

T&D Holdings, Inc.

**Senior Executive Officer
Kunio Ikeda**

June 2008

Latest Financial Highlights

FY2007 Financial Highlights

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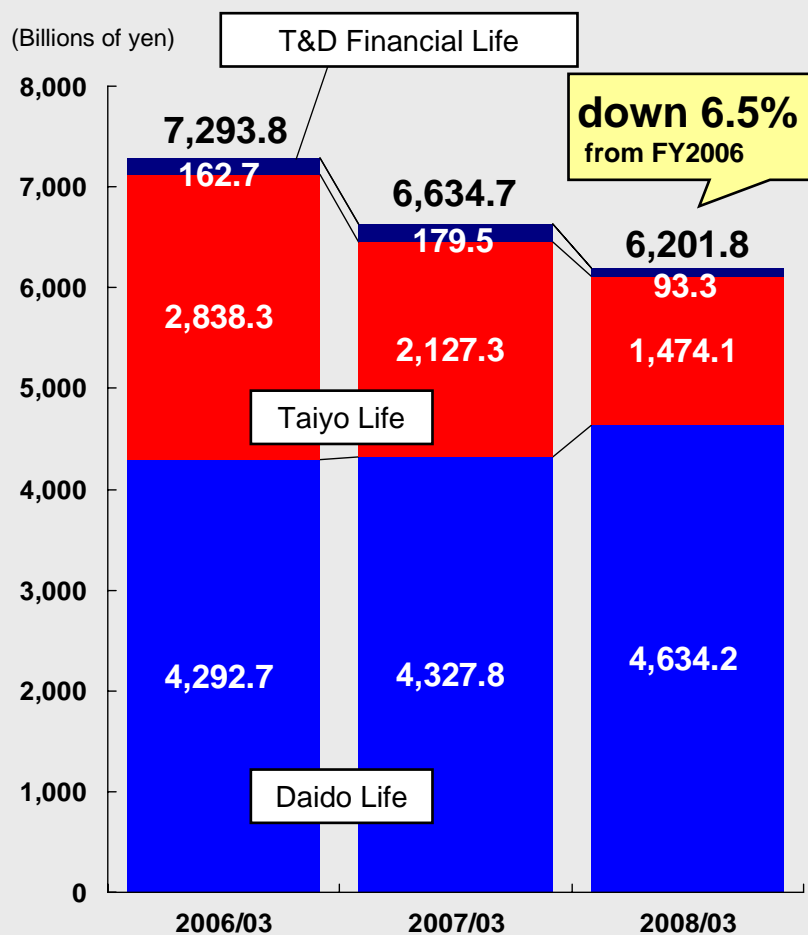
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FY2007 Financial Highlights

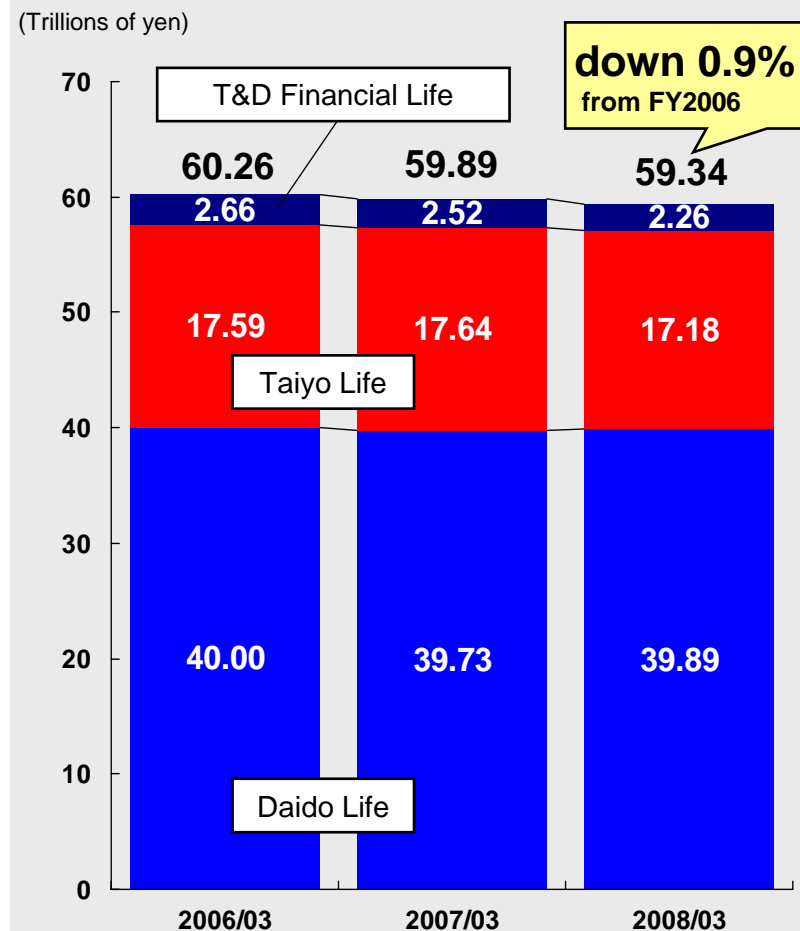
- **The new policy amount for the three life insurance companies decreased from the previous fiscal year while the surrender and lapse amount decreased. The total policy amount in force resulted in stay around the same level from the beginning of fiscal 2007**
- **Core profit decreased from the previous fiscal year mainly because interest and dividend income for Daido Life and Taiyo Life increased while the provision for policy reserve for minimum guarantee risks for T&D Financial Life increased**

Sales Results

New Policy Amount



Policy Amount in Force



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

Sales Results: Daido Life

(Billions of yen)

	FY2007	FY2006	Changes
New policy amount*			
Individual insurance and annuities total	4,634.2	4,327.8	7.1%
Individual term life insurance	4,489.8	4,141.9	8.4%
Decrease in policy amount**			
Individual insurance and annuities total	4,469.2	4,603.8	(2.9%)
Individual term life insurance	4,132.5	4,257.5	(2.9%)
Surrender and lapse amount	3,550.0	3,615.8	(1.8%)
Surrender and lapse rate***	8.93%	9.04%	(0.11P)
Individual term life insurance	3,366.1	3,425.3	(1.7%)
Policy amount in force			
Individual insurance and annuities total	39,897.1	39,732.0	0.4%
Individual term life insurance	36,175.3	35,818.1	1.0%
Annualized premiums of new policies*	71.9	83.4	(13.7%)
Annualized premiums of total policies	689.1	692.2	(0.4%)

Reflecting favorable sales of the long term life insurance

Mainly because more than a year have passed since we started customer services guiding future trends in surrender payments

Increased by ¥165.0 billion from the beginning of the fiscal year

Increased by ¥357.2 billion from the beginning of the fiscal year

- Mainly due to a reduction in premium rates in April 2007 and an expansion in sales of non-participating policies whose premium rates are relatively low
- Annualized premiums of term life insurance: ¥69.0 billion (down 13.4% y-o-y)

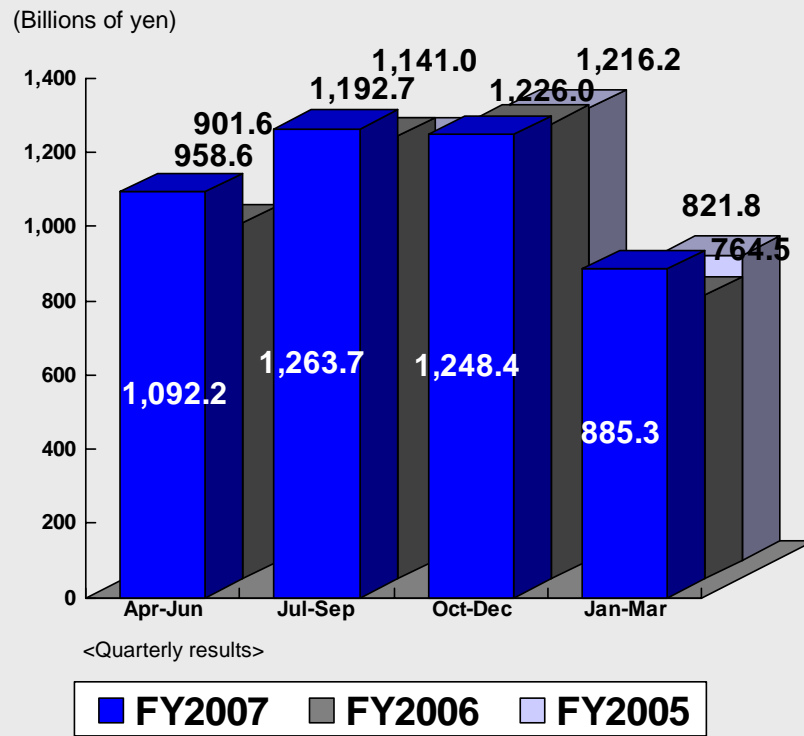
* Includes net increase from conversion

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

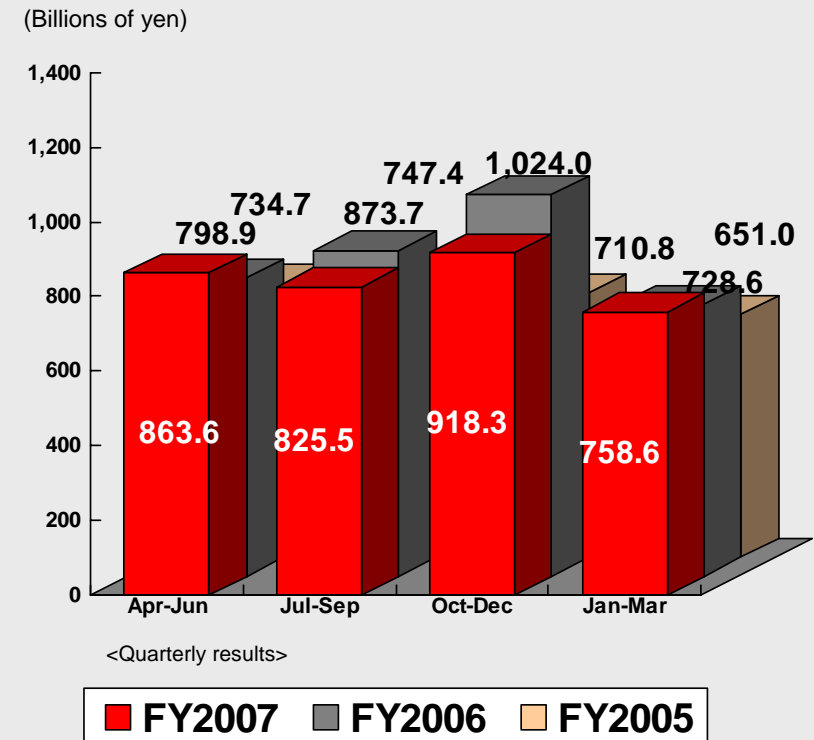
*** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year

Quarterly Trends: Daido Life Individual Term Life Insurance

Trends in New Policy Amount*



Trends in Surrender and Lapse Amount



* New policy amount includes net increase from conversion

Sales Results: Taiyo Life

(Billions of yen)

	FY2007	FY2006	Changes
New policy amount*			
Individual insurance and annuities total	1,474.1	2,127.3	(30.7%)
Protection-oriented products	1,310.4	2,057.1	(36.3%)
Net increase from conversion	260.9	546.0	(52.2%)
Decrease in policy amount**			
Individual insurance and annuities total	1,936.4	2,074.3	(6.6%)
Surrender and lapse amount	1,348.6	1,503.8	(10.3%)
Surrender and lapse rate***	7.64%	8.55%	(0.91P)
Policy amount in force			
Individual insurance and annuities total	17,182.2	17,644.5	(2.6%)
Protection-oriented products	12,387.6	12,663.5	(2.2%)
Annualized premiums of new policies*	32.7	36.6	(10.5%)
Annualized premiums of total policies	637.3	662.8	(3.8%)

-Mainly due to a decline in the sales of "Hoken Kumikyoku"
 -"Hoken Kumikyoku" including conversions amounted to ¥1,009.2 bn (down 41.6% y-o-y)

Mainly due to a continued focus on improving persistency rate

-Decreased by ¥462.2 billion from the beginning of the fiscal year
 -The share of the protection products to total policy amount rose to 72.1% (up 0.3 points from the beginning of the fiscal year)

Includes ¥9.5 billion of third sector products (down 27.3% y-o-y)

Includes ¥111.0 billion of 3rd sector products (down 0.9% y-o-y)

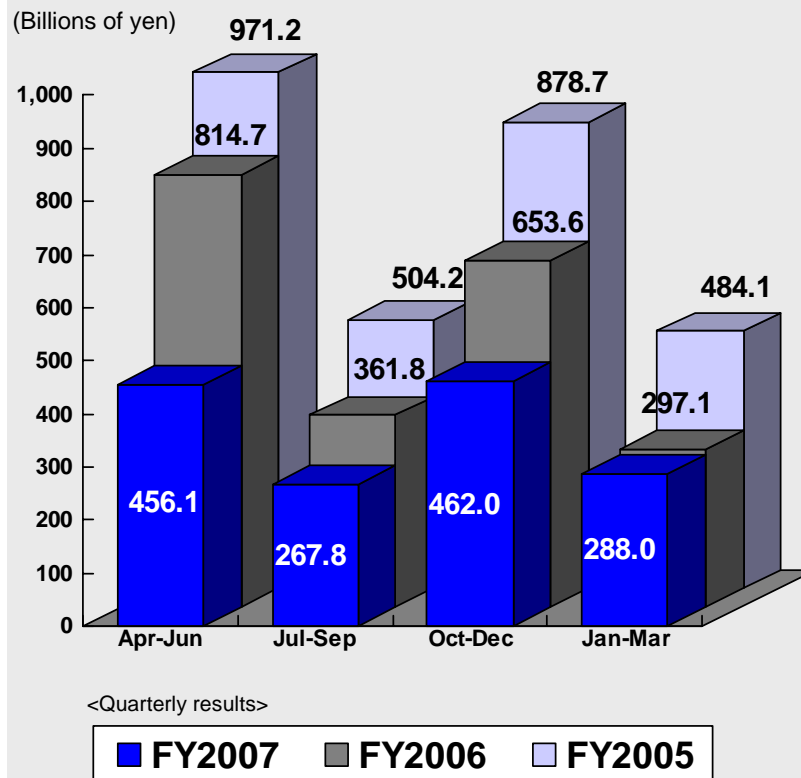
* Includes net increase from conversion

** Decrease in policy amount = New policy amount – Net increase of 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

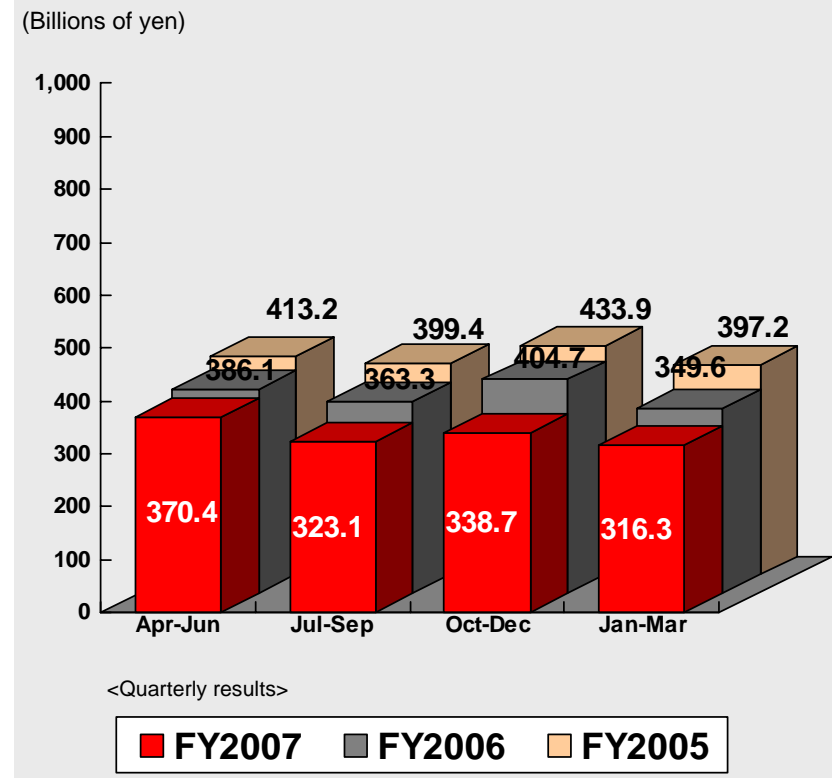
Quarterly Trends: Taiyo Life Individual Insurance and Annuities

