

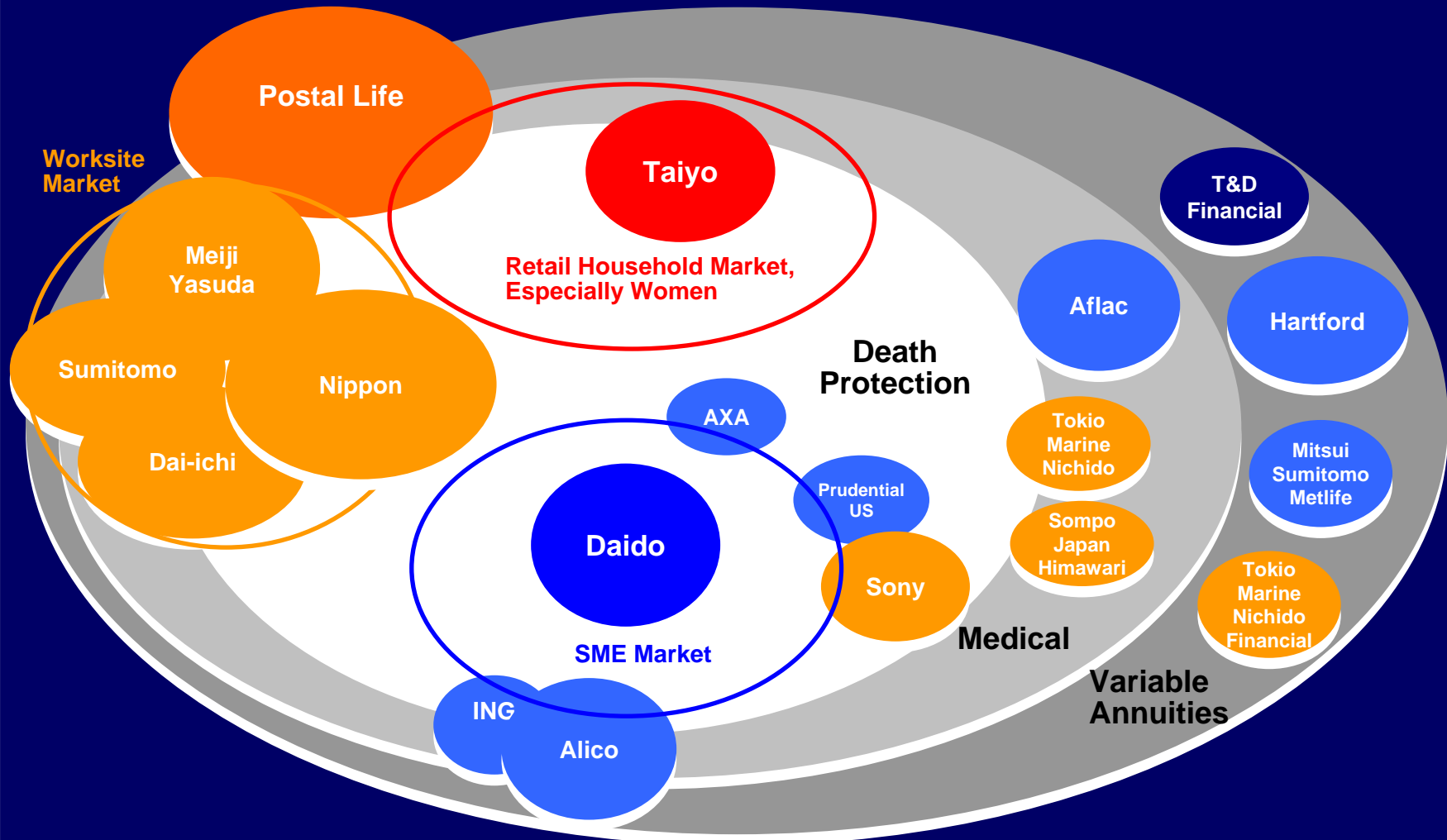
T&D Holdings, Inc.

2007 Merrill Lynch Japan Conference

**President
Naoteru Miyato**

September 12, 2007

Industry Trends and Group Positioning



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

Distinctive Business Models

| | Taiyo Life | Daido Life | T&D Financial Life |
|---------|--|---|--|
| Market | <ul style="list-style-type: none"> Households | <ul style="list-style-type: none"> SMEs | <ul style="list-style-type: none"> Upper-middle |
| Channel | <ul style="list-style-type: none"> In-house Sales Reps. | <ul style="list-style-type: none"> Agents (Tax accountant, etc.) In-house Sales Reps. | <ul style="list-style-type: none"> Agents (Banks, Securities Firms, etc.) |
| Product | <ul style="list-style-type: none"> Mid-Size Death Protection, Medical & Nursing Care Protection | <ul style="list-style-type: none"> Term Life Insurance | <ul style="list-style-type: none"> Variable Annuities |

Specialization in Growth Markets

- Markets that the three life insurance companies focus on have large growth potential

Taiyo Life

Household market,
especially women

- The number of over 40's women from 2005 to 2020 **+ 12.4%**

Daido Life

SME market

- Potential customers (estimated) **570 thousand**
vs. Daido's SME customers 390 thousand
Total SMEs in Japan 1,730 thousand

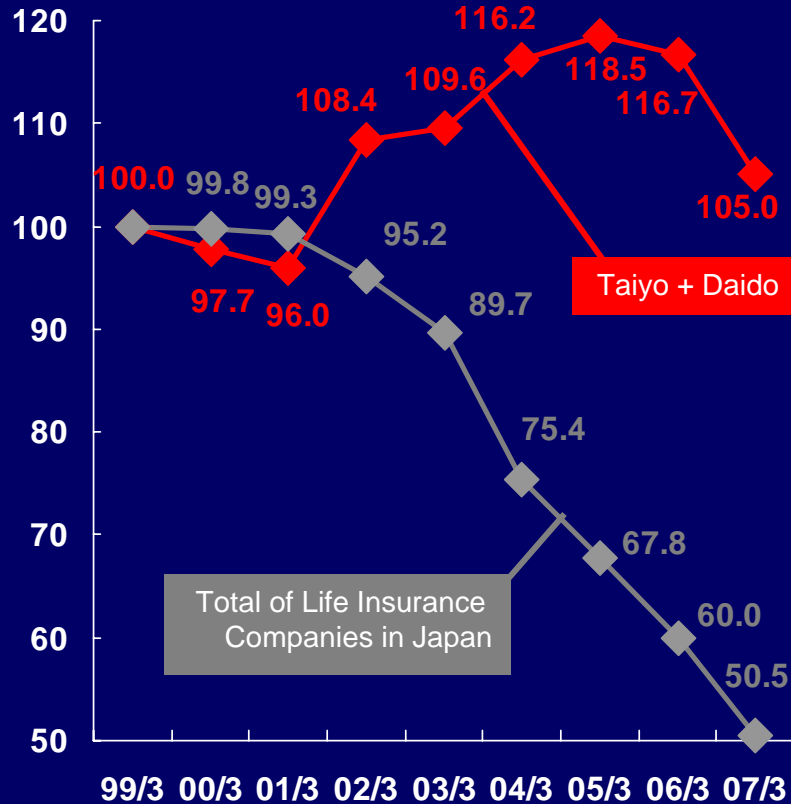
T&D Financial Life

Middle and high
net-worth market

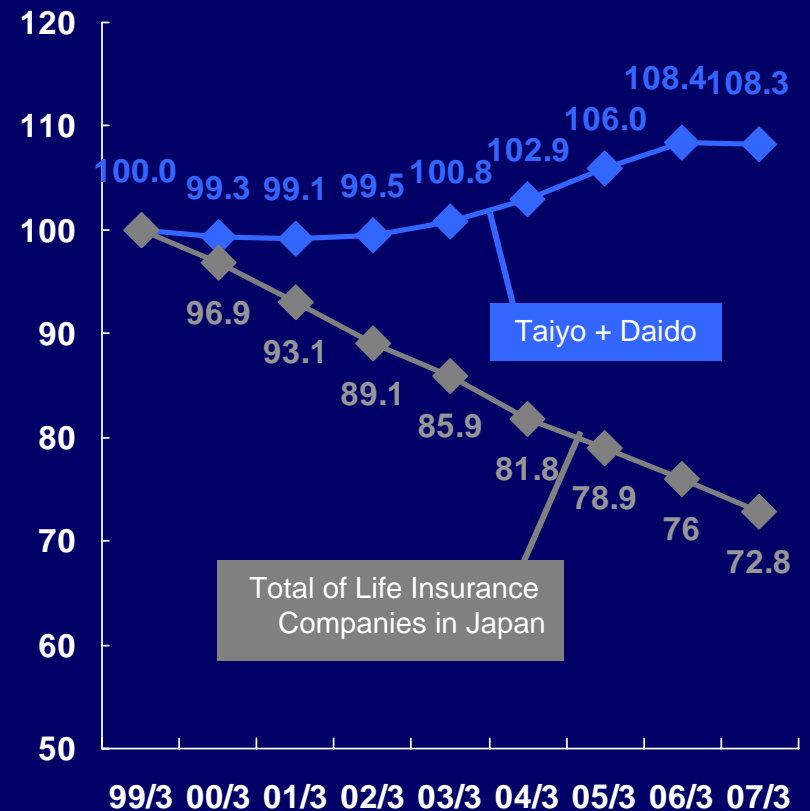
- Individual financial assets in Japan **153.6 bn yen**
- The share of over 60's to that assets **55.6%**

