



May 17, 2007

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Disclosure of Embedded Value as of March 31, 2007

T&D Holdings, Inc., Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company hereby announce the Embedded Value (hereinafter, EV) calculations of the T&D Life Group (Total and by each company) as of March 31, 2007, as described below.

1. The T&D Life Group's EV Results

The followings are the EV of the T&D Life Group (sum of the three life insurance companies' EV) and its breakdown as of March 31, 2007. T&D Life Group has standardized the methodology and the approach to set major assumptions for the calculation of EV.

	(Billions of yen)		
	As of March 31, 2007	As of March 31, 2006	Amount of increase (decrease)
EV	2,133.3	1,992.8	140.5
Adjusted book value (Note 1)	1,298.8	1,232.5	66.3
Existing business value (Note 2)	834.4	760.2	74.2
EV of new business (Note 3)	70.5	65.1	5.4

Note 1: Adjusted book value = Total net assets (excluding total valuation and translation adjustments)
 + quasi-equity liabilities (reserve for price fluctuations, contingency reserve, and unallotted portion of reserve for policyholder dividends)
 + general reserve for possible loan losses (after-tax)
 + net unrealized gains (losses) on securities (after-tax, excluding yen denominated bonds, including derivative transactions)
 + net unrealized gains (losses) on real estate (after-tax)
 - deferred tax assets for quasi-equity liabilities.

Note 2: Existing business value = Present value of future after-tax profit on existing business in force
 - present value of cost of capital.

Cost of capital is the spread between the investment yield and the discount rate applied to the amounts of capital and surplus that will be required to maintain the assumed solvency margin ratio.

Note 3: The EV of new business included in the total EV represents the value of new business (including new business from conversion) for the year ended March 31, 2007.

What is “Embedded Value (EV)”?

EV is the sum of adjusted book value, calculated from the balance sheet, and existing business value, calculated from existing policies in force. In Europe and Canada, along with other information, EV is used to evaluate the corporate value of a stock life insurance company. Under current statutory accounting practices applicable to life insurance companies in Japan, there is a time lag between the sale of policies and recognition of profits. The use of EV allows the contribution of future profit from new business to be recognized at the time of sale. It therefore serves as a valuable supplement to statutory financial information.

2. The EV Results of the Three Companies

The followings are the EV of Taiyo Life, Daido Life, and T&D Financial Life.

(1) Taiyo Life

(Billions of yen)

	As of March 31, 2007	As of March 31, 2006	Amount of increase (decrease)
EV	785.5	717.8	67.6
Adjusted book value	554.8	514.8	39.9
Existing business value	230.7	202.9	27.7
EV of new business	28.3	31.5	(3.1)

(2) Daido Life

(Billions of yen)

	As of March 31, 2007	As of March 31, 2006	Amount of increase (decrease)
EV	1,287.5	1,205.6	81.9
Adjusted book value	701.9	667.1	34.8
Existing business value	585.6	538.4	47.1
EV of new business	45.4	36.0	9.3

(3) T&D Financial Life

(Billions of yen)

	As of March 31, 2007	As of March 31, 2006	Amount of increase (decrease)
EV	60.2	69.3	(9.0)
Adjusted book value	42.0	50.5	(8.4)
Existing business value	18.1	18.8	(0.6)
EV of new business	(3.2)	(2.4)	(0.7)

3. Major Assumptions

The followings are the major assumptions employed in the calculation of EV.

Item	Setting of assumptions
Discount rate	6.0% Set by adding the company's assumed risk premium (4.5%) to the year-end risk free rate (the yield on 10-year Japanese government bonds: 1.66 %).
Investment yield on new investments	Set each company's planned asset allocation and assumed investment yield by assets categories on new investments (see details in table (1)-(3) below). Taiyo Life: 2.72 % Daido Life: 3.02% T&D Financial Life: 1.21%
Required solvency margin ratio	600% For the purpose of calculating the cost of capital, the solvency margin ratio required to be maintained was assumed.
Mortality and morbidity	Set based on each company's experience over the three most recent fiscal years (fiscal 2004 – fiscal 2006). (Note)
Surrender and lapse	Set based on each company's experience over the three most recent fiscal years (fiscal 2004 – fiscal 2006).
Operating expenses	Set based on each company's experience of the most recent fiscal year (fiscal 2006).
Effective tax rate	Set based on the most recent effective tax rate (based on the rate for fiscal 2006).