Trends in New Policy Amount*



* New policy amount includes net increase from conversion

Trends in Surrender and Lapse Amount



Sales Results: T&D Financial Life

Individual Variable Annuities Sales Update

	FY2007		FY2006	
	Number of Policies	Insurance premiums	Number of Policies	Insurance premiums
Sales results	12,263	103.7 bn yen	23,319	202.4 bn yen
Over-the-counter sales at banks*	10,840	88.4 bn yen	19,010	163.4 bn yen
Number of financial Institution agents*	54 banks, 3 securities Firms, 2 other agents		43 Banks, 4 Securities Firms, 1 other agent	

Includes an additional ¥10.3 billion insurance premiums paid by existing policyholders on exercise of additional coverage options

* Banks include Shinkin (Credit Association) banks

(Billions of yen)

	FY2007	FY2006	Changes
New Policy Amount*			
Individual variable annuities	93.3	179.5	(48.0%)
Decrease in policy amount**			
Individual insurance and annuities total	355.7	321.6	10.6%
Surrender and lapse amount	165.5	242.7	(31.8%)
Individual variable annuities	27.5	32.7	(15.7%)
Surrender and lapse rate***	4.44%	7.12%	(2.68P)
Policy amount in force			
Individual insurance and annuities total	2,261.0	2,523.3	(10.4%)
Individual variable annuities	596.8	621.5	(4.0%)
Annualized premiums of new policies*	12.7	22.9	(44.6%)
Annualized premiums of total policies	99.3	92.0	7.9%

Decreased by ¥86.1 billion y-o-y

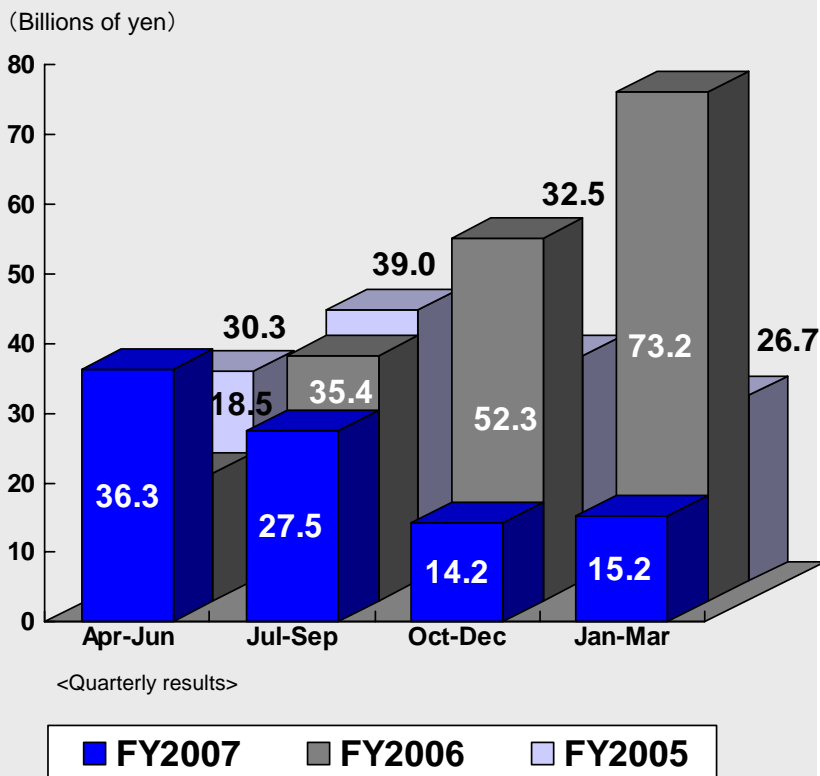
The number of policies increased by 9,359 policies, while policy amount in force decreased by ¥24.7 billion y-o-y mainly due to stock prices drop

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

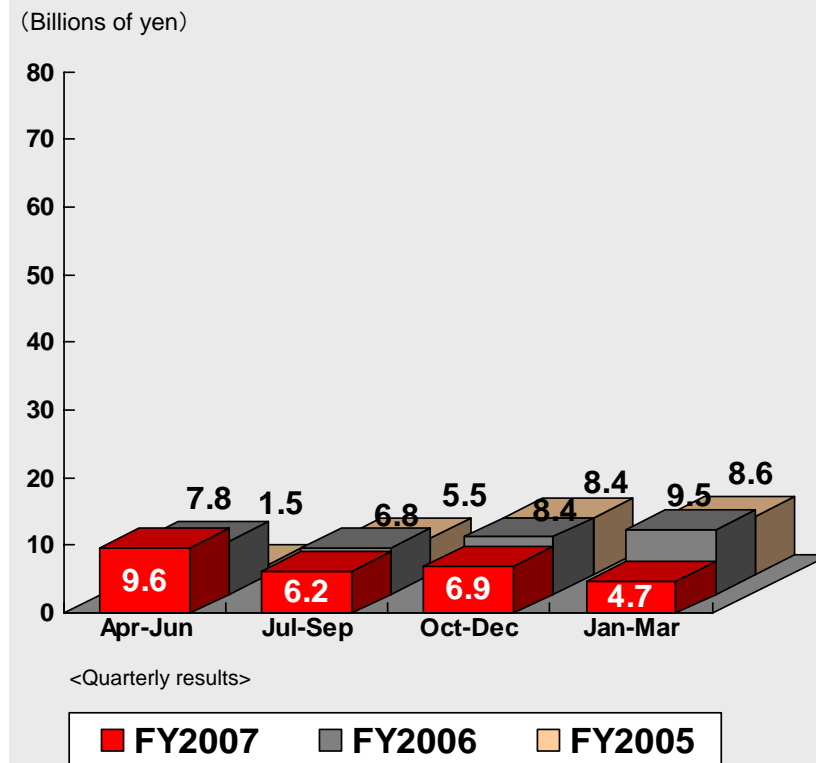
*** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year

Quarterly trends: T&D Financial Life Individual Variable Annuities

Trends in New Policy Amount*



Trends in surrender and Lapse Amount

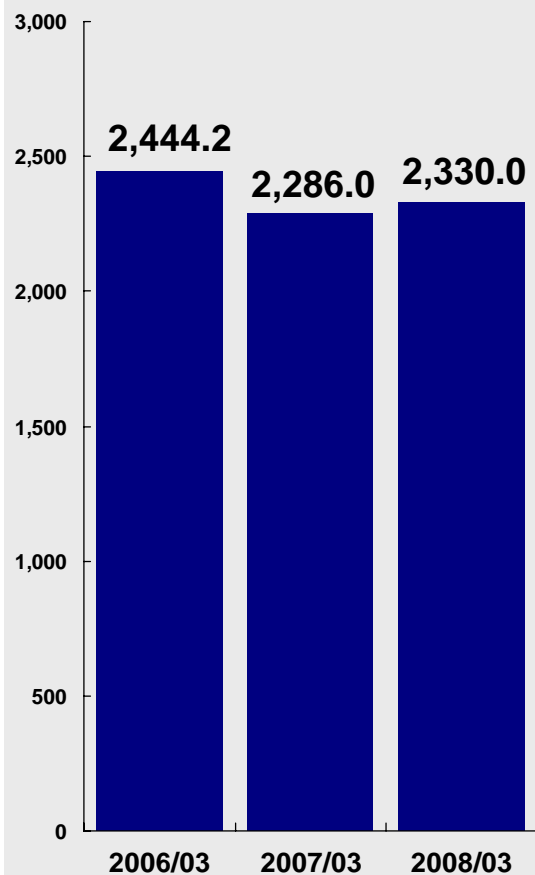


* New policy amount includes net increase from conversion

Consolidated Operation Results

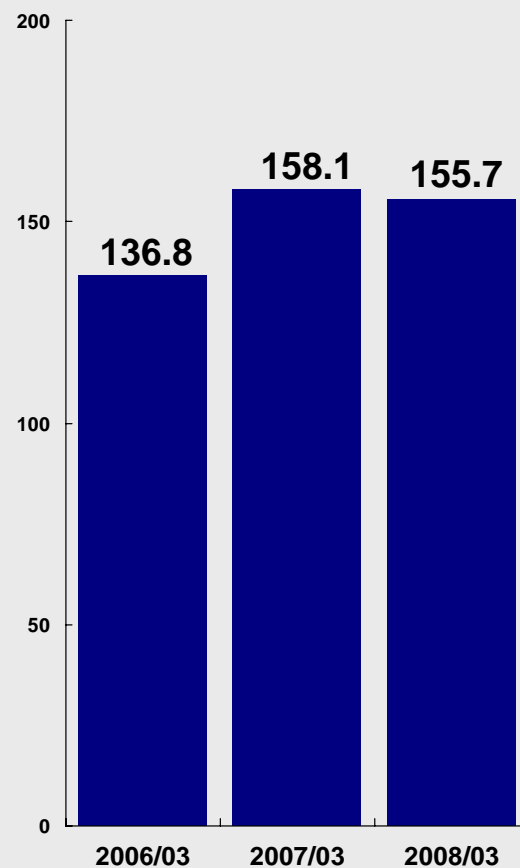
Ordinary Revenues

(Billions of yen)



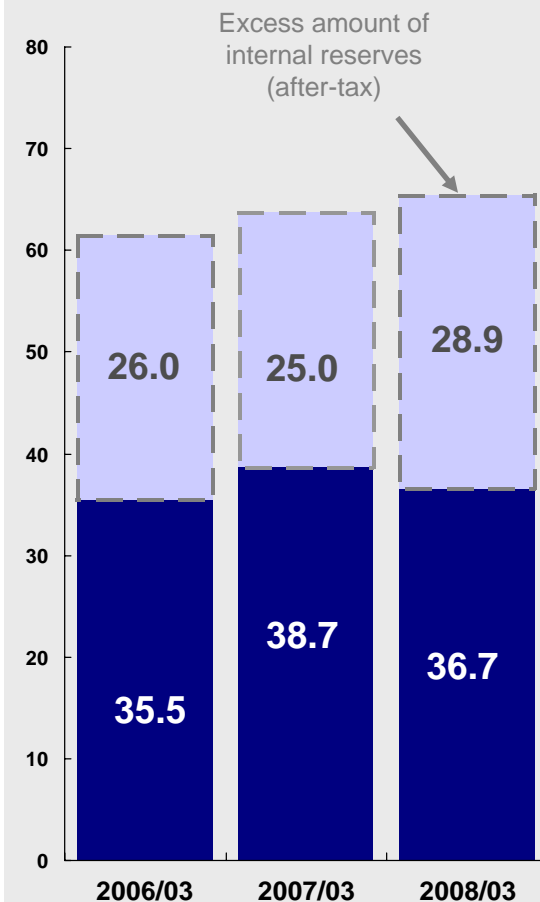
Ordinary Profit

(Billions of yen)



Net Income

(Billions of yen)



Consolidated Statements of Operations



T&D Life Group

(Billions of yen)

	FY2007	FY2006	Change
Ordinary revenues	2,330.0	2,286.0	44.0
Income from insurance premiums	1,613.1	1,811.5	(198.4)
Investment income	445.4	407.4	37.9
Interest, dividends and income from real estate for rent	288.3	269.6	18.6
Gains from monetary trust, net	29.3	4.7	24.5
Gains on investment in trading securities, net	-	17.8	(17.8)
Gains on sale of securities	102.4	94.2	8.2
Gains from derivatives, net	22.3	-	22.3
Gains on separate accounts, net	-	18.1	(18.1)
Other ordinary income	271.4	66.9	204.4
Reversal of policy reserve	198.1	-	198.1
Ordinary expenses	2,174.3	2,127.8	46.4
Insurance claims and other payments	1,647.0	1,630.6	16.3
Provision for policy and other reserves	2.5	94.2	(91.7)
Investment expenses	241.9	115.2	126.7
Losses on investment in trading securities, net	25.1	-	25.1
Losses on sale of securities	62.2	52.3	9.8
Devaluation losses on securities	27.1	0.7	26.4
Losses from derivatives, net	-	35.9	(35.9)
Other investment expense	18.0	12.9	5.0
Losses on separate accounts, net	94.7	-	94.7
Operating expenses	205.8	208.9	(3.1)
Other ordinary expenses	76.9	78.7	(1.7)
Ordinary profit	155.7	158.1	(2.4)
Net extraordinary gains (losses)	(31.4)	(33.0)	1.6
Provision for reserve for policyholder dividends	45.3	56.4	(11.0)
Net income before taxes	78.9	68.6	10.2
Income taxes	42.1	29.7	12.4
Net income	36.7	38.7	(2.0)

Breakdown;
 -Daido: down ¥21.9 billion
 -Taiyo: down ¥69.8 billion
 -T&D Financial: down ¥106.6 billion