Trends in Sales Performance

New Policy Amount



Policy Amount in Force



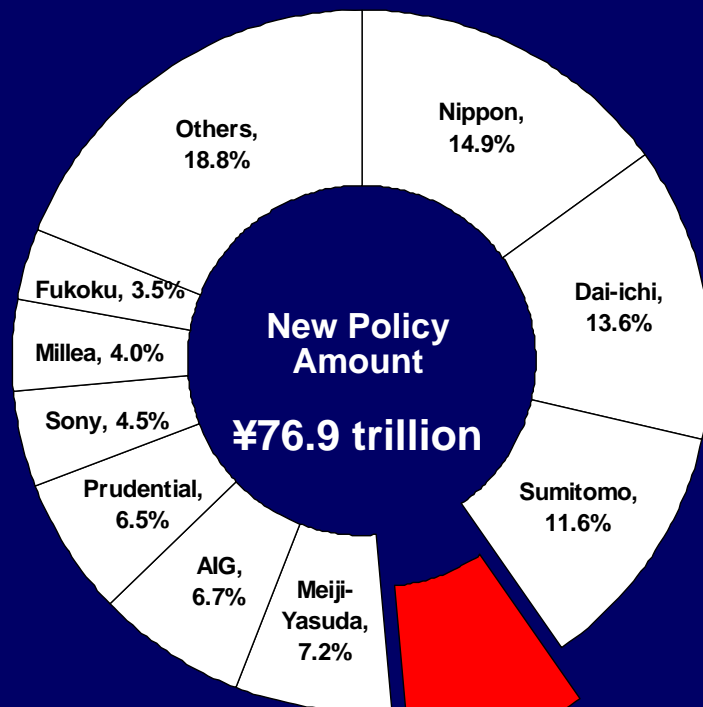
Source: Summary of Life Insurance Business in Japan

* Indices are based on new policy amount and policy amount in force for individual insurance as of FY1998 as 100.

** New policy amount Includes net increase from conversion.

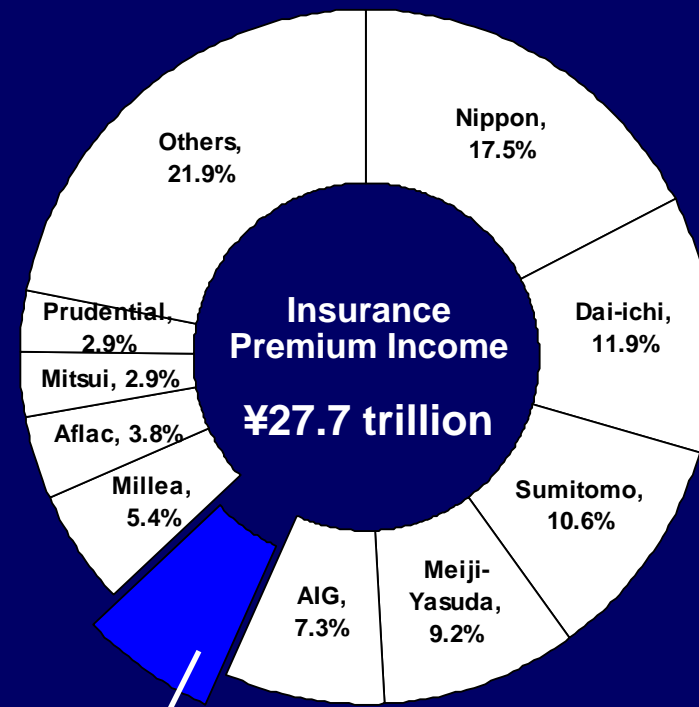
Market Share

New Policy Amount (FY2006)



T&D 8.6%
(4th Largest)

Insurance Premium Income (FY2006)



T&D 6.5%
(6th Largest)

Sources: Company financial reports

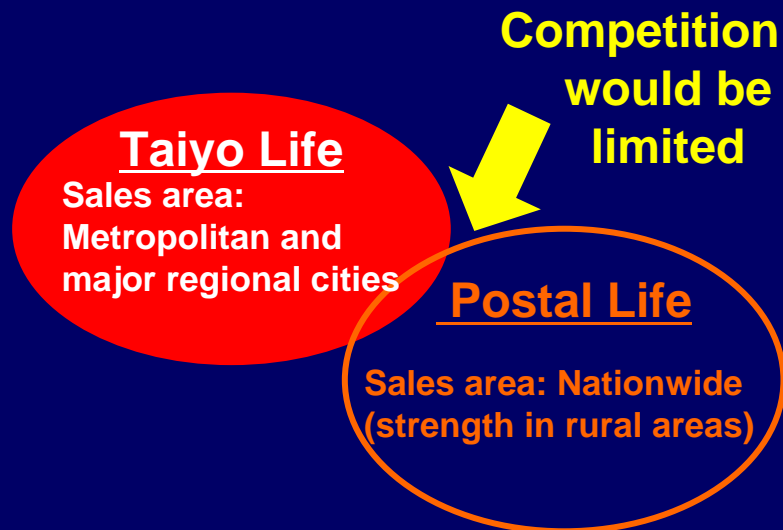
* The chart for New Policy Amount (left-hand) represents sum of individual insurance and individual annuities, including net increase from conversion.

**T&D: Taiyo Life + Daido Life + T&D Financial Life, AIG: ALICO Japan + AIG Star Life + AIG Edison Life, Prudential (U.S.): Prudential Life + Gibraltar Life, Millea: Tokio Marine & Nichido Life + Tokio Marine & Nichido Financial Life

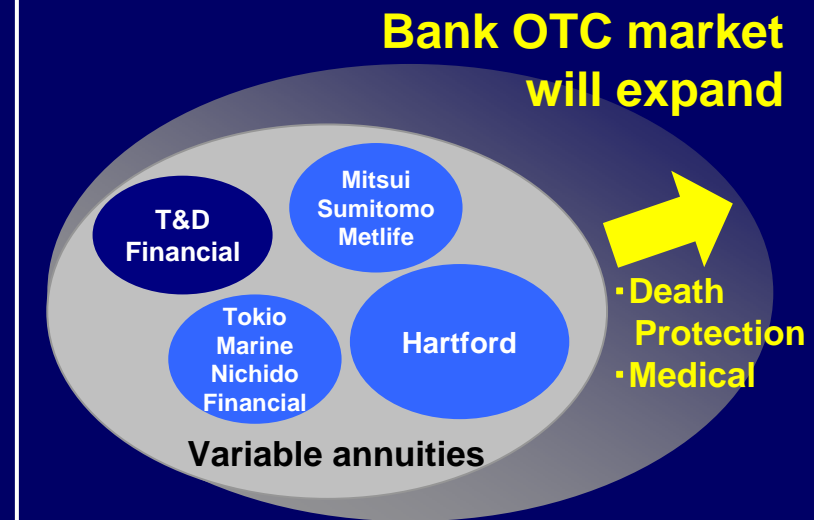
Impact on T&D's Market by the Changing Regulatory Environment

- Impact of privatization of Postal Life on T&D Life Group is limited because of our differentiated markets or products
- In preparation for the full deregulation of OTC sales at banks, strengthen supports to T&D financial, that plays a key role in bank OTC channel in T&D Life Group

Privatization of Postal Life (October 2007)



Full deregulation of OTC sales at banks (December 2007)