Note : “fiscal 2006” as used above means the period April 1, 2006 – March 31, 2007.

(1) Taiyo Life's Assumed Investment Yield and Planned Asset Allocation on New Investments

Asset categories	As of March 31, 2007		As of March 31, 2006	
	Assumed investment yield	Asset allocation on new investment	Assumed investment yield	Asset allocation on new investment
Cash and deposits, call loans	0.67%	2.3%	0.08%	2.6%
Domestic bonds, commercial loans	1.70%	65.9%	1.77%	66.2%
Domestic stocks	6.66%	14.3%	6.77%	14.5%
Foreign bonds	1.68%	9.7%	2.00%	9.7%
Other assets	5.94%	7.8%	5.64%	6.9%
Total	2.72%	100.0%	2.74%	100.0%

(2) Daido Life's Assumed Investment Yield and Planned Asset Allocation on New Investments

Asset categories	As of March 31, 2007		As of March 31, 2006	
	Assumed investment yield	Asset allocation on new investment	Assumed investment yield	Asset allocation on new investment
Cash and deposits, call loans	0.67%	14.0%	0.08%	11.5%
Domestic bonds, commercial loans	1.75%	50.9%	1.56%	54.9%
Domestic stocks	6.66%	18.4%	6.77%	16.3%
Foreign bonds	2.10%	4.9%	3.68%	5.4%
Other assets	5.97%	11.8%	5.41%	11.9%
Total	3.02%	100.0%	2.81%	100.0%

(3) T&D Financial Life's Assumed Investment Yield and Planned Asset Allocation on New Investments

Asset categories	As of March 31, 2007		As of March 31, 2006	
	Assumed investment yield	Asset allocation on new investment	Assumed investment yield	Asset allocation on new investment
Cash and deposits, call loans	0.67%	5.0%	0.08%	3.1%
Domestic bonds	1.19%	93.0%	1.66%	94.9%
Domestic stocks	-	-	-	-
Foreign bonds	-	-	-	-
Other assets	3.60%	2.0%	3.60%	2.0%
Total	1.21%	100.0%	1.65%	100.0%

Note 1: For the assumed investment yield used in each asset category, domestic bonds, commercial loans, and foreign bonds are calculated based on each company's investment plan (composition of maturity date, ratings, etc., are considered in domestic bonds and commercial loans, and currency position and hedge ratio are considered in foreign bonds). Other categories are calculated based on the figures standardized by the T&D Life Group.

Note 2: Other assets include real estate, foreign stocks, policy loans, private equities and hedge funds, etc.

4. Effects of Changes in Assumptions (Sensitivities)

The followings are the effects on the EV of changes in assumptions.

(1) Taiyo Life

(Billions of yen)

		Amount of increase (decrease)	EV amount
Discount rate	Up from 6.0% to 7.0%	(25.5)	760.0
	Down from 6.0% to 5.0%	29.8	815.4
Solvency margin ratio	Up from 600% to 700%	(27.4)	758.0
	Down from 600% to 500%	27.0	812.5
Investment yield: +0.25%	Total Assets	60.0	845.6
	New Assets	19.4	804.9
Investment yield: -0.25%	Total Assets	(60.0)	725.4
	New Assets	(19.4)	766.1
Surrender and lapse rate (in individual insurance and individual annuities)	Assumption x 110%	(6.8)	778.6
	Assumption x 90%	7.2	792.8
Operating expense rate (related to maintaining existing policies in-force)	Assumption x 110%	(15.1)	770.4
	Assumption x 90%	15.1	800.6

(2) Daido Life

(Billions of yen)