-Daido: up ¥15.2 billion, mainly due to an increase in dividends from investment trusts and private equity funds
 -Taiyo: up ¥4.7 billion, mainly due to an increase in interests from yen-denominated bonds and dividends from stocks

Net gains decreased ¥43.0 billion, as gains on hedge funds for Daido dropped (Net gains based on local currencies were positive)
 *Gains/losses from derivatives includes gains/losses from foreign exchange forward contracts relating to hedge funds

Net gains/losses from derivatives:
 -Daido: ¥29.3 bn (up ¥49.7 bn y-o-y)
 -Taiyo: ¥(7.0) bn (up ¥8.6 bn y-o-y)

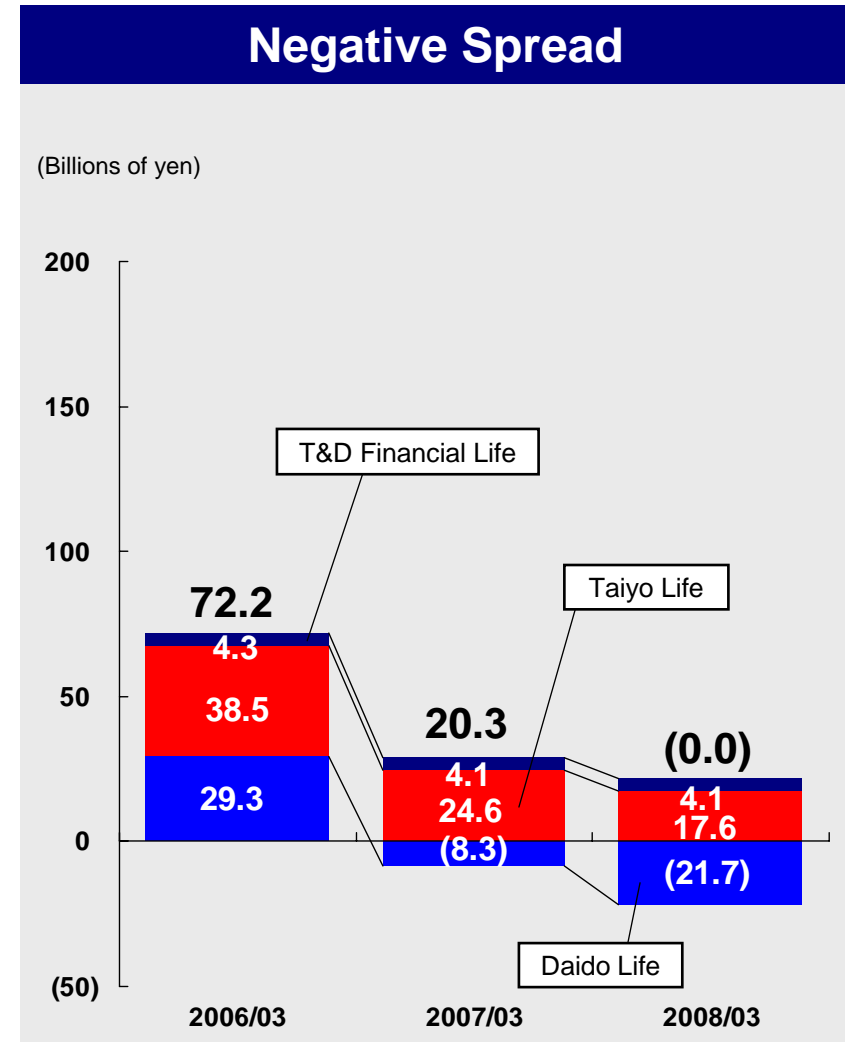
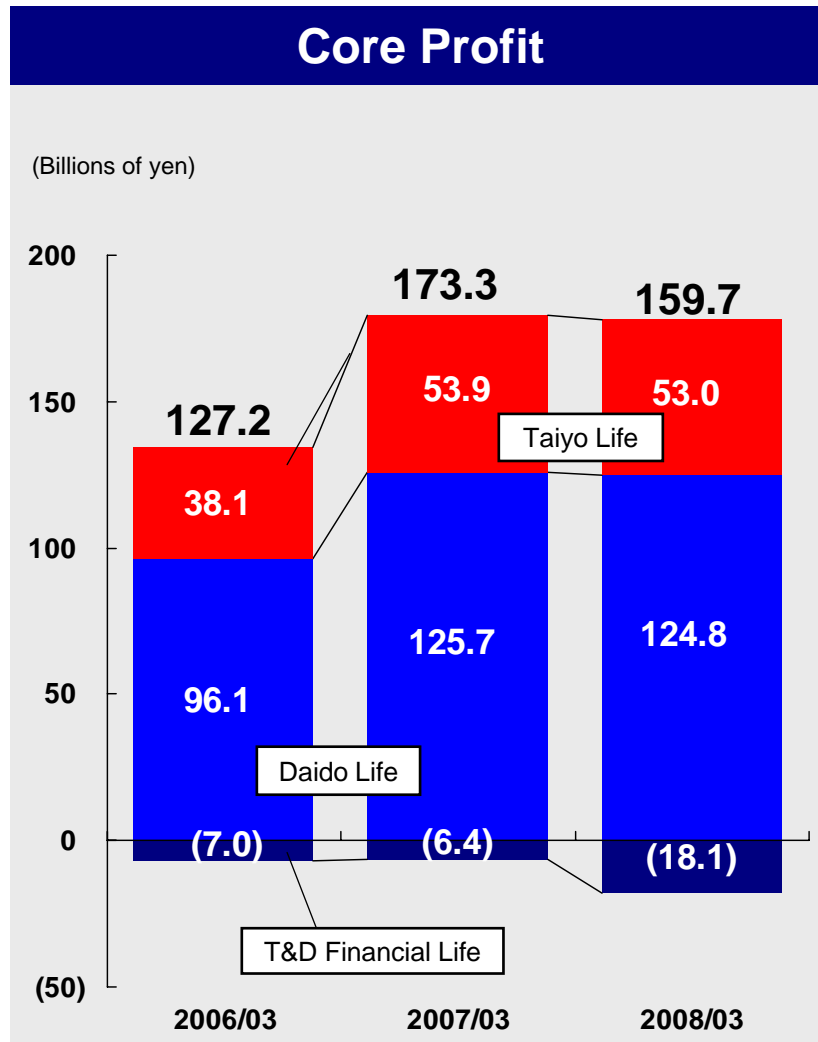
Daido: up ¥18.8 bn, Taiyo: up ¥7.6 bn

Daido: down ¥16.5 bn, Taiyo: up ¥5.3 bn

Set aside ¥32.7 billion (up ¥2.1 billion y-o-y) for reserve for price fluctuations, including excess amount of internal reserves of ¥27.8 billion (up ¥2.0 billion y-o-y)

Mainly due to taxable depreciation of ¥25.4 bn of losses on sale of securities

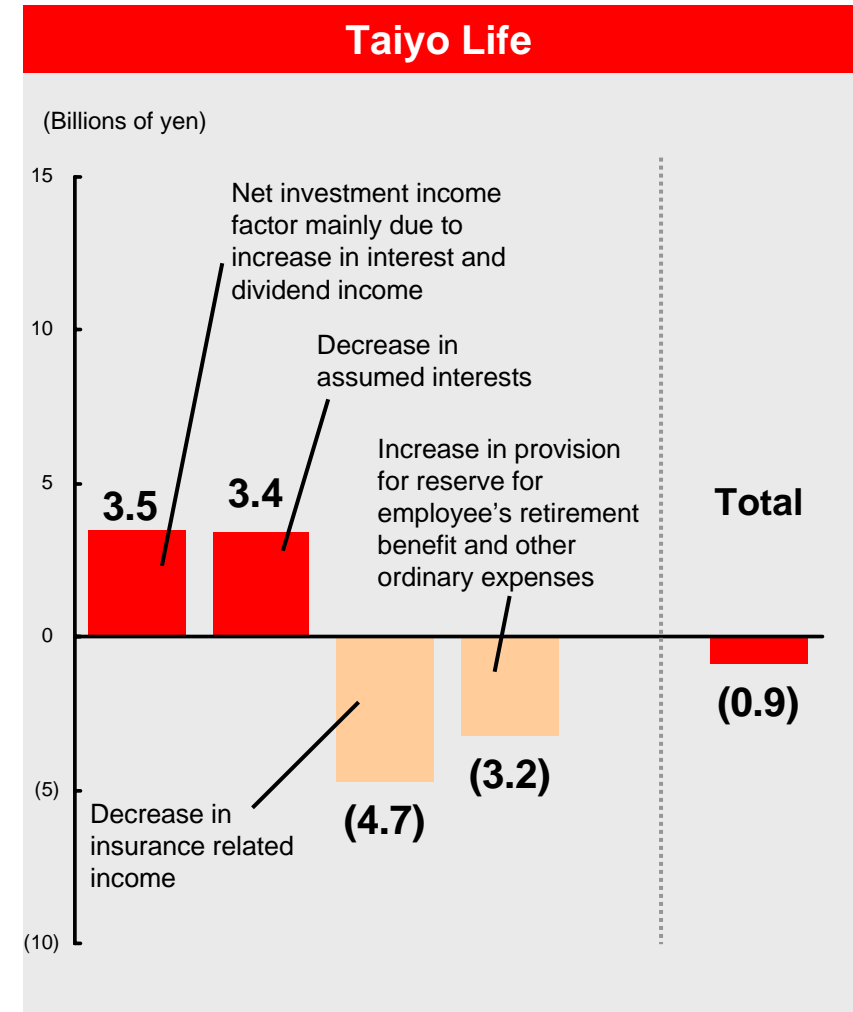
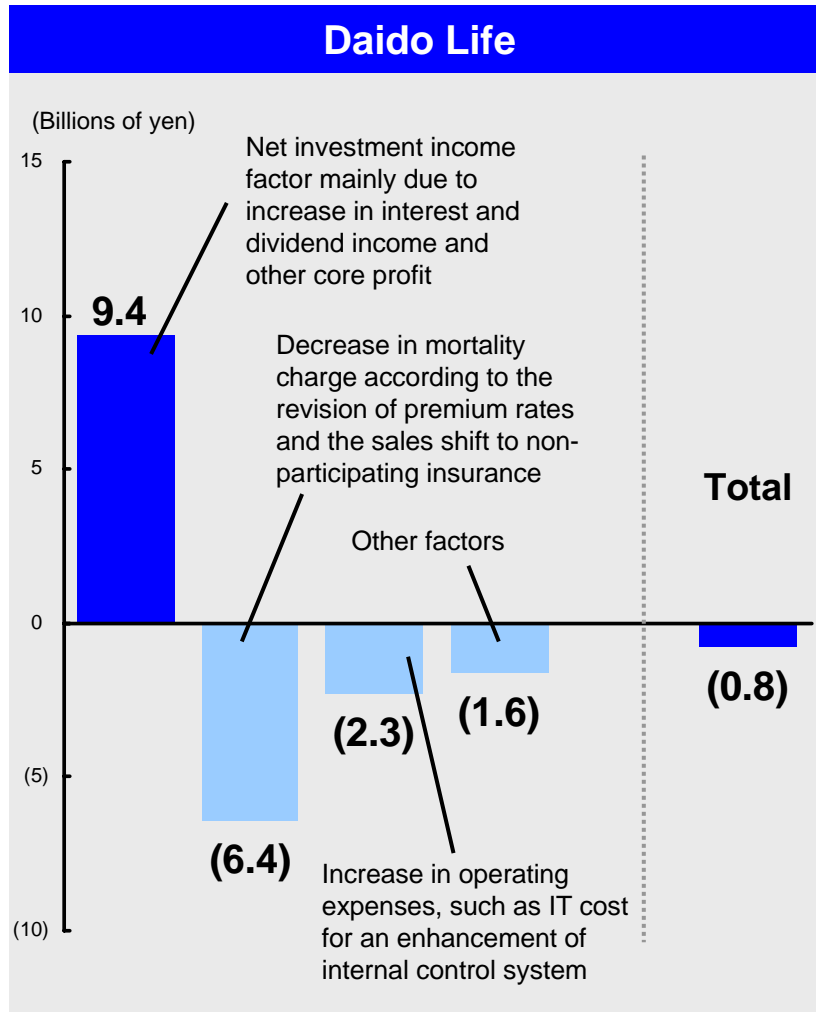
Core Profit/ Negative Spread



* Daido Life's spread turned positive. (¥8.3 billion for the fiscal year ended March 31, 2007, and ¥21.7 billion for the fiscal year ended March 31, 2008)

Factors for Increase/ Decrease in Core Profit

Factors for Increase/ Decrease in Core Profit for Year Ended March 31, 2008 (vs. Year Ended March 31, 2007)



Consolidated Balance Sheets

(Billions of yen)

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Assets</u>			
Cash and deposits, call loans	588.2	760.6	(172.4)
Monetary claims purchased	430.5	450.5	(19.9)
Monetary trusts	134.7	113.1	21.5
Securities	9,244.5	9,870.2	(625.7)
Loans	2,363.4	2,430.5	(67.0)
Tangible fixed assets	309.2	317.6	(8.3)
Other assets	199.0	117.7	81.3
Reserve for possible loan losses	(3.9)	(3.6)	(0.2)
Total assets	13,366.0	14,090.9	(724.9)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Liabilities:</u>			
Total policy reserves	12,137.7	12,344.7	(207.0)
Policy reserve	11,875.6	12,073.7	(198.1)
Contingency reserve	198.2	175.2	22.9
Reserve for price fluctuations	137.2	104.5	32.7
Total liabilities	12,688.7	13,000.7	(311.9)
<u>Net assets:</u>			
Total stockholders' equity	475.9	455.8	20.1
Common stock	118.5	118.5	-
Capital surplus	106.1	106.1	0.0
Retained earnings	251.9	231.6	20.2
Total valuation and translation adjustment	199.4	632.4	(432.9)
Net unrealized gains on securities	246.8	680.4	(433.5)
Land revaluation	(48.0)	(48.5)	0.4
Total net assets	677.2	1,090.2	(412.9)
Total liabilities and net assets	13,366.0	14,090.9	(724.9)

Includes ¥17.5 billion of excess amount of additional contingency reserve at Taiyo

