policy Amount in Force (1)	37,585.0	38,837.4	39,340.0	39,283.8	39,071.1	38,989.7	38,929.1	39,342.6	39,294.8	39,694.2	40,008.0
Individual term life insurance	31,980.3	33,195.4	33,761.6	33,865.0	33,940.8	34,109.6	34,309.0	34,804.6	34,964.1	35,479.6	35,933.6
New Policy Amount (1, 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	4,309.7	4,354.2	4,292.7
Individual term life insurance	3,874.6	4,104.4	4,073.7	4,241.6	4,251.3	4,048.6	4,292.9	4,298.5	4,087.3	4,126.0	4,080.7
Income from Insurance Premiums	1,153.0	1,106.4	1,168.4	1,192.8	1,136.9	1,072.2	1,059.4	989.4	928.2	884.8	871.1
Individual insurance and annuities (1)	715.7	699.1	724.9	702.6	684.8	686.7	662.0	684.9	641.0	664.2	667.8
Amount of Surrender and Lapse (1)	2,852.0	2,997.2	3,625.7	3,876.5	3,845.1	3,526.9	3,493.2	3,290.6	3,317.7	3,026.5	3,040.0
Surrender and Lapse Rate (%)	7.8%	8.0%	9.3%	9.9%	9.8%	9.0%	9.0%	8.45%	8.44%	7.70%	7.66%
Core Profit	101.4	138.8	135.4	114.5	96.9	114.2	109.8	88.7	107.3	102.7	96.1
Provision for Reserve for Policyholder Dividends (3)	40.5	54.6	39.9	34.3	39.5	33.2	30.6	26.5	30.5	30.5	27.3
Number of In-House Sales Reps.	6,039	5,744	6,072	6,126	5,456	4,866	5,154	5,194	5,251	4,888	4,909
Number of Agents	11,699	12,383	13,123	13,213	13,135	13,203	13,252	12,970	13,079	13,415	13,963
Total Assets	5,011.8	5,059.1	5,346.3	5,482.6	5,733.5	5,900.3	5,982.7	6,007.1	6,017.9	5,983.7	6,406.1

(1) Total amount of individual insurance and annuities. (2) Includes net increase from conversion.

(3) Figures for FYE 2002 is provision for allowance for policyholder dividends which was treated as an expense.

## - Business results: Daido Life

# Business Results: Taiyo Life



(Billions of yen)

FYE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Policy Amount in Force (1)	14,583.2	15,091.1	15,126.0	15,129.1	15,185.0	15,172.5	15,232.9	15,268.6	16,077.8	16,966.2	17,591.5
Individual insurance	10,135.3	10,457.4	10,448.1	10,186.7	10,034.0	9,958.8	10,217.3	10,500.2	11,577.9	12,706.5	13,572.0
New Policy Amount (1,2)	1,995.9	2,120.7	1,989.1	1,857.0	1,847.6	1,931.7	2,188.1	2,175.4	2,814.2	2,891.0	2,838.3
Individual insurance	1,402.6	1,720.9	1,650.6	1,339.8	1,333.2	1,458.1	2,047.9	2,091.0	2,797.2	2,902.4	2,861.5
Income from Insurance Premiums	1,325.9	1,280.6	1,328.8	1,234.6	1,155.2	1,097.3	1,019.0	887.9	794.1	788.1	823.0
Individual insurance and annuities	1,168.8	1,136.8	1,104.0	1,095.0	972.4	914.8	837.8	762.1	680.2	646.6	609.2
Amount of Surrender and Lapse (1)	812.0	827.9	1,023.5	916.1	998.8	1,201.1	1,209.6	1,318.8	1,362.6	1,424.0	1,644.0
Surrender and Lapse Rate (%)	5.77%	5.68%	6.78%	6.06%	6.60%	7.91%	7.97%	8.66%	8.92%	8.86%	9.69%
Core Profit	-	-	-	-	-	13.9	13.8	28.7	37.5	33.8	38.1
Provision for Reserve for Policyholder Dividends (3)	13.2	14.5	15.3	15.5	16.6	11.1	10.8	11.2	11.9	13.4	15.9
Number of In-House Sales Reps.	12,981	10,756	9,848	10,450	10,111	9,276	8,948	8,808	8,703	9,111	8,963
Number of Agents	-	-	241	488	672	685	690	740	798	680	505
Total Assets	6,445.5	6,703.5	6,825.6	6,969.3	7,081.6	7,266.3	6,834.0	6,528.0	6,409.5	6,276.5	6,591.9

(1) Total amount of individual insurance and annuities. (2) Includes net increase from conversion.

(3) Figures for FYE 2003 is provision for allowance for policyholder dividends which was treated as an expense.

- Business results: Taiyo Life

# Business Results: T&D Financial Life



(Billions of yen)

FYE	2002	2003	2004	2005	2006
Policy Amount in Force (1)	3,620.1	3,314.2	3,135.7	2,913.0	2,665.4
Individual variable annuities	1.3	64.1	175.1	245.7	459.5
New Policy Amount (1)	174.3	467.5	444.0	299.7	162.7
Individual variable annuities	1.2	65.1	90.4	60.8	128.6
Income from Insurance Premiums	35.2	127.4	156.1	126.0	208.1
Individual variable annuities	1.2	66.3	100.8	77.2	164.2
Amount of Surrender and Lapse (1)	722.9	606.2	518.7	425.1	418.6
Surrender and Lapse Rate (%)	17.05%	16.75%	15.65%	13.56%	14.37%
Core Profit	2.7	(3.2)	(3.1)	(6.7)	(7.0)
Provision for Reserves for Policyholder Dividends	2.1	1.8	1.2	1.0	1.2
Number of In-House Sales Reps.	987	940	954	493	-
Total Assets	598.6	613.6	682.2	727.2	934.1

(1) Total amount of individual insurance and annuities.

(2) Pursuant to the Law for Special Regulations Concerning Corporate Rehabilitation, T&D Financial Life's fiscal 2001 started on April 1, 2001, and ended on September 30, 2001. In consequence, subsequent to reorganization, the Company's fiscal 2002 started October 1, 2001, and ended on March 31, 2002.

- Business results: T&D Financial Life

**For inquiries, please**

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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.

- Inquiries