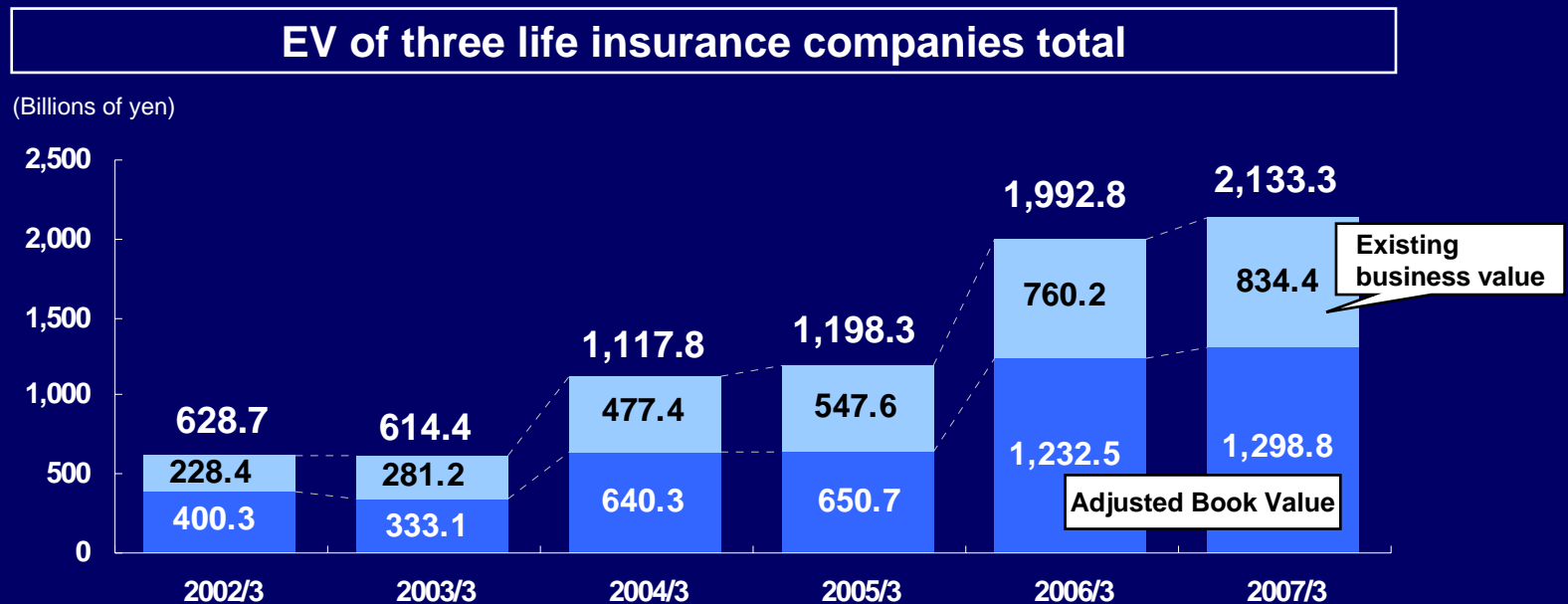
External Growth: Expansion and Penetration of Business Domains

| Channel \ Market | In-house Sales Representatives | Financial Planners | Agents | Banks/ Securities Firms | Direct |
|------------------|--------------------------------|--------------------|--|---|----------------|
| Retail | | | Alico Tokio Marine Nichido Sampo Japan | | 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. These categories may differ for or may not be recognized by each individual company.

Sustainable Growth in EV



- Defining EV (Embedded Value) as the yardstick to measure corporate value, we will aim for a sustainable growth in EV
- EV as of March 31, 2007 increased due to a increase in EV of new business, a rise in assumed investment yield, and a fall in discount rate



* Simple sum figures from the fiscal year ended March 31, 2002 and 2003, have been calculated based on the sum of the figures of Daido and Taiyo

Refining the Yardstick of Corporate Value: From EV to EEV

- Plan to respond to EEV (European EV) Principles
- EEV has two ways to set the risk-discount rate : bottom-up approaches have become a main stream method in Europe

| |  Real World, Top-down Approach |  Market Consistent, Bottom-up Approach | | |
|---|---|--|---|---|
| Benchmark | The Company's outlook | Market | | |
| Risk discount rate (RDR) | Set a single RDR by a company total | Set RDRs per product or cash flow level | | |
| Company | <ul style="list-style-type: none"> ● AVIVA ● AEGON ● ING ● Legal&General ● Storebrand | <table border="0"> <tr> <td> <ul style="list-style-type: none"> ● Prudential ● AXA ● Zurich ● Old Mutual ● RAS ● Irish Life ● Allianz </td> <td> <ul style="list-style-type: none"> ● Fortis ● Swiss Re ● Winterthur ● Friends Provident ● Resolution </td> </tr> </table> | <ul style="list-style-type: none"> ● Prudential ● AXA ● Zurich ● Old Mutual ● RAS ● Irish Life ● Allianz | <ul style="list-style-type: none"> ● Fortis ● Swiss Re ● Winterthur ● Friends Provident ● Resolution |
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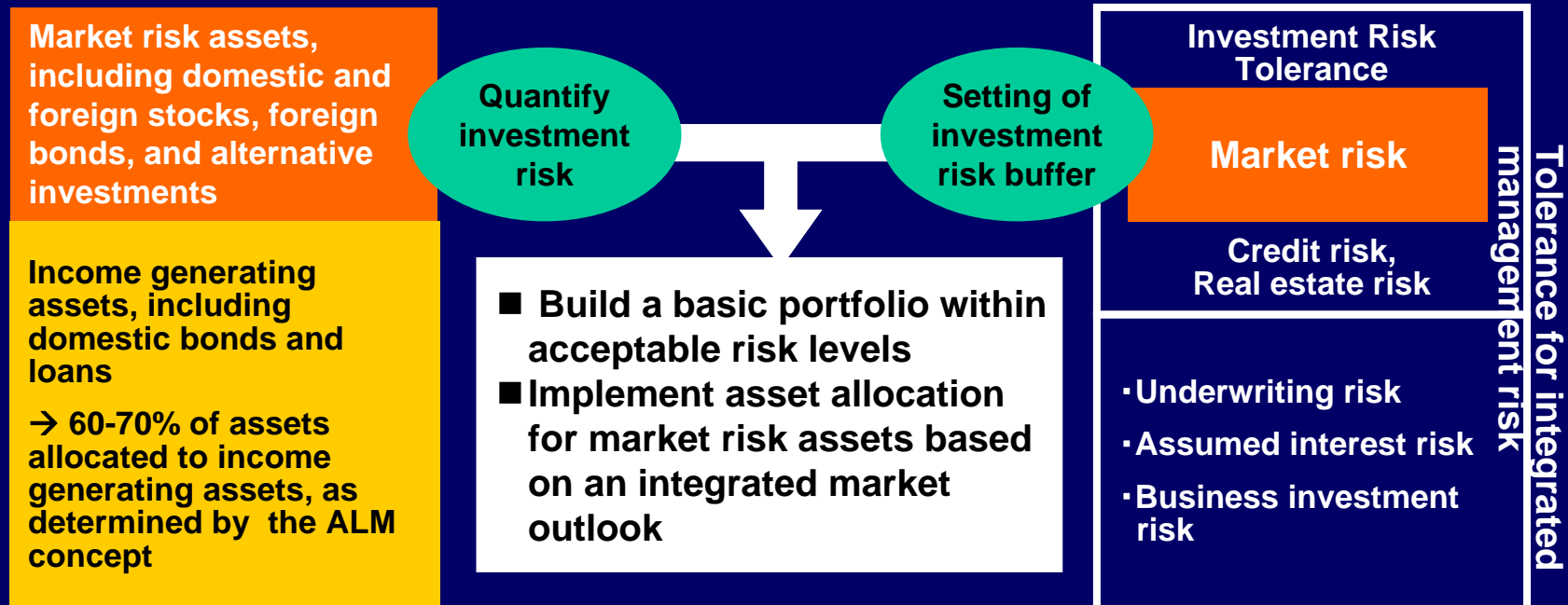
Disclosure of MCEV

- **Disclose MCEV (Market Consistent EV) figure as of March 2007 when we will announce interim result for FY2007, and shift to MCEV from FY2007**
- **Plan to transform into MCEV from March 2008, which would resolve some of the remaining issues of Traditional EV (TEV), and get ready for coping with International Accounting Standard and International Solvency Standard**

| Remaining Issues of TEV | | Resolution with MCEV |
|---|---|--|
| Not always to match discount rate and the assumed investment yield assumptions, due to the objectivity in setting discount rate | ➔ | Use the risk-free rate in setting the assumed investment yield assumptions and discount rate |
| Not reflecting option and guarantee cost (changes in policyholder dividends, surrender payment, etc.) | ➔ | Reflect the option and guarantee cost calculated under the dynamic assumptions of policyholders' dividend and behavior |

Group Investment Strategy

- **Basic investment policy**
 - Disciplined investment strategy based on liability-driven ALM and asset allocation within tolerable risk levels
 - Appropriate risk management to secure the financial soundness
- **Set integrated tolerance risk levels within equity capital. The company quantifies each management risk and ensures appropriate management of investment risk as part of its integrated risk management**