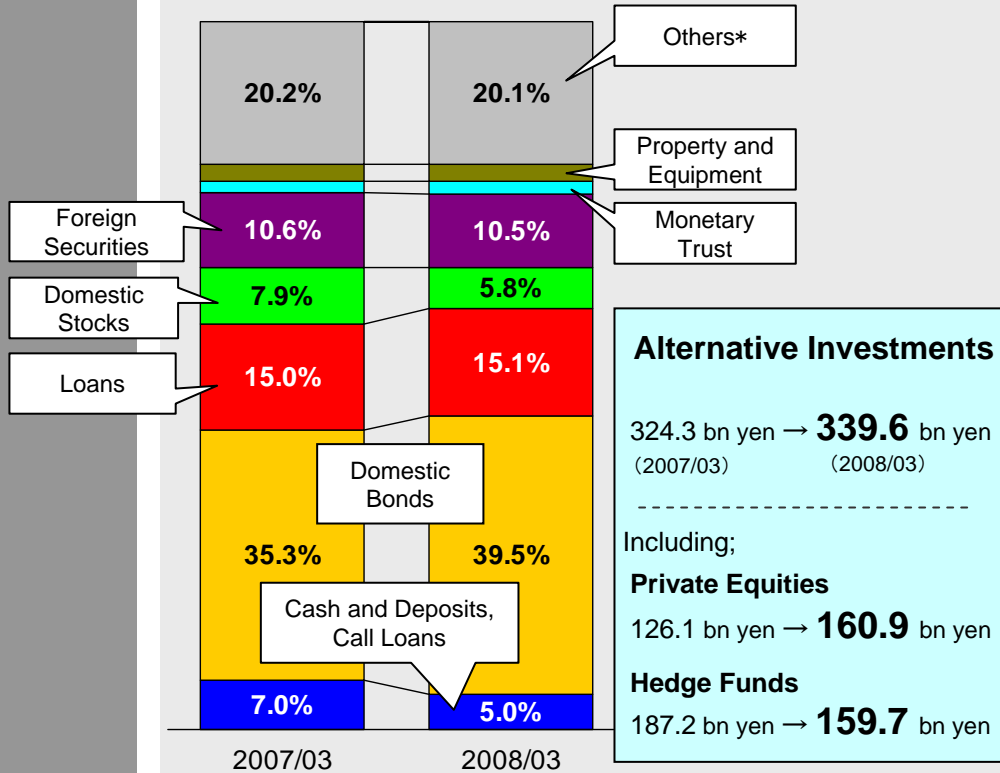
Includes excess amount of additional reserve for price fluctuations, ¥9.3 billion at Daido and ¥18.5 billion at Taiyo

General Account Assets Composition

Daido Life

Net Exposure to Domestic Stocks**
14.5%
(2007/03 18.1%)

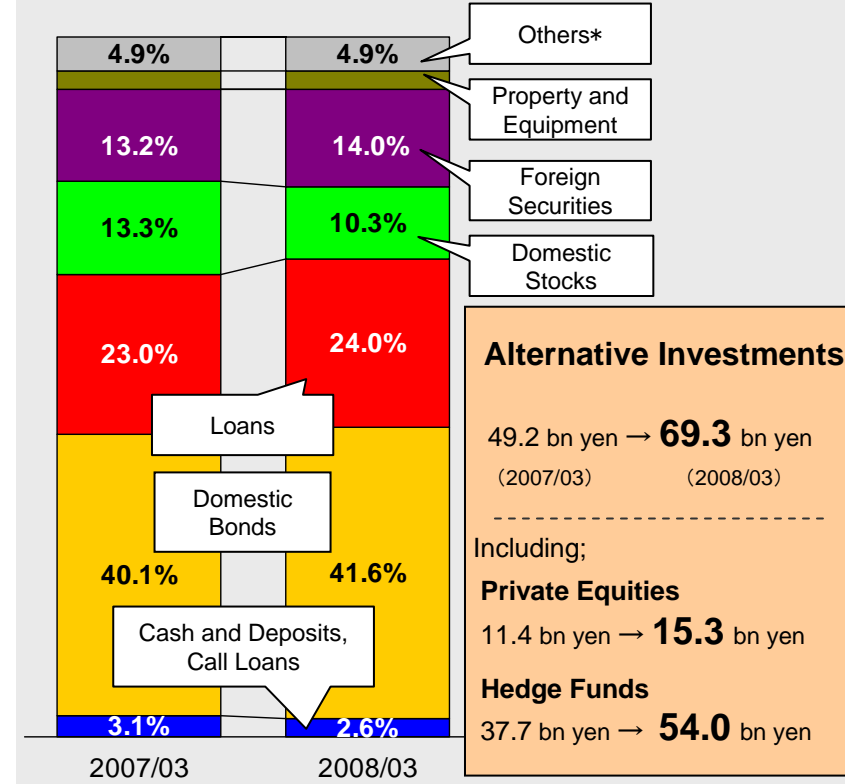
Net Exposure to Foreign Currency***
3.4%
(2007/03 3.4%)



Taiyo Life

Net Exposure to Domestic Stocks**
10.9%
(2007/03 14.5%)

Net Exposure to Foreign Currency***
5.2%
(2007/03 6.1%)



*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.

*****Assets of T&D Financial Life's variable annuities are managed in separate accounts.

Unrealized Gains/ Losses (General Account Assets)

(Billions of yen)

	Daido Life		Taiyo Life		T&D Financial Life		Total		
	As of March 31, 2008	As of March 31, 2007	As of March 31, 2008	As of March 31, 2007	As of March 31, 2008	As of March 31, 2007	As of March 31, 2008	As of March 31, 2007	Changes
Total	163.8	546.3	266.6	499.6	1.4	(0.7)	432.0	1,045.3	(613.3)
Domestic bonds	30.7	18.6	63.1	8.2	1.5	(1.0)	95.4	25.8	69.5
Domestic stocks	114.7	248.5	210.5	425.6	-	-	325.3	674.2	(348.9)
Foreign securities	(3.8)	9.8	0.7	53.8	(0.0)	0.0	(3.1)	63.7	(66.8)
Other securities	16.4	239.3	(11.0)	12.9	(0.0)	0.2	5.3	252.4	(247.1)
Monetary claims purchased	5.4	0.2	3.2	(1.0)	-	-	8.7	(0.7)	9.4
Certificates of deposit	-	-	0.0	(0.0)	-	-	0.0	(0.0)	0.0
Monetary trusts	0.3	29.7	-	-	-	-	0.3	29.7	(29.4)

*Securities with market value

Net unrealized gains/losses on real	35.2	17.1	35.8	11.6	-	-	71.0	28.8	42.2
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* 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.

Financial Soundness, Adjusted Net Worth on EEV

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Change
Daido Life			
Solvency margin ratio	1,096.3%	1,320.6%	(224.3P)
Adjusted net assets	777.2	1,109.6	(332.4)
Adjusted net worth on EEV	532.9	728.0	(195.1)
Taiyo Life			
Solvency margin ratio	1,000.6%	1,100.4%	(99.8P)
Adjusted net assets	659.7	834.6	(174.9)
Adjusted net worth on EEV	484.7	574.9	(90.2)
T&D Financial Life			
Solvency margin ratio	912.4%	1,189.7%	(277.3P)
Adjusted net assets	63.7	63.5	0.2
Adjusted net worth on EEV	39.5	41.8	(2.3)
Total of Three Insurance Companies			
Adjusted net assets	1,500.7	2,007.8	(507.1)
Adjusted net worth on EEV	1,057.1	1,344.8	(287.7)

Mainly due to a decrease in unrealized gains on available-for-sale securities

Mainly due to an increase in minimum guarantee risks

Forecasts for the Year Ending March 31, 2009

T&D Holdings' Consolidated Forecasts

(Billions of yen)

	Full Year Forecast	Year Ended March 31, 2008	% Change
Ordinary revenues	2,100	2,330.0	(9.9%)
Ordinary profit	115	155.7	(26.1%)
Net income	39	36.7	6.1%

-Ordinary profit: forecast to decrease based on the figures not including the same level of interest and dividend income and net gains on sales of securities in FY2007
 -Net income: forecast to increase as the provision for reserve for price fluctuations and income taxes are expected to decrease while ordinary profit is estimated to decrease by ¥40 bn

Total of Three Life Insurance Companies

(Billions of yen)

	Full Year Forecast	Year Ended March 31, 2008	% Change
New policy amount	6,350	6,201.8	2.4%
Policy amount in force	59,270	59,340.3	(0.1%)
Income from insurance premiums	1,750	1,613.1	8.5%
Core profit	149	159.7	(6.7%)
Negative spread		** -	

<Projected excess amount for internal reserve for FY2008>
 -Reserve for price fluctuations: ¥7.4 bn (¥4.7 bn, after-tax, all for Daido)
 -Contingency reserve: ¥4.3 bn (¥2.7 bn, after-tax, all for Taiyo)
 <Reference: FY2007 result>
 -Reserve for price fluctuations: ¥27.8 bn (¥17.7 bn, after-tax)
 Daido: ¥9.3 bn (¥5.9 bn, after-tax)
 Taiyo: ¥18.5 bn (¥11.8 bn, after-tax)
 -Contingency reserve: ¥17.5 bn (¥11.1 bn, after-tax, all for Taiyo)

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

** Spread turned positive (¥0.5 billion) for the fiscal year ended March 31, 2008.

Forecasts for the Year Ending March 31, 2009

(Billions of yen)

	Daido Life		Taiyo Life		T&D Financial Life	
	Full Year Forecast	Year Ended March 31, 2008	Full Year Forecast	Year Ended March 31, 2008	Full Year Forecast	Year Ended March 31, 2008
Ordinary revenues	1,020	1,136.3	930	1,000.3	270	180.4
Income from insurance premiums	850	843.3	650	635.7	250	134.0
Ordinary profit	96	104.6	29	57.0	(14)	(9.6)
Core profit	107	124.8	46	53.0	(4)	(18.1)
Net income	34	30.4	13	12.0	(10)	(6.9)
New policy amount	4,320	4,634.2	1,760	1,474.1	270	93.3
Core product	4,170	4,489.8	-	-	** 190	93.3
Policy amount in force	39,910	39,897.1	17,070	17,182.2	2,320	2,261.0
Core product	36,330	36,175.3	-	-	810	596.8
Annualized premiums of total policies	690	689.1	620	637.3	130	99.3
Negative spread	5	*** -	20	17.6	4	4.1
Surrender and lapse rate	8.5%	8.93%	7.5%	7.64%	6.5%	6.56%

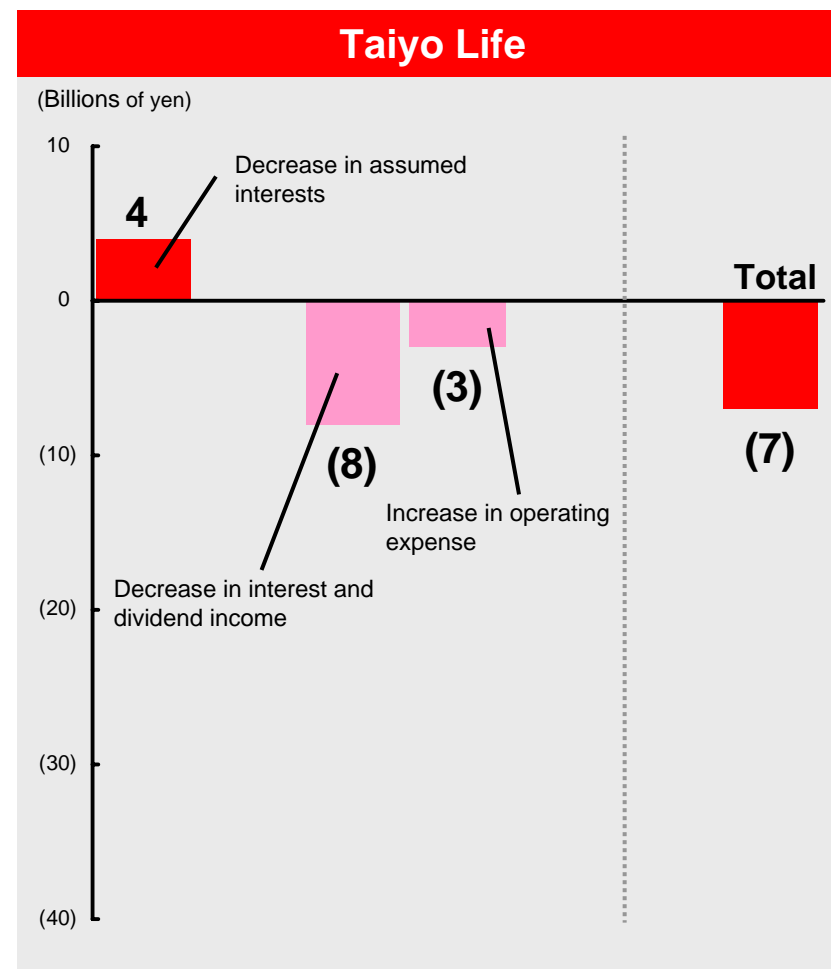
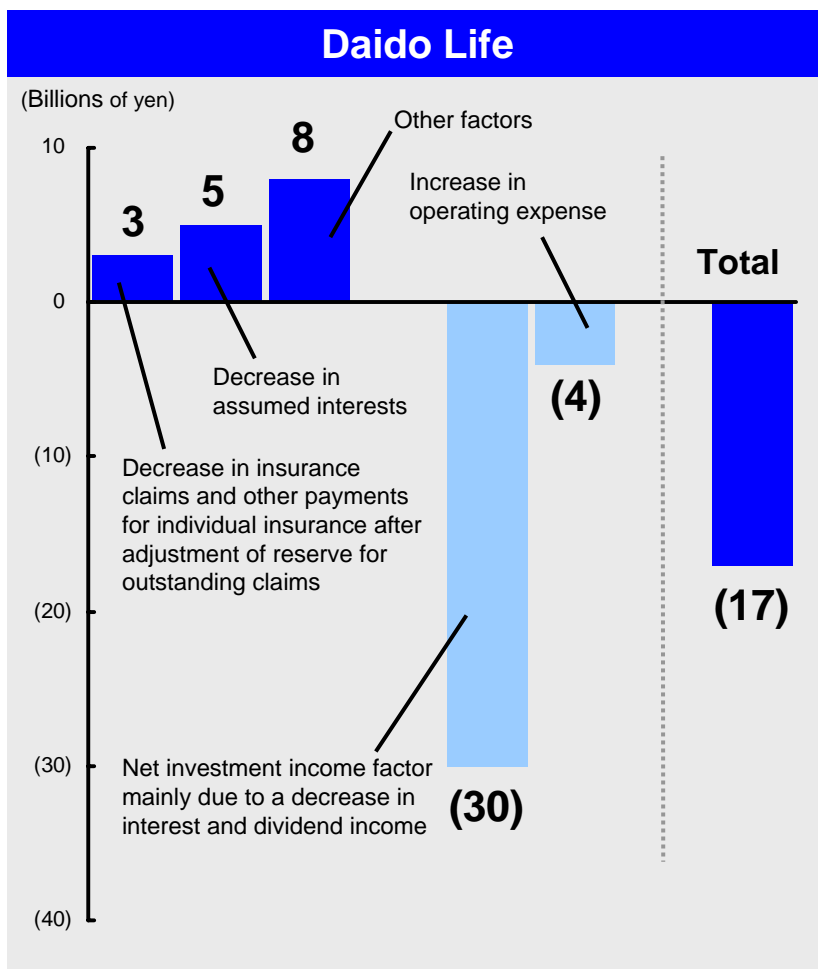
* New policy amount and policy amount in force include individual insurance and individual annuities. New policy amount includes net increase from conversion. Individual term life insurance and individual variable annuities are the core product for Daido Life and T&D Financial Life respectively.