		Amount of increase (decrease)	EV amount
Discount rate	Up from 6.0% to 7.0%	(57.9)	1,229.6
	Down from 6.0% to 5.0%	67.8	1,355.4
Solvency margin ratio	Up from 600% to 700%	(20.0)	1,267.4
	Down from 600% to 500%	19.5	1,307.0
Investment yield: +0.25%	Total Assets	69.3	1,356.9
	New Assets	57.6	1,345.2
Investment yield: -0.25%	Total Assets	(69.1)	1,218.4
	New Assets	(57.5)	1,230.0
Surrender and lapse rate (in individual insurance and individual annuities)	Assumption x 110%	(28.7)	1,258.7
	Assumption x 90%	32.2	1,319.8
Operating expense rate (related to maintaining existing policies in-force)	Assumption x 110%	(15.7)	1,271.8
	Assumption x 90%	15.7	1,303.3

(3) T&D Financial Life

(Billions of yen)

		Amount of increase (decrease)	EV amount
Discount rate	Up from 6.0% to 7.0%	(0.5)	59.7
	Down from 6.0% to 5.0%	0.4	60.6
Solvency margin ratio	Up from 600% to 700%	(1.6)	58.6
	Down from 600% to 500%	1.6	61.8
Investment yield: +0.25%	Total Assets	4.4	64.6
	New Assets	2.9	63.2
Investment yield: -0.25%	Total Assets	(4.6)	55.5
	New Assets	(2.9)	57.2
Surrender and lapse rate (in individual insurance and individual annuities)	Assumption x 110%	0.0	60.2
	Assumption x 90%	0.1	60.3
Operating expense rate (related to maintaining existing policies in-force)	Assumption x 110%	(1.6)	58.5
	Assumption x 90%	1.6	61.9

5. Analysis of Change in EV from March 31, 2006 to March 31, 2007

The followings are the analysis of change in EV of Taiyo Life, Daido Life, and T&D Financial Life from March 31, 2006 to March 31, 2007.

(Billions of yen)

Item	Amount			
	Taiyo Life	Daido Life	T&D Financial Life	Total
(1) EV as of March 31, 2006	717.8	1,205.6	69.3	1,992.8
(2) Shareholder dividends and other	(4.6)	(9.0)	-	(13.6)
(3) Expected interest on EV as of March 31, 2006 (Note 1)	46.3	77.7	4.4	128.6
(4) Differences between assumed and actual experiences for fiscal 2006 (Note 2)	(9.0)	(65.1)	(5.9)	(80.0)
(5) Differences from changes in the assumptions	9.7	33.4	(4.3)	38.8
(6) EV of decrease from conversion for fiscal 2006	(3.1)	(0.5)	-	(3.7)
(7) EV of new business for fiscal 2006	28.3	45.4	(3.2)	70.5
(8) EV as of March 31, 2007 (total of (1) ~ (7))	785.5	1,287.5	60.2	2,133.3

Note 1: The amount of expected interest is calculated as follows: The EV at the beginning of the fiscal year ((1) + (2) in the above table) x the discount rate applied to the EV calculation at the end of the previous fiscal year (6.5%).

Note 2: "fiscal 2006" as used above means the period April 1, 2006 – March 31, 2007.

6. Note in Using EV

The calculation of EV involves certain assumptions regarding future projections that are subject to risks and uncertainties. It should be noted that actual future results might materially differ from the assumptions used in the EV calculations. Moreover, although EV is one indicator of the corporate value of a stock life insurance company, the actual market value may significantly diverge from the EV, and investors are advised to be cautious.

7. Opinion of Actuarial Firm

T&D Holdings requested Milliman Inc., an outside third party professional (an independent actuarial firm) equipped with expert knowledge relating to actuarial calculations to review the calculation methodology, the assumptions, the consistency of methodology and the validity of results of EV calculations among the three companies of the T&D Life Group, and obtained Milliman's professional opinion.

(To see the Milliman opinion, please refer to our Web site: URL <http://www.td-holdings.co.jp/e/>)

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