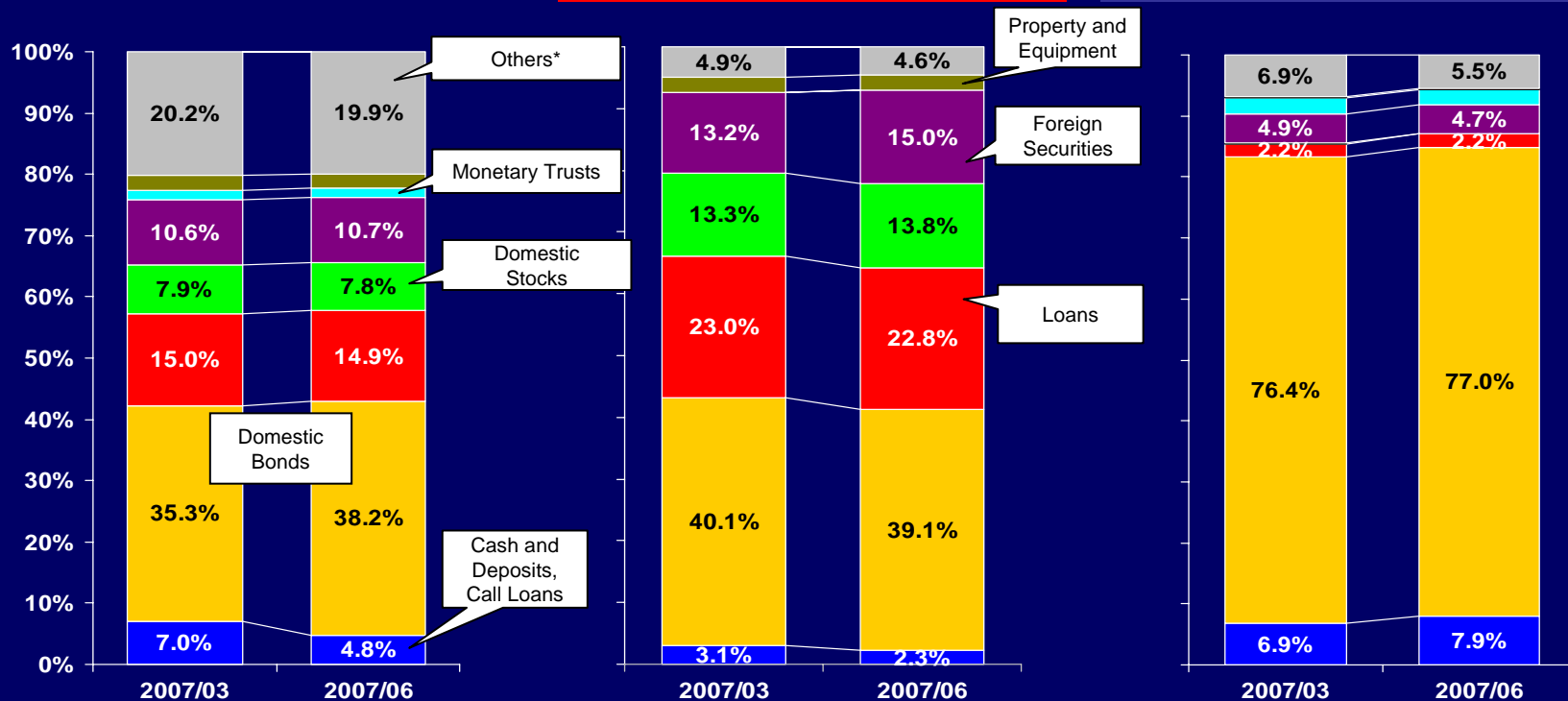


Asset Management : General Account Assets Composition

Daido Life
 Net Exposure to
 Domestic Stocks ** 18.1% ⇒ 18.2%
 Foreign Currency *** 3.4% ⇒ 3.8%

Taiyo Life
 Net Exposure to
 Domestic Stocks ** 14.5% ⇒ 14.6%
 Foreign Currency *** 6.1% ⇒ 6.3%

T&D Financial Life
 Net Exposure to
 Domestic Stocks ** 0.2% ⇒ 0.1%
 Foreign Currency *** 0.3% ⇒ 0.2%



Alternative Investments 354.4 bn yen
 Private Equities 138.9 bn yen
 Hedge Funds 202.0 bn yen

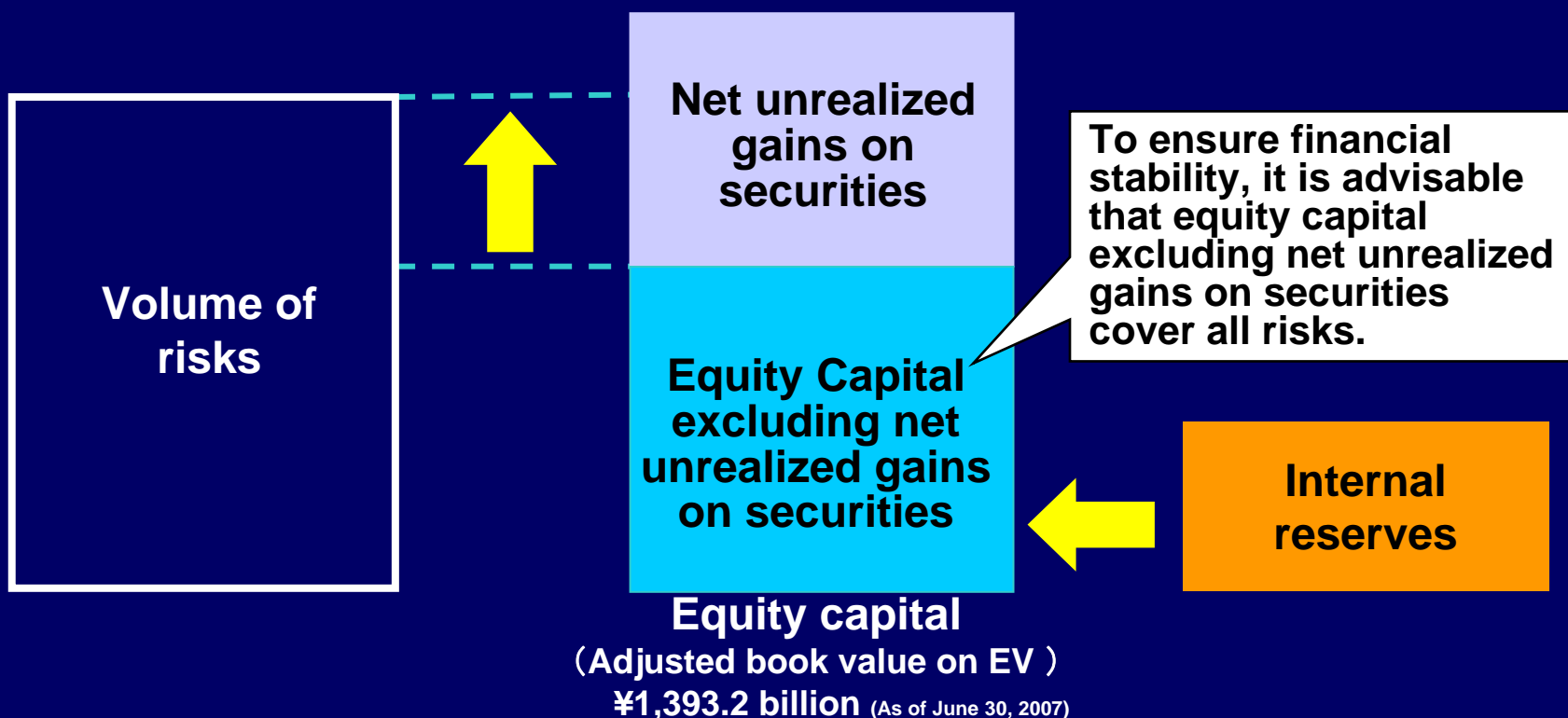
Alternative Investments 53.1 bn yen
 Private Equities 12.7 bn yen
 Hedge Funds 40.3 bn yen

Alternative Investments 7.5 bn yen
 Private Equities 0.3 bn yen
 Hedge Funds 6.1 bn yen

*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 *** Net foreign currency exposure adjusting for hedges ****Calculation of each net exposure is based on each company's method.

Capital Management Policy

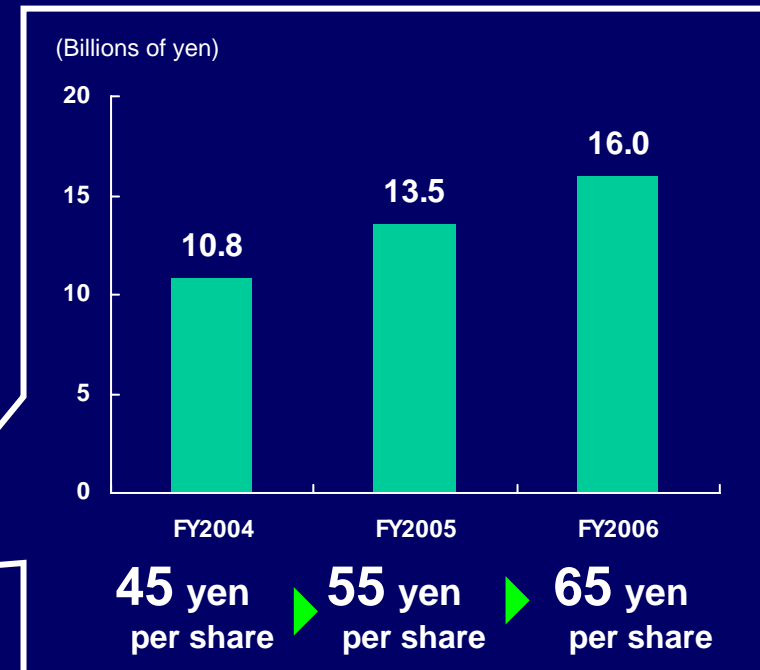
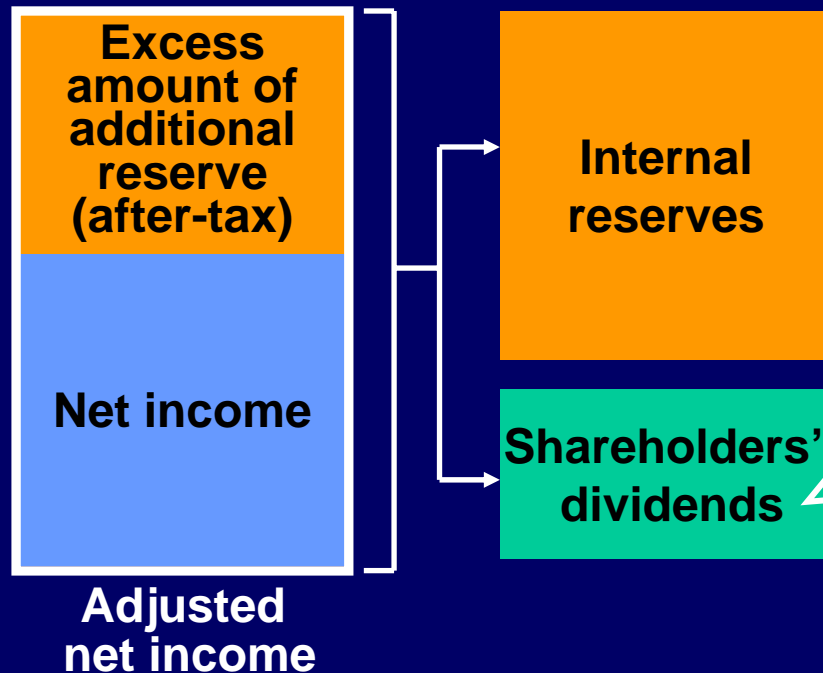
- Quantify management risks to comprehend the volume of risks
- Retain adjusted book value on EV by the entire group, which exceeds the volume of risks