** 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.

*** Daido Life's spread turned positive (¥21.7 billion) for the fiscal year ended March 31, 2008.

Factors for Increase/ Decrease in Core Profit Forecast

Factors for Increase/ Decrease in Core Profit Forecast for Fiscal Year Ending March 31, 2009 (vs. Fiscal Year Ended March 31, 2008)



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*



FY2008 Sales Measures

	Daido Life	Taiyo Life	T&D Financial Life
Measures	<ul style="list-style-type: none"> ■ Gain the high quality policies by developing new SME customers ■ Aim to expand the TA/CPA agents and increase the core agents ■ Strengthen the partnerships with tie-up groups 	<ul style="list-style-type: none"> ■ Recover the sales performance by improving the consulting capability of sale representatives ■ Increase customer satisfaction and re-establish reliability with customers ■ Improve sales quality in view of customers 	<ul style="list-style-type: none"> ■ Improve the share of the main agents and expand the financial institutional agents by launching the new valuable annuities ■ Launch the new products which respond to the full deregulation of OTC sales at banks
Targets	<ul style="list-style-type: none"> ■ Steadily increase the policy amount in force for individual term life insurance 	<ul style="list-style-type: none"> ■ Expand the new policy amount to ¥1,760 billion (Up 19.4% from FY2007) ■ Make the surrender and lapse rate 7.5% (Improved 0.14 points) 	<ul style="list-style-type: none"> ■ Gain the new policy amount to ¥270 billion (Up 189.1% from FY2007) ■ The number of financial institutional agents: 70

FY2008 Investment Measures

Category	Company	Initiatives
Domestic bonds	Daido	-Level off balance of income generating assets -Extend durations along with interest rate rise
	Taiyo	-Extend durations with interest rate rise considering ALM
Domestic stocks	Daido	-Maintain current asset composition -Possible change according to the market outlook
	Taiyo	-Slightly decrease the exposure -Possible change according to the market outlook
Foreign securities	Daido	-Maintain current asset composition -Possible change according to the market outlook
	Taiyo	-Slightly decrease foreign bonds and level off foreign stocks -Possible change according to the market outlook
Alternative investments	Daido	-Increase net exposure to hedge funds by 10 billion yen and private equity by 40-50 billion yen* -Increase exposure to about 400 billion** yen in the mid-term
	Taiyo	-Increase net exposure to hedge funds by 40 billion yen and private equity by 25 billion yen*

* Commitment base ** Balance base

Response to Changing Regulatory Environment

- Respond to the revision of solvency margin calculation method and the introduction of international accounting standards
 - ✓ Continue appropriate earning and risk management to maintain the sufficient soundness
 - ✓ Consider improving the method of risk management, for example, calculating the economic capital

(Reference) Movement toward the Introduction of International Solvency Standard and International Accounting Standards

Steps toward the revision of solvency margin calculation method (Short-term perspective)

- Extension of the period of measuring risk factor (Records up to March 2007)
- Raising the confidence level of risk factor (From 90% to 95%)
- Measuring the risk reduction effect by diversified investments
- Restricting inclusion future profits and deferred tax assets to solvency margin

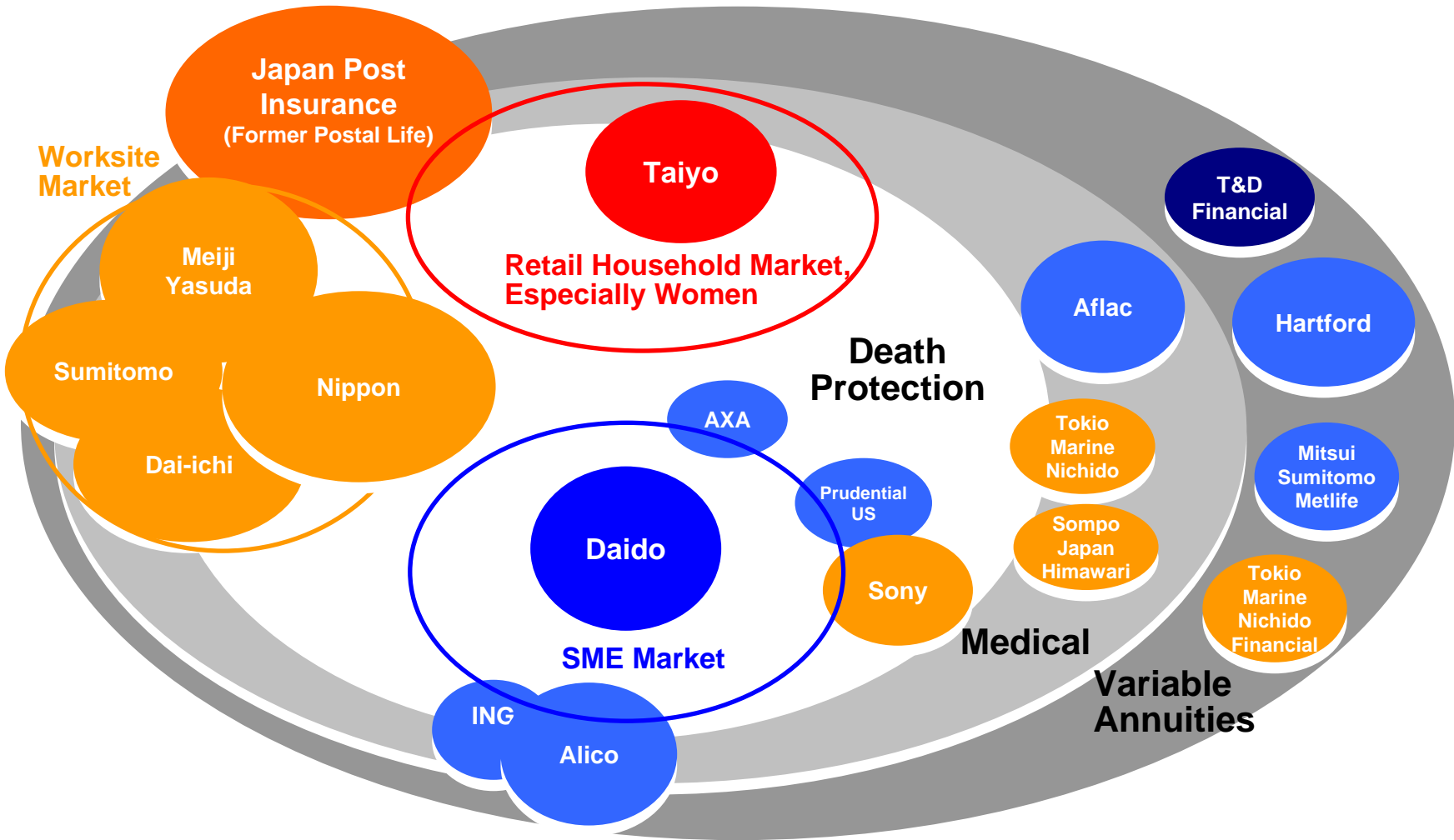


Respond to the introduction of international accounting standard (Mid-term perspective)

- Introduction of fair valuation of life insurance liabilities
- Introduction of Solvency II
- Calculating the economic capital

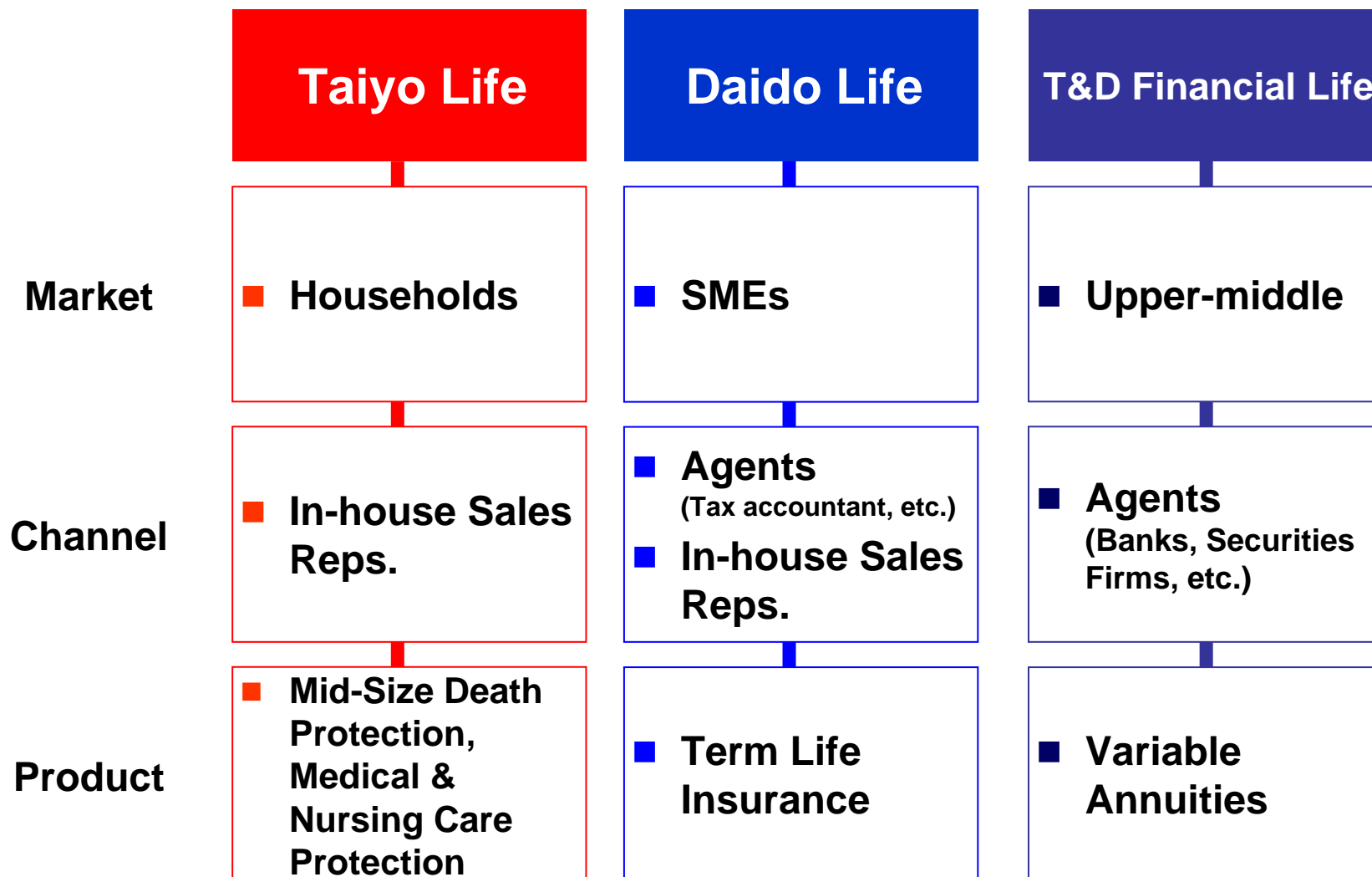
T&D Life Group Business Model

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



Specialization in Growth Markets

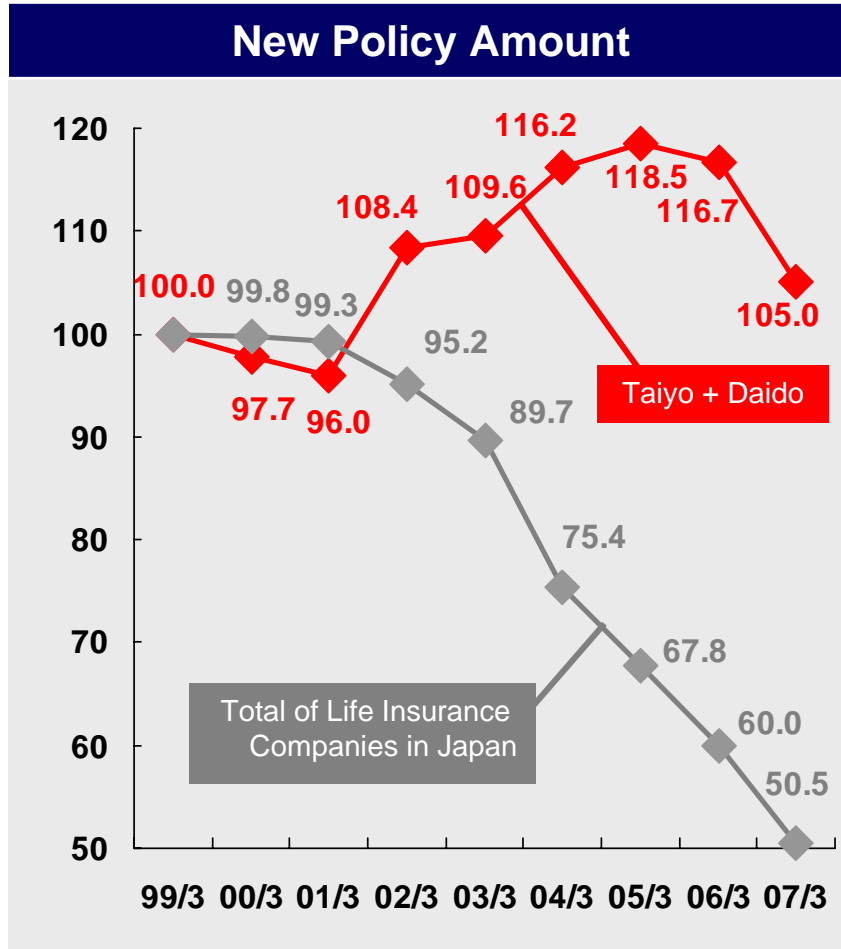
- Markets that the three life insurance companies focus on have large growth potential