Shareholders' Dividends

- 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

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



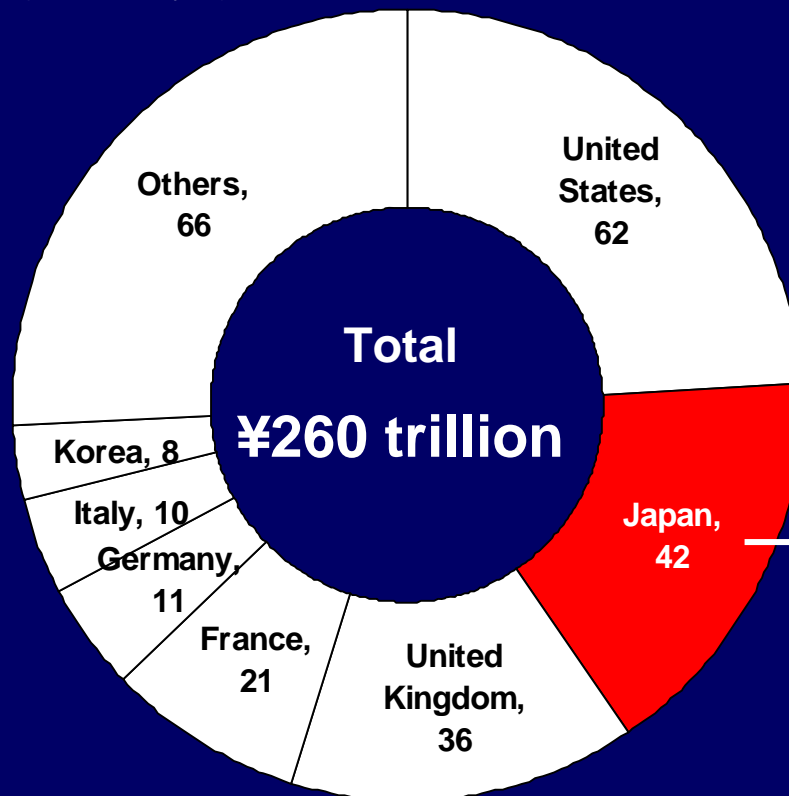
- Pursue unique business models with regard to markets, distribution channels, and products. Markets T&D focuses on have large potential for growth
- Define EV as the yardstick to measure corporate value, refining it through the response to EEV Principles, and strive to achieve sustainable growth in EV with organic and external growth
- Apply capital management policy to maintain both financial soundness and capital efficiency

Appendix

2nd Largest Life Insurance Market in the World

Premium Income by Country

(Trillions of yen)



Private-sector life insurers: ¥28 trillion
Including;
Individual insurance & annuities
: ¥22.3 trillion
Group insurance & annuities
: ¥ 5.1 trillion

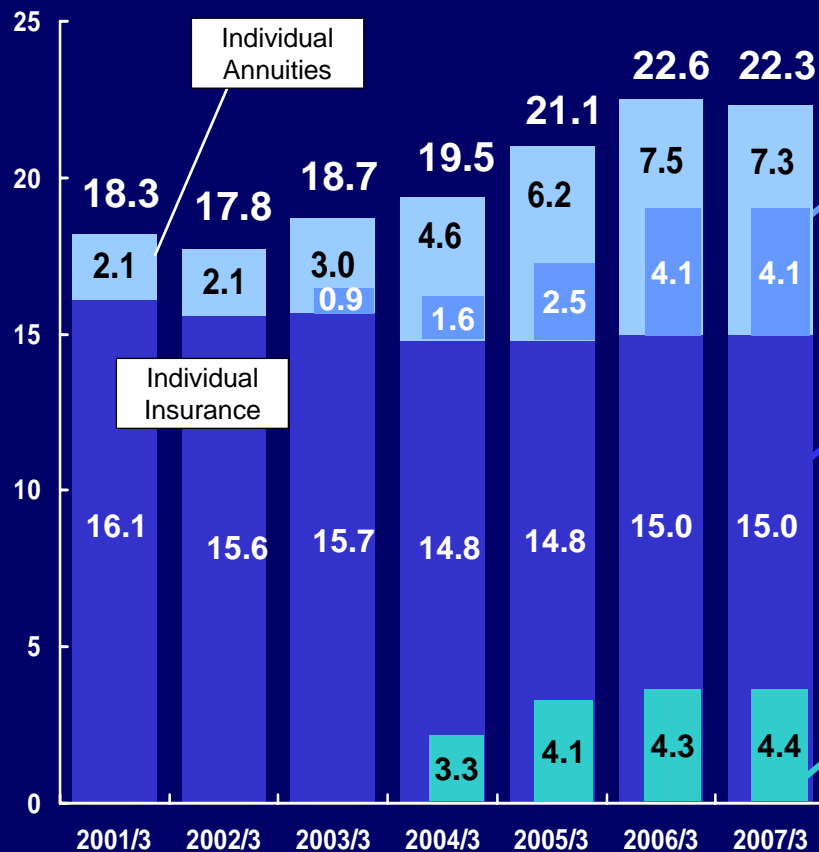
Postal Life: ¥9 trillion, etc.

Source: Swiss Re Sigma No.4/2007 "World Insurance in 2006"
All figures converted at 118.05 yen to the U.S. dollar

Trends in Insurance Premiums

Trends in Insurance Premiums for Individual Insurance and Annuities for Private-Sector Life Insurer

(Trillions of yen)



Variable Annuities* : Increase

- ✓ After lifting on the ban on OTC sales at banks on October 2002

Death Protection : Decrease

- ✓ Aging population with lower birthrate
- ✓ Shifting household composition

3rd Sector** : Increase

- ✓ Increasing medical care expenditure
- ✓ Growing concern about public medical insurance system

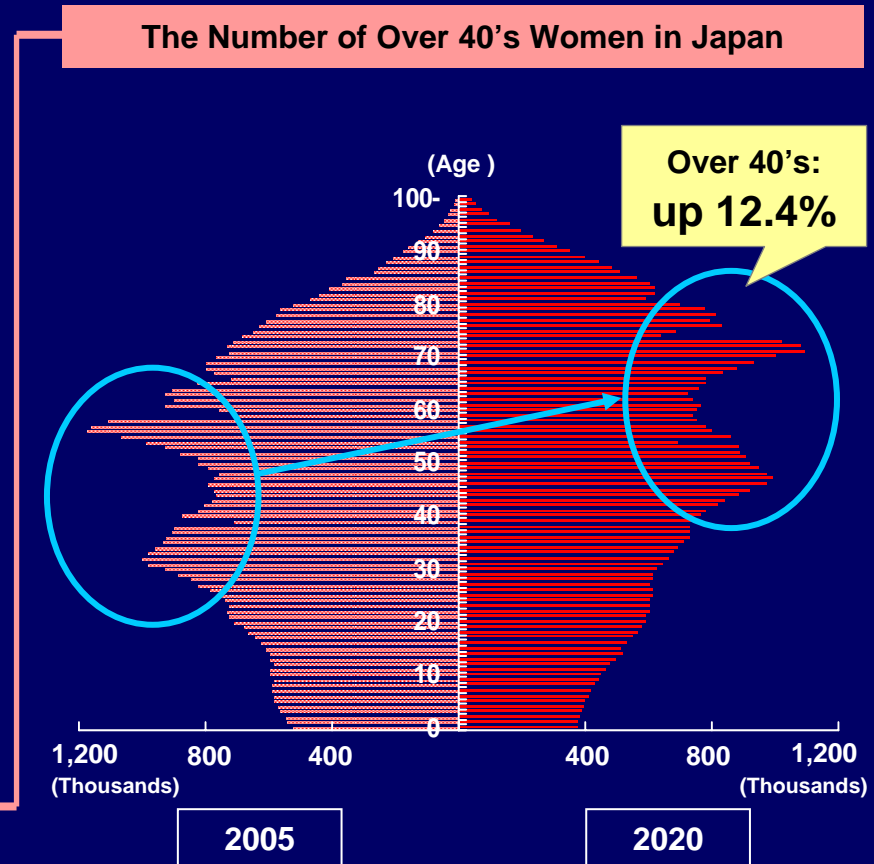
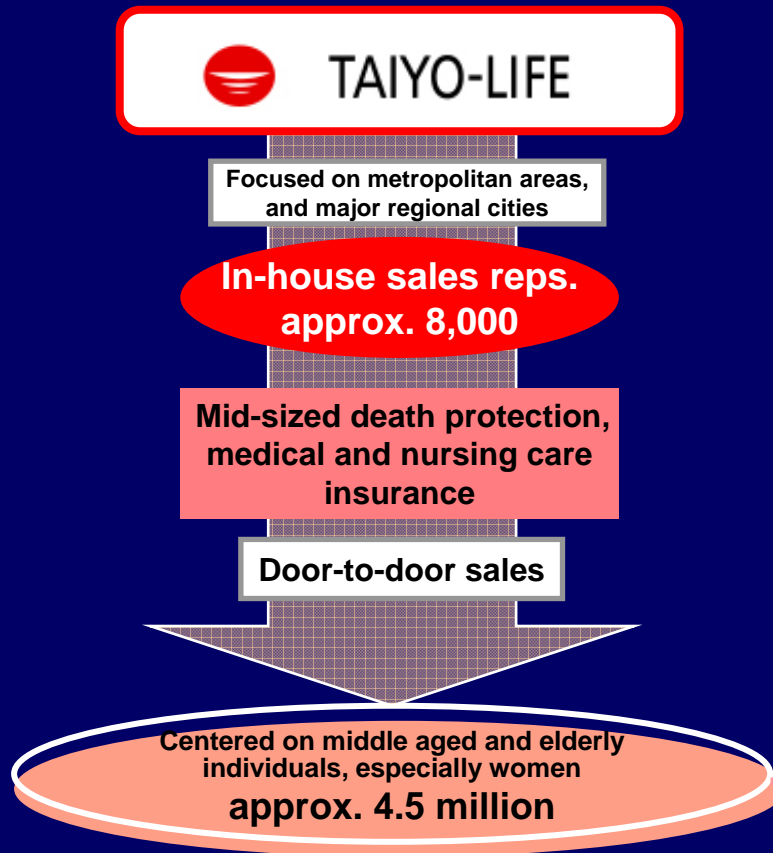
Source: Compiled by T&D Holdings based on 'Summary of Life Insurance Business in Japan'

* The figures show the new policy amount for individual variable annuities

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

Taiyo's Marketing Strategies

- Taiyo has a solid customer base to which the company sold saving-oriented products



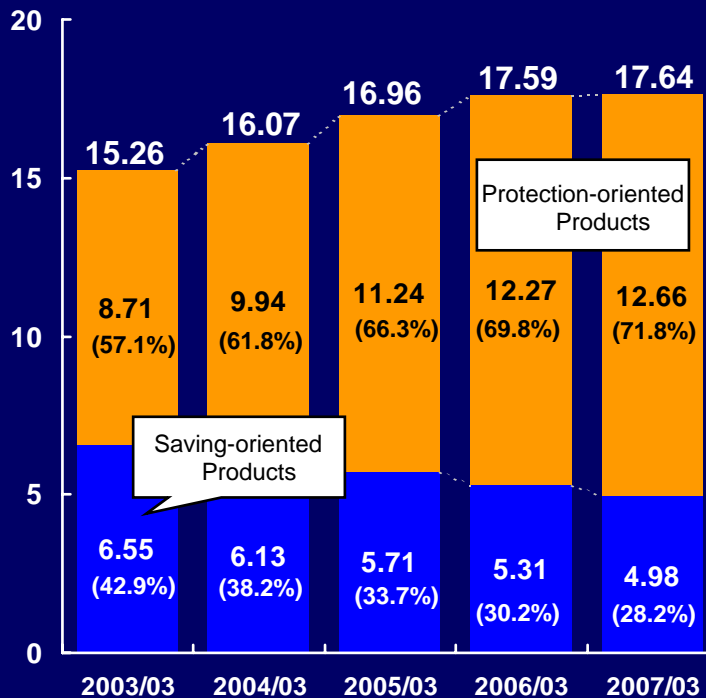
Source: Prepared by T&D Holdings based on Population Predictions by the National Institute of Population and Social Security Research

Taiyo's growth in Death Protection and 3rd Sector Products

- Taiyo has been shifting its emphasis from saving products to protection products
- In T&D Group, Taiyo seeks to increase 3rd sector products

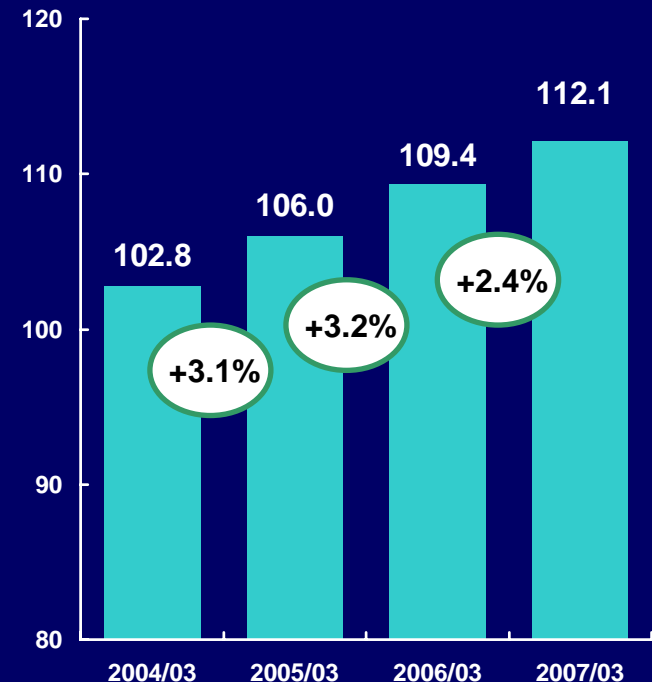
Composition of Policy Amount in Force

(Trillions of yen)



Annualized Premiums of Total Policies in 3rd Sector Products

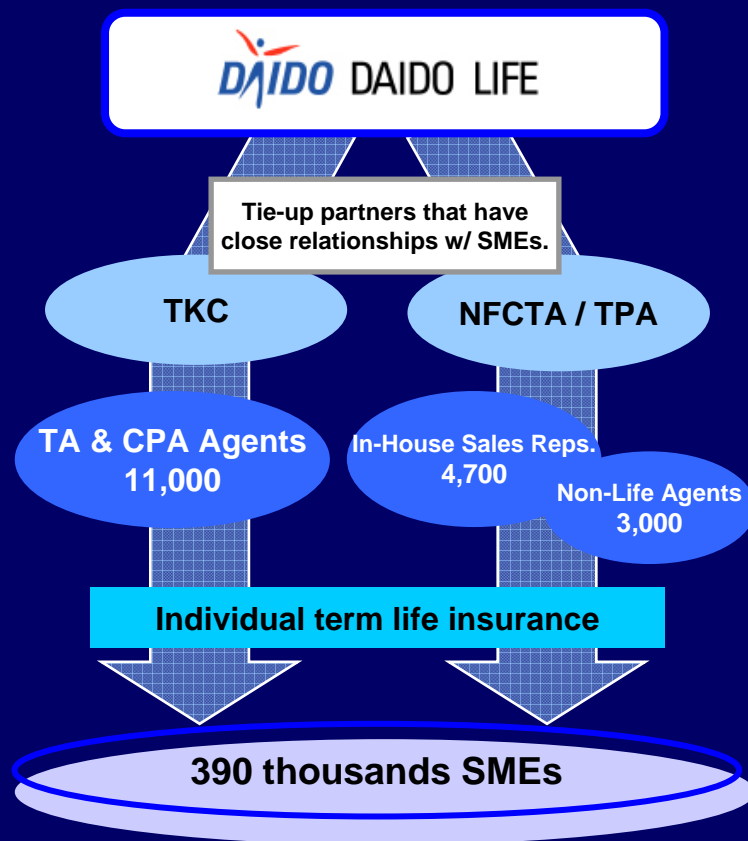
(Billions of yen)



* New policy amount includes individual insurance and individual annuities, including net increase from conversion.