<p><u>Taiyo Life</u> Household market, especially women</p>	<ul style="list-style-type: none"> ■ The number of over 40's women from 2005 to 2020 + 12.4%
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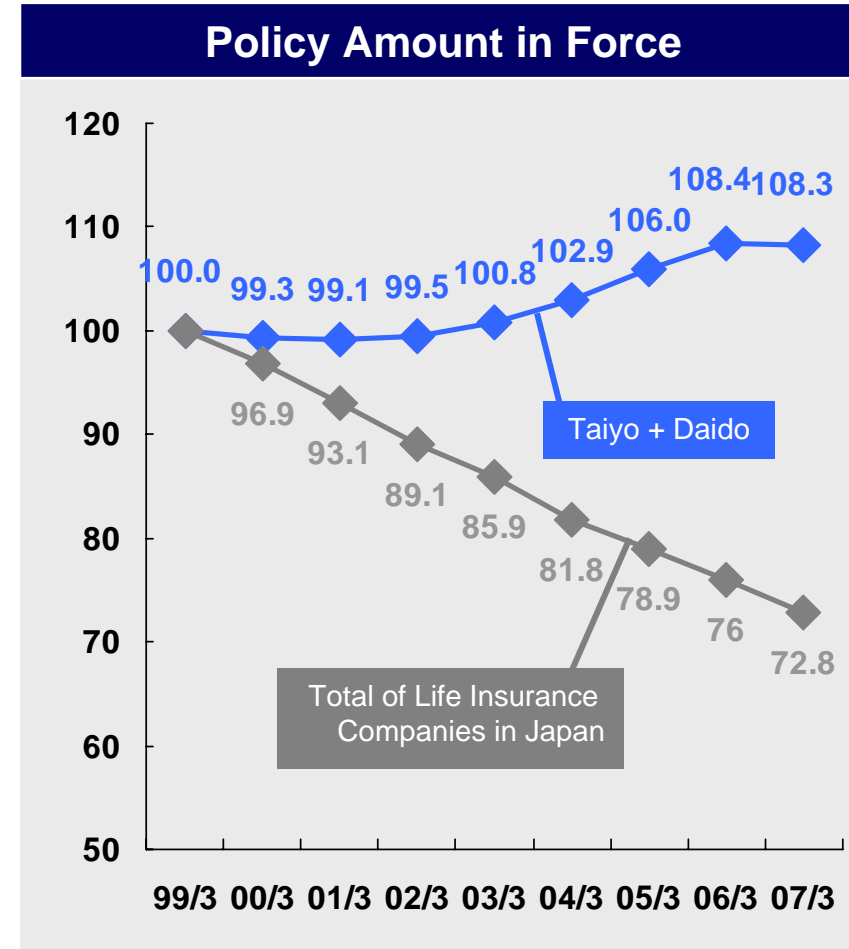
<p><u>Daido Life</u> SME market</p>	<ul style="list-style-type: none"> ■ Potential customers (estimated) 570 thousand vs. Daido's SME customers 390 thousand Total SMEs in Japan 1,730 thousand
--	---

<p><u>T&D Financial Life</u> Middle and high net-worth market</p>	<ul style="list-style-type: none"> ■ Individual financial assets in Japan 1,536 tr yen ■ The share of over 60's to that assets 55.6%
--	--

Trends in Sales Performance



Source: Summary of Life Insurance Business in Japan



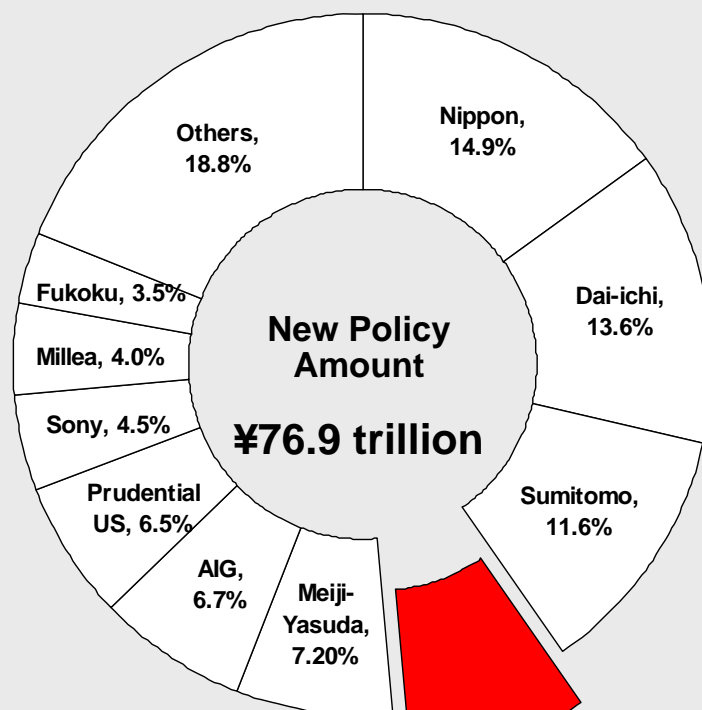
Source: Summary of Life Insurance Business in Japan

* 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.

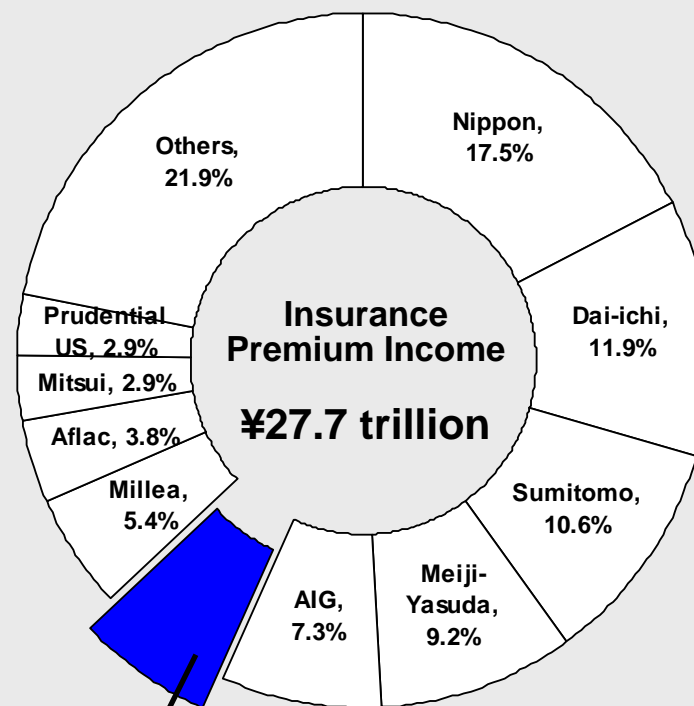
Market Share

New Policy Amount (FY2006)



T&D 8.6%
(4th Largest)

Insurance Premium Income (FY2006)



T&D 6.5%
(6th Largest)

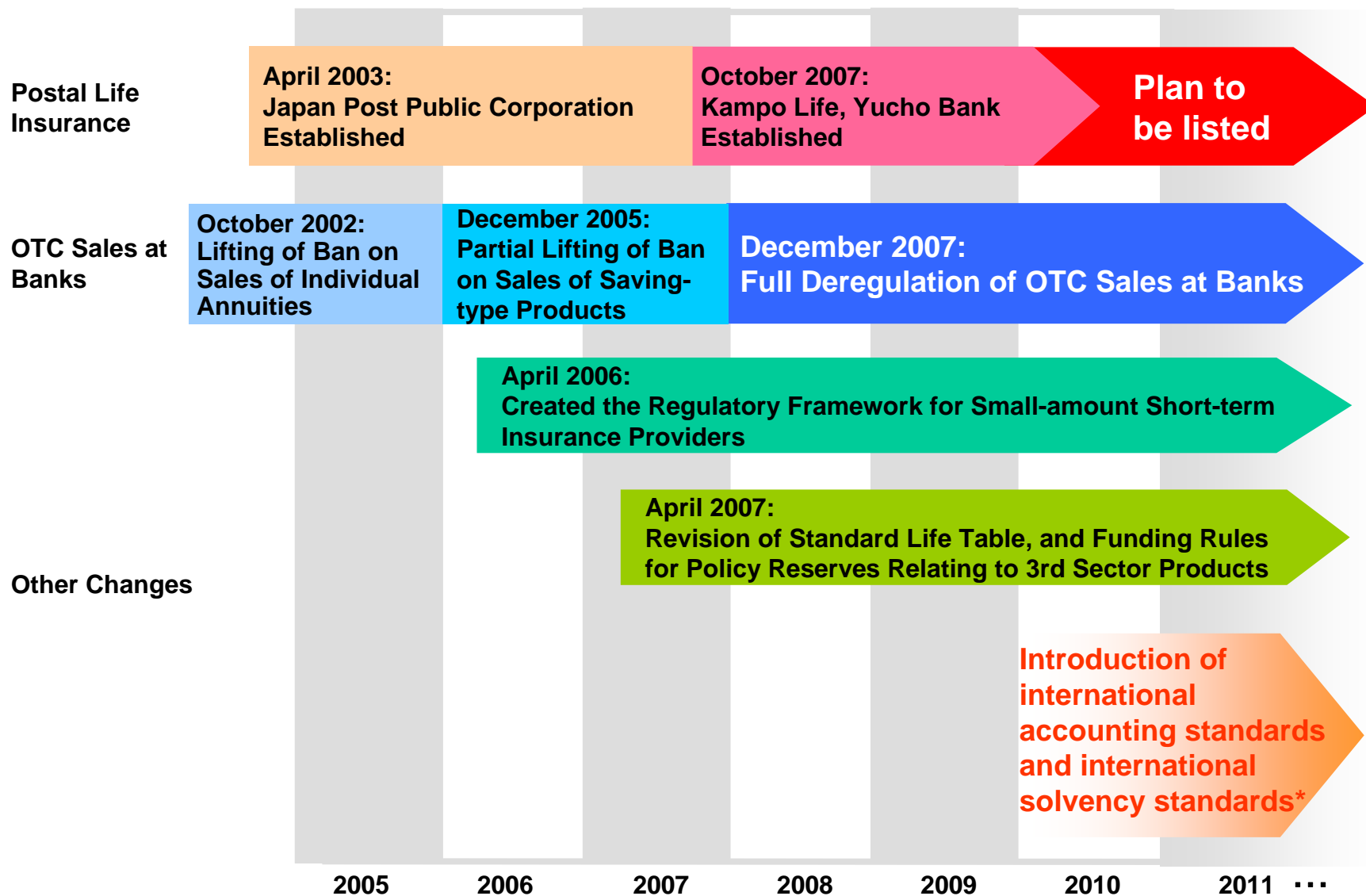
Sources: Company financial reports

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

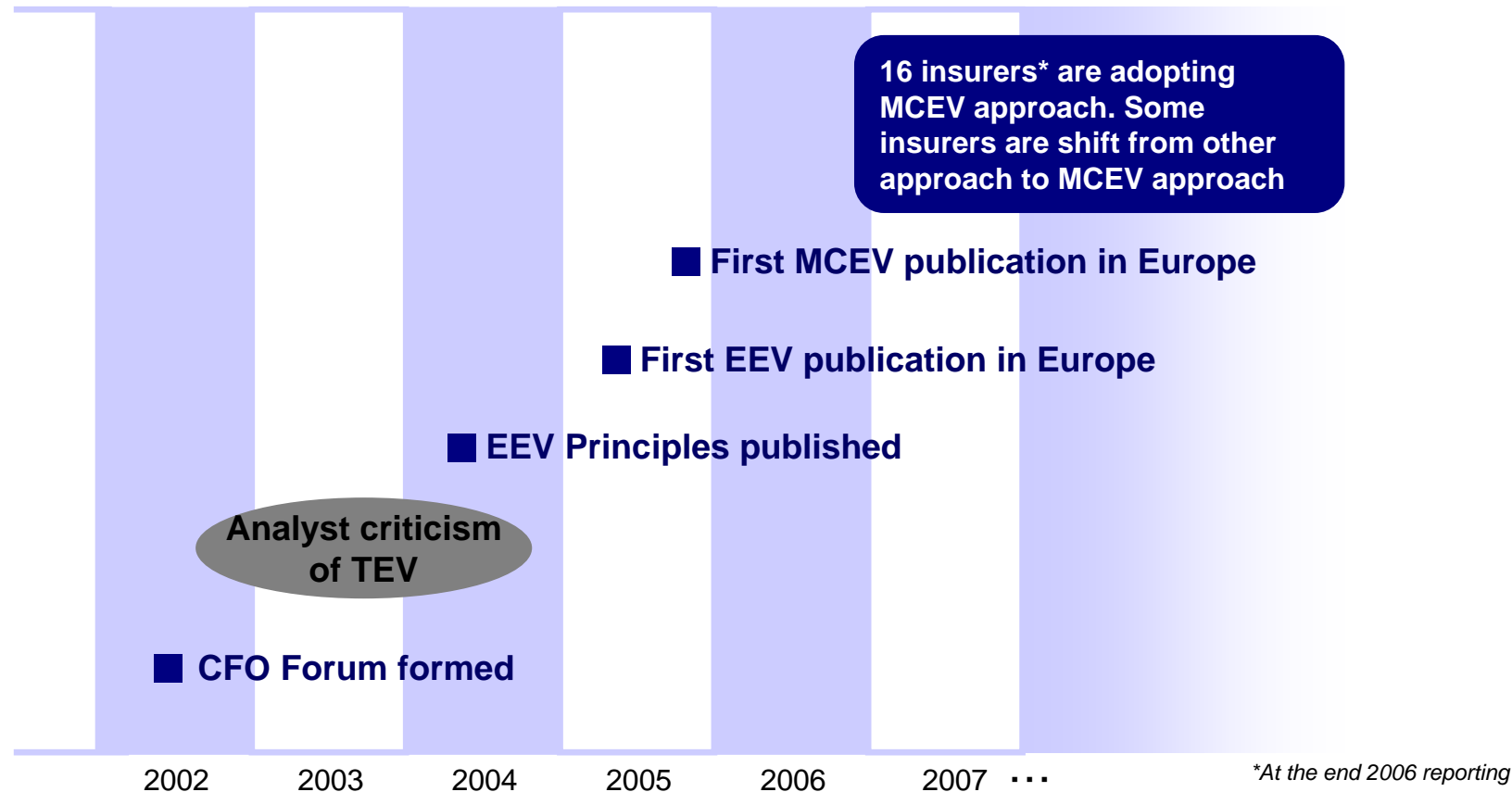
Changing Regulatory Environment



*Timeline for introduction of international accounting standards and international solvency standards is not fixed at this time.

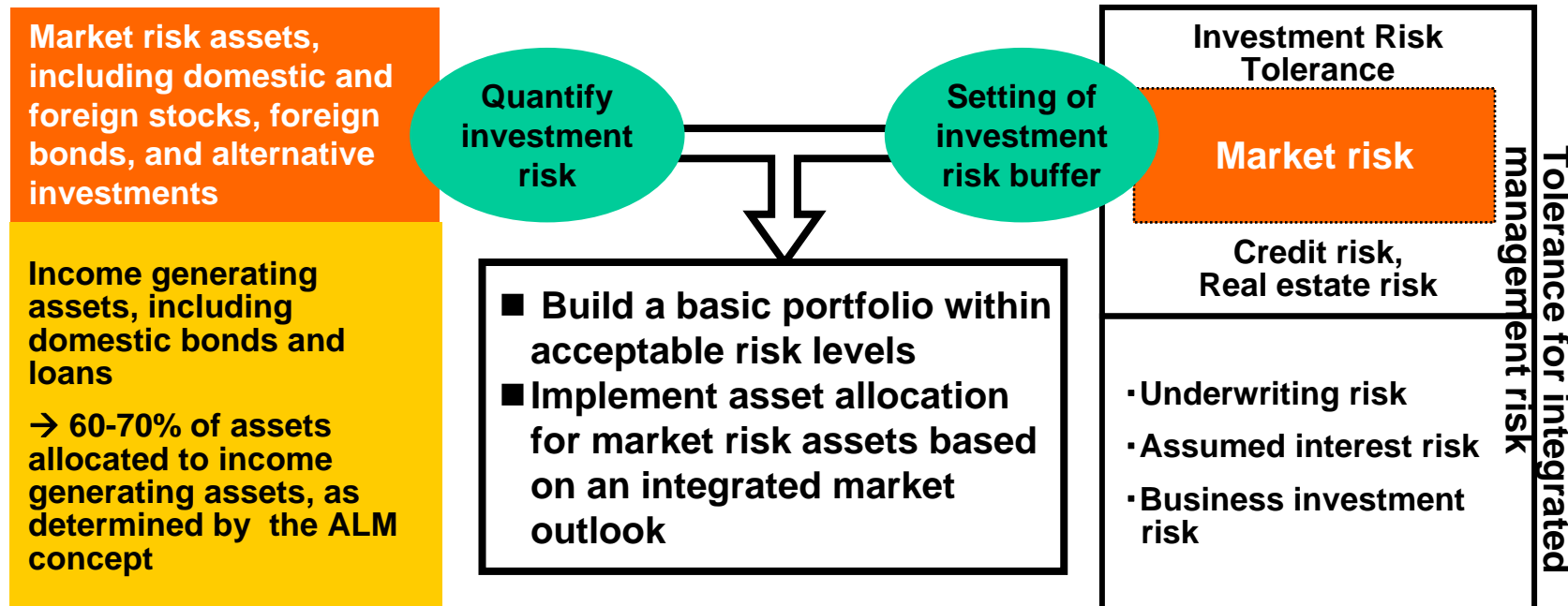
Refining the Yardstick of Corporate Value: From TEV to EEV

- The number of insurers adopting MCEV approach or shifting from other approach to MCEV has increased
- T&D Life Group has disclosed European Embedded Value (EEV) since March 2008, using market-consistent EV (MCEV) method



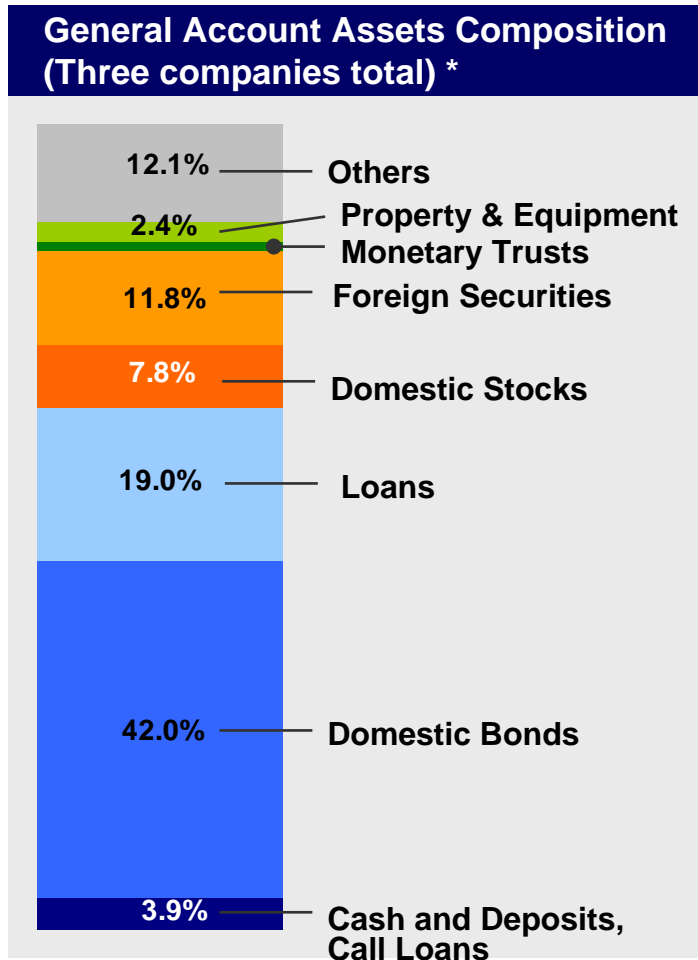
Group Investment Policy

- **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**



General Account Assets Composition

- No direct investment in sub-prime loans or sub-prime CDO, and indirect impact through hedge-fund investments is so limited



Net Exposure to Domestic Stocks & Foreign currency *

	Daido	Taiyo
Domestic Stocks	14.5%	10.9%
Foreign Currency	3.4%	5.2%

The Amount of Alternative Investment *

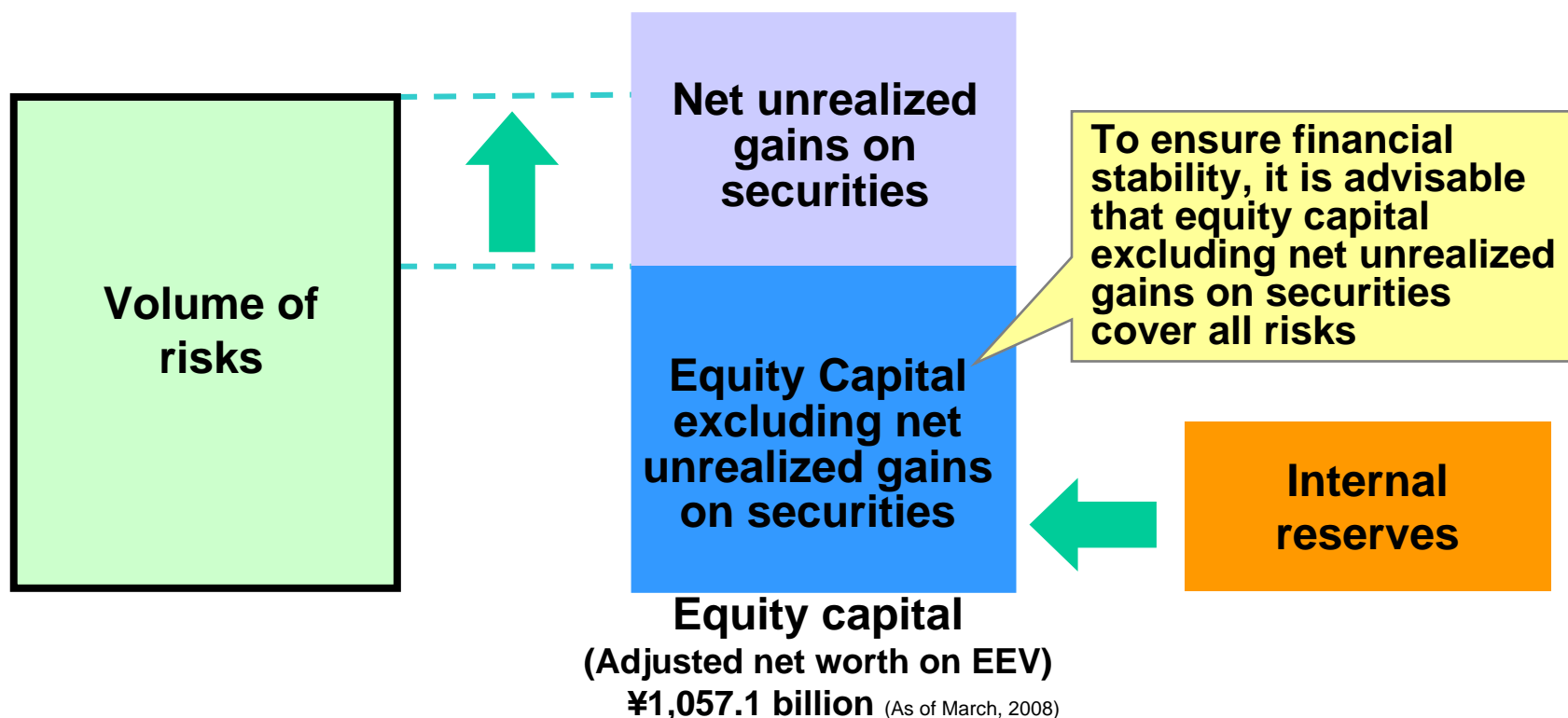
(Billions of yen)

	Daido	Taiyo
Total	339.6	69.3
Private Equities	160.9	15.3
Hedge Funds	159.7	54.0

*As of March 31, 2008

Capital Management Policy

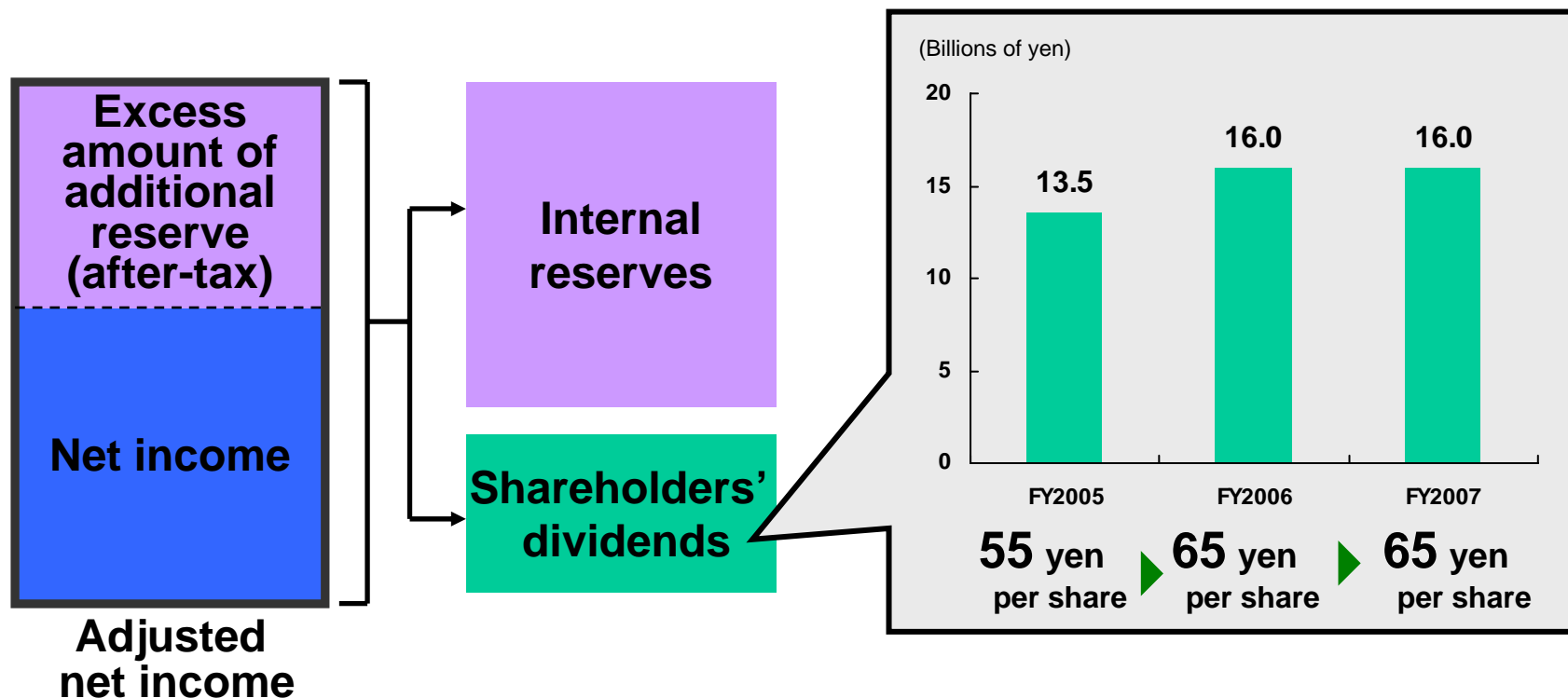
- Quantify of management risks to comprehend the volume of risks
- Retain adjusted book value on EV by the entire group, which exceeds the volume of risks



Shareholders' 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

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



Summary

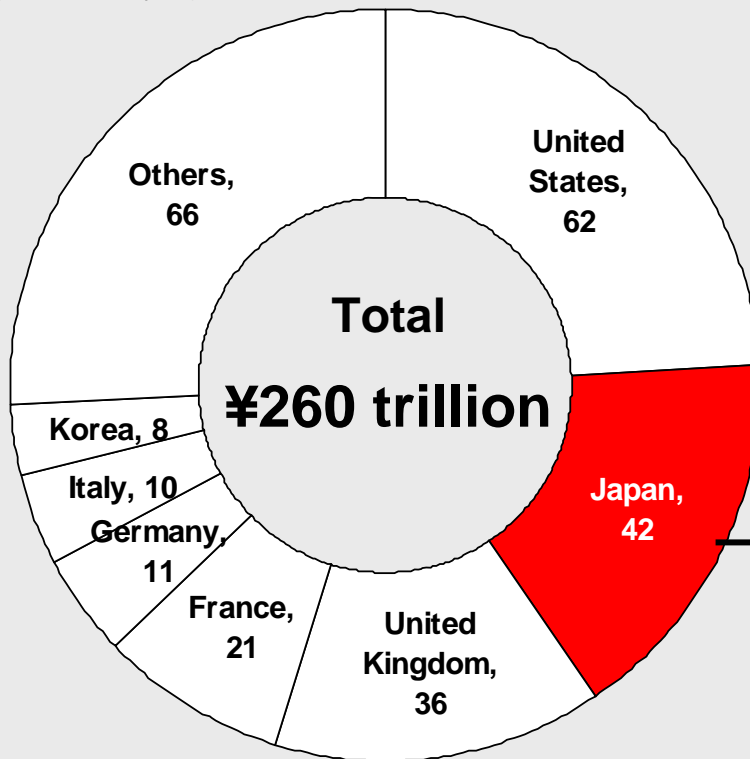
- **Pursue unique business models with regard to markets, distribution channels, and products. Markets T&D focuses on have large potential for growth**
- **Define EV as the yardstick to measure corporate value, refining it through the response to EEV Principles, and strive to achieve sustainable growth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

Supplementary Information

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

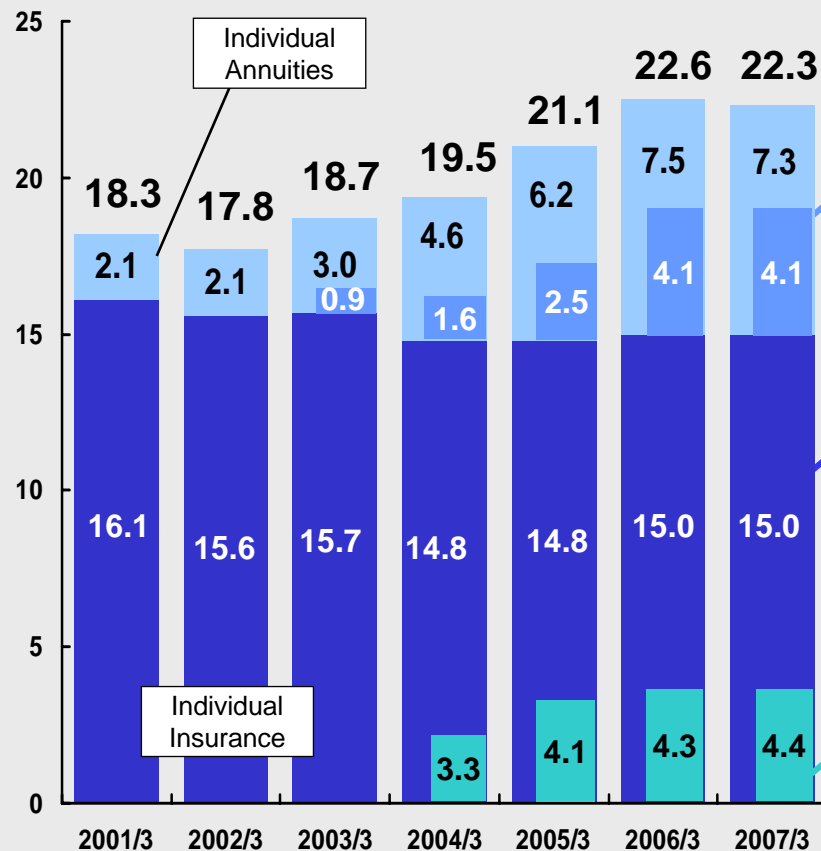
Postal Life : ¥9 trillion, etc.

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

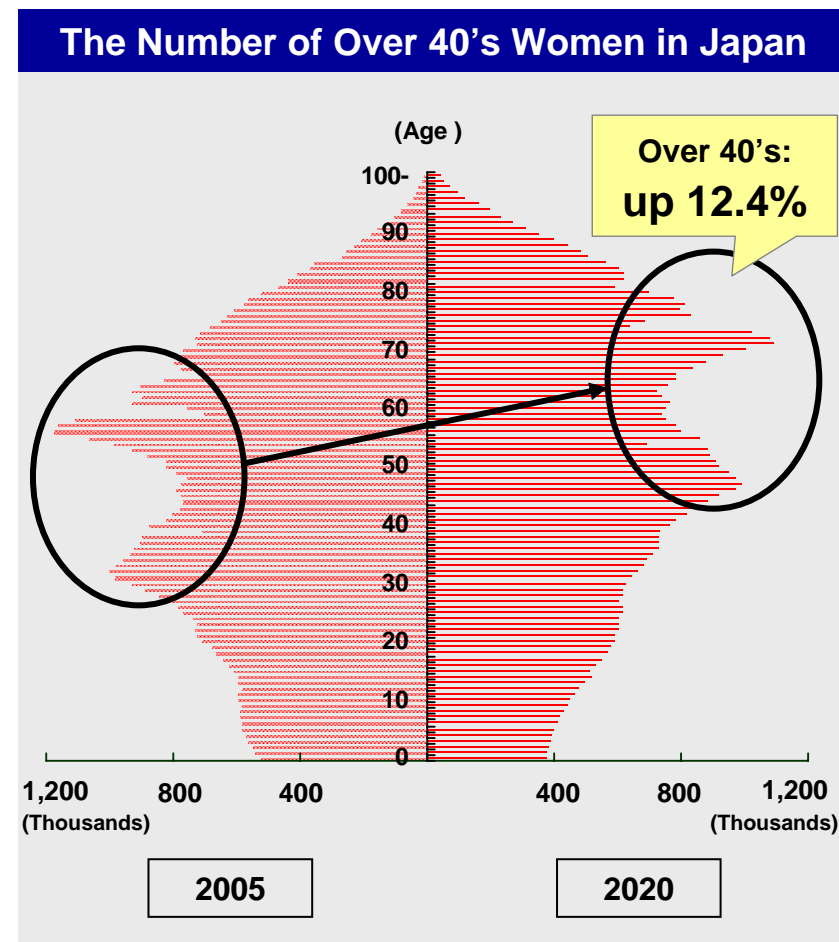
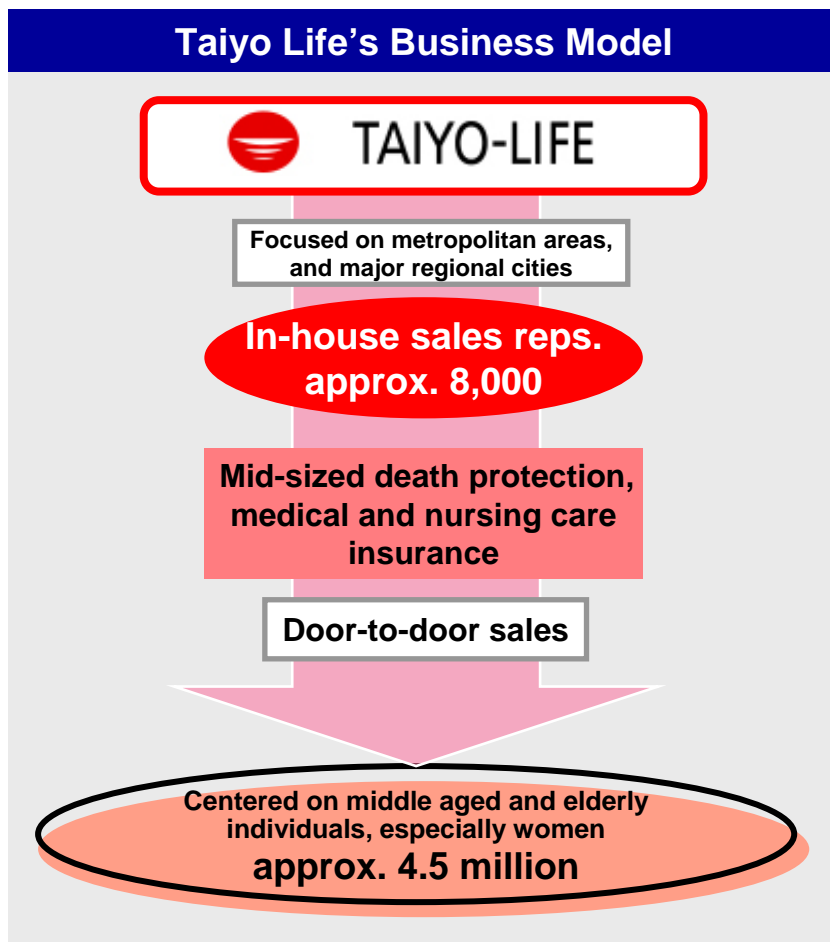
Source: Compiled by T&D Holdings based on 'Summary of Life Insurance Business in Japan'

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

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

Taiyo's Marketing Strategies

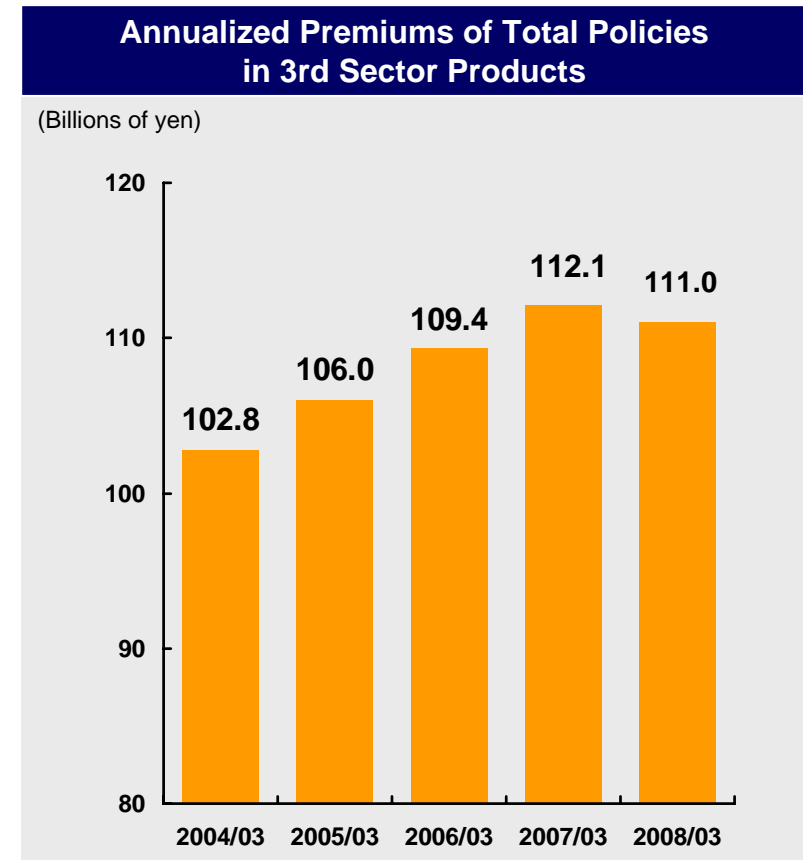
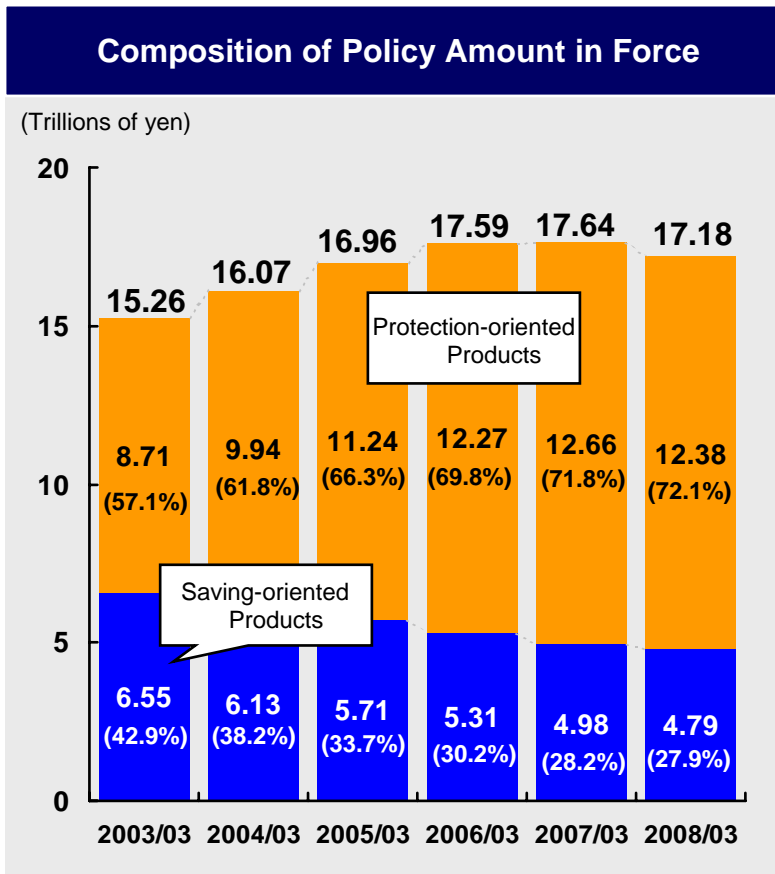
- Taiyo has a solid customer base to which the company sold saving-oriented products



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

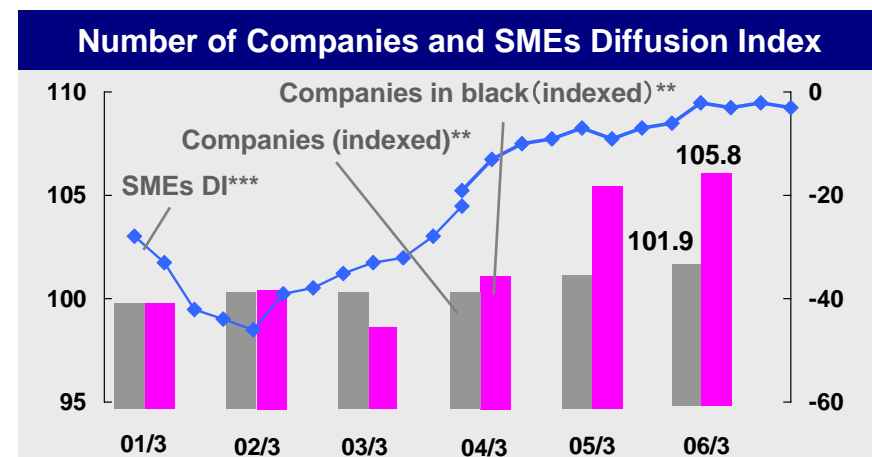
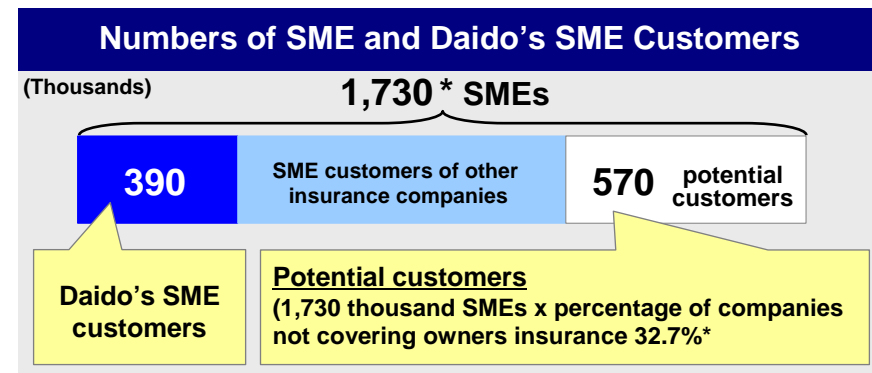