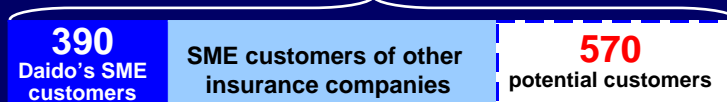
Daido's Marketing Strategies

- Daido is focusing on SME market that has stability and great potential for growth



Numbers of SME and Daido's SME Customers

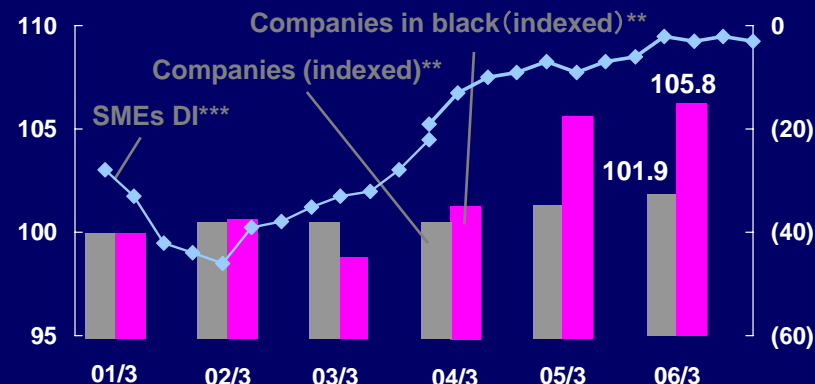
1,730* SMEs (Thousands)



Potential customers

1,730 thousand SMEs x percentage of companies not covering owners insurance 32.7%*

Number of Companies and SMEs Diffusion Index



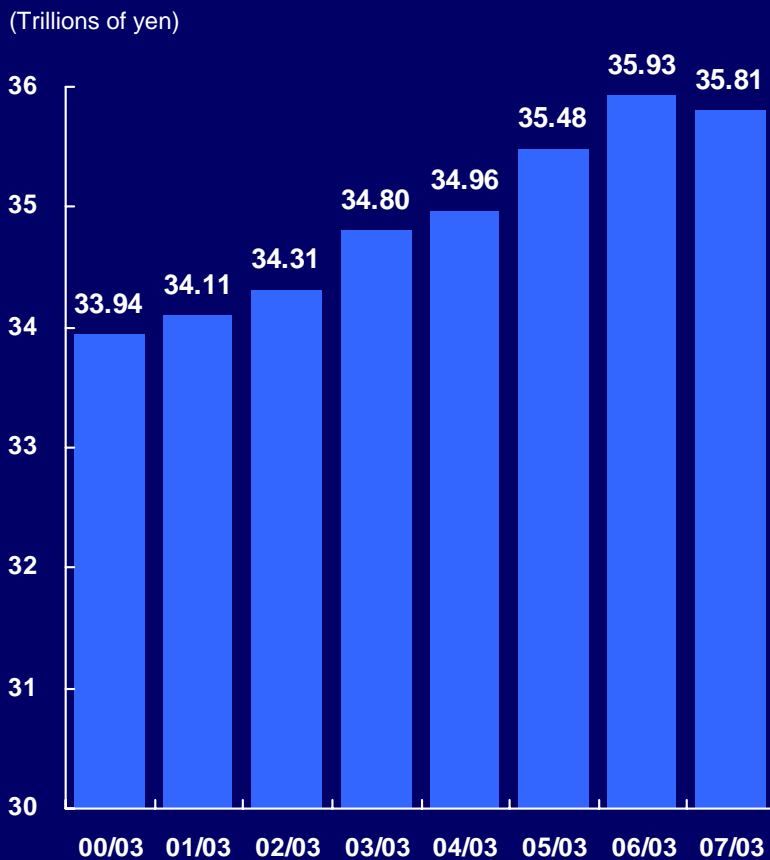
* Number of SMEs is from Establishment and Enterprise Census of Japan (2004) by the Ministry of Internal Affairs and Communications; the percentage of companies not insure against company owners is from the Survey on Companies' Welfare Systems(2002) by JIL.

** Source: Results of the Corporation Sample Survey (FY2004) by the National Tax Agency. Indexing the number of companies and companies in the black in March 2001 as 100.

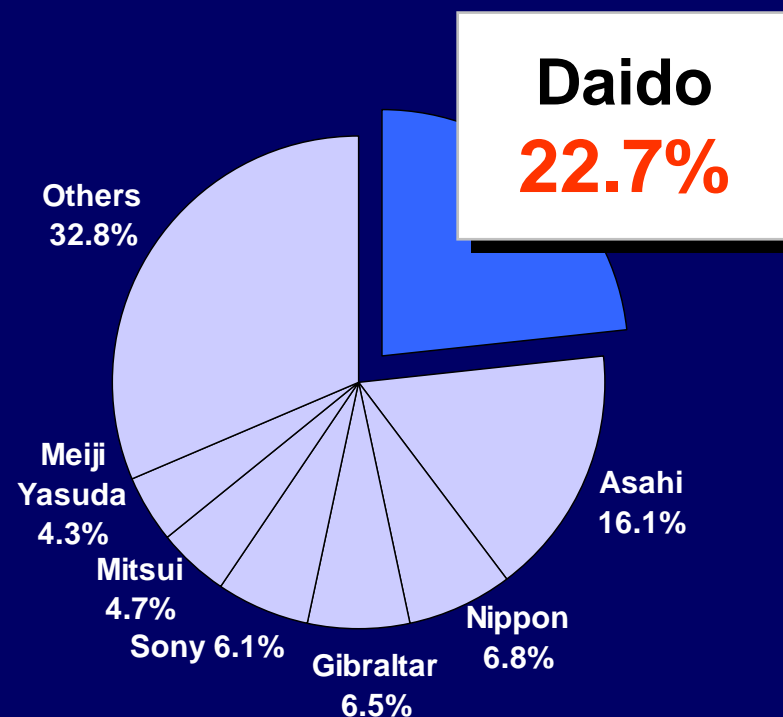
***Source: Short-Term Economic Survey of Enterprises (Bank of Japan)

Daido is #1 Term Life Provider

Trends in Policy Amount in Force of Term Life Insurance



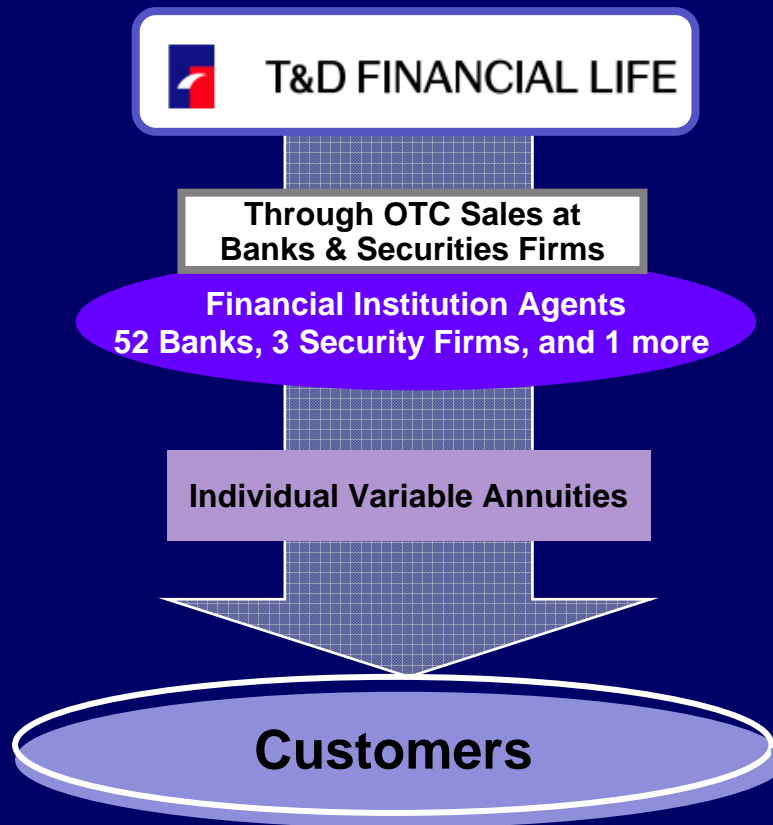
Top Market Share in Term Life Insurance



Sources: Company financial reports

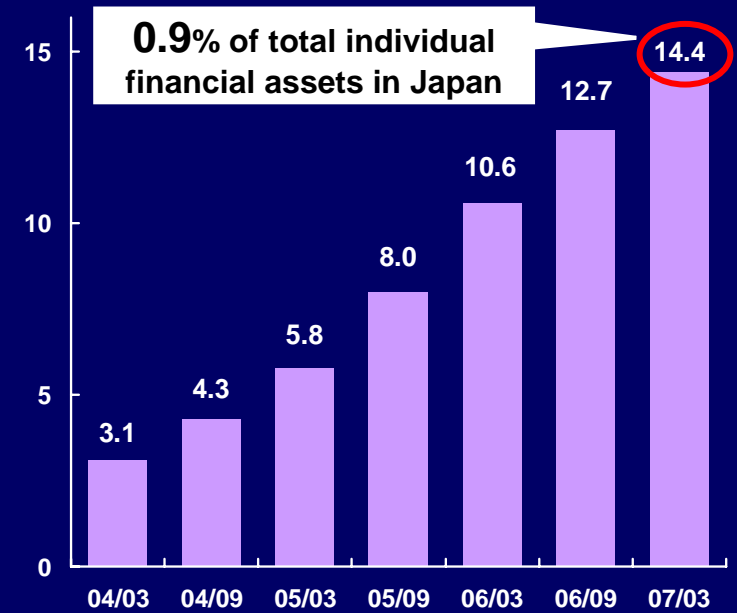
T&D Financial's Marketing Strategies

- T&D Financial was reorganized as a company specializing on OTC sales at banks, and now selling VA which market is fastest-growing in Japan



Total policies for variable annuities in Japan

(Trillions of yen)

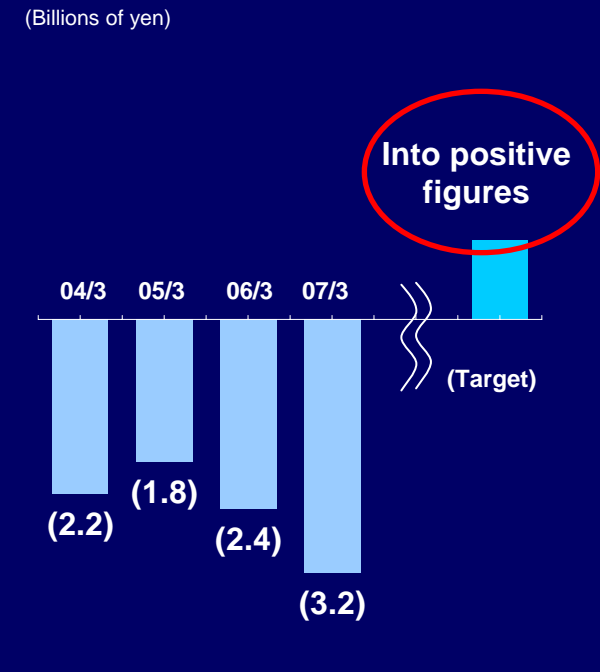
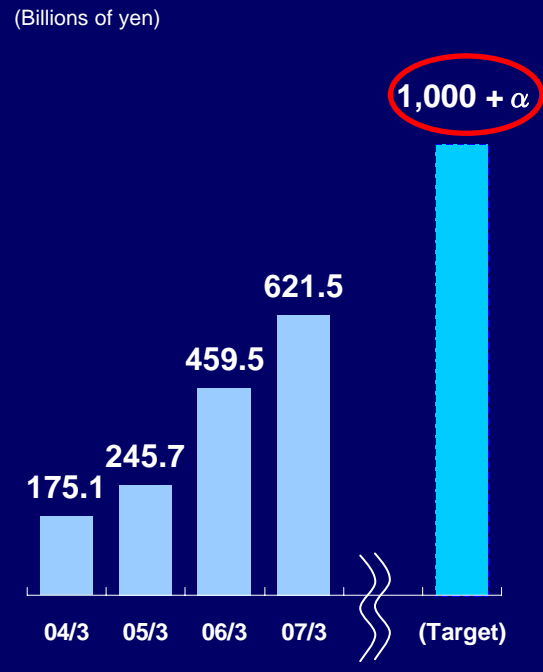
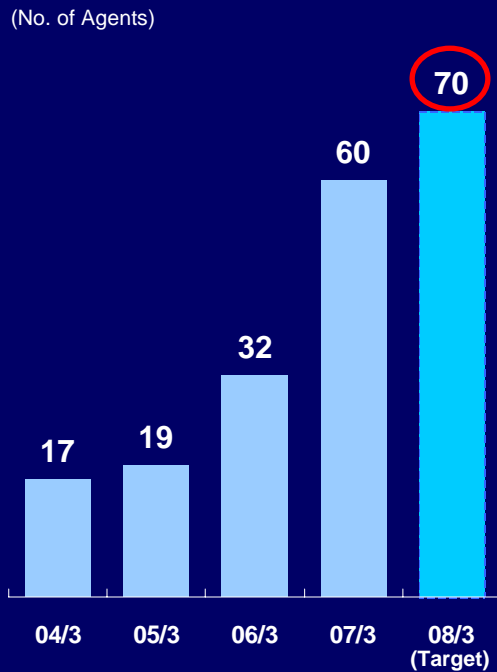


If the share of variable annuities in Japan was the same level as that in the U.S., its market would be;
Approx. 50 trillion yen

Source: Hoken Mainichi Shimbun, Flow of Funds (2nd Quarter of 2006) -Japan and US Overview by BOJ and NAVA Press Release

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

- Attainment of the favorable cycle of these three steps will enhance profitability and contribute to the growth of EV



Product Marketing Strategies

- Seek to increase EV by strengthening our business models and increasing profitability
 - ✓ Daido Life: Increase total policies for term life insurance for stable profitability
 - ✓ Taiyo Life: Well-balanced sales of death protection and 3rd sector products, considering future risk of medical benefits
 - ✓ T&D Financial Life: Expand policies for saving products such as variable annuities

Profitability and Growth Potential by Product Market

| | | Growth Potential | | |
|-----------------|---------|--|--|--------------------|
| | | Small | Average | Large |
| Profitability * | High | | | 3rd sector |
| | Average | Death protection (Work-site market) | Death protection (SME and house-holds market) | |
| | Low | Traditional saving products (Endowment, etc.) | | Variable annuities |

* Current classification without considering future risks

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

Direct Subsidiaries of T&D Holdings

 T&D Holdings

Life Insurance business



TAIYO-LIFE



DAIDO LIFE



T&D FINANCIAL LIFE

&

Asset management business

T&D Asset Management

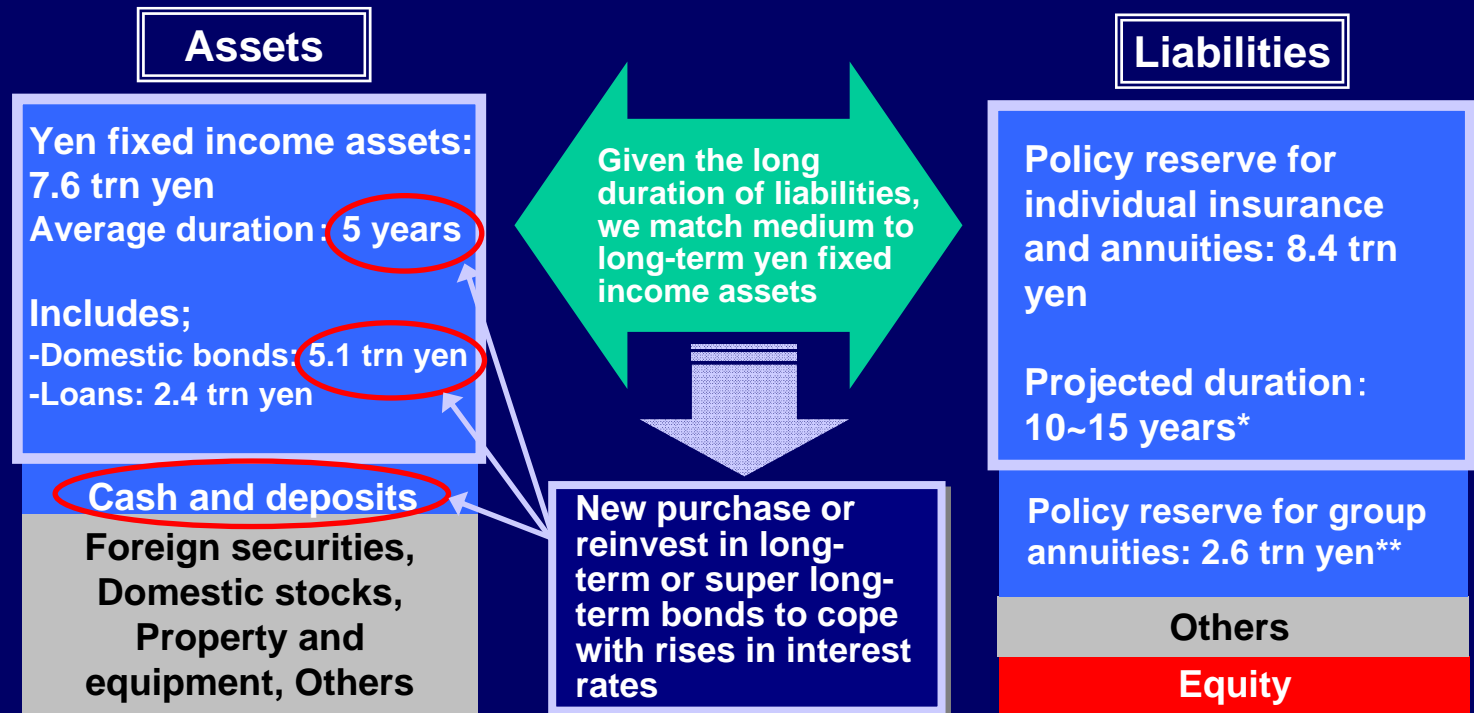
Small-amount Short-term Insurance Provider business



ペット&ファミリー
少額短期保険株式会社

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, 2007

* 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.

For inquires, please contact;

**T&D Holdings, Inc.
Investor Relations
Phone: +81-3-3434-9142
E-mail: ir.request@td-holdings.co.jp**

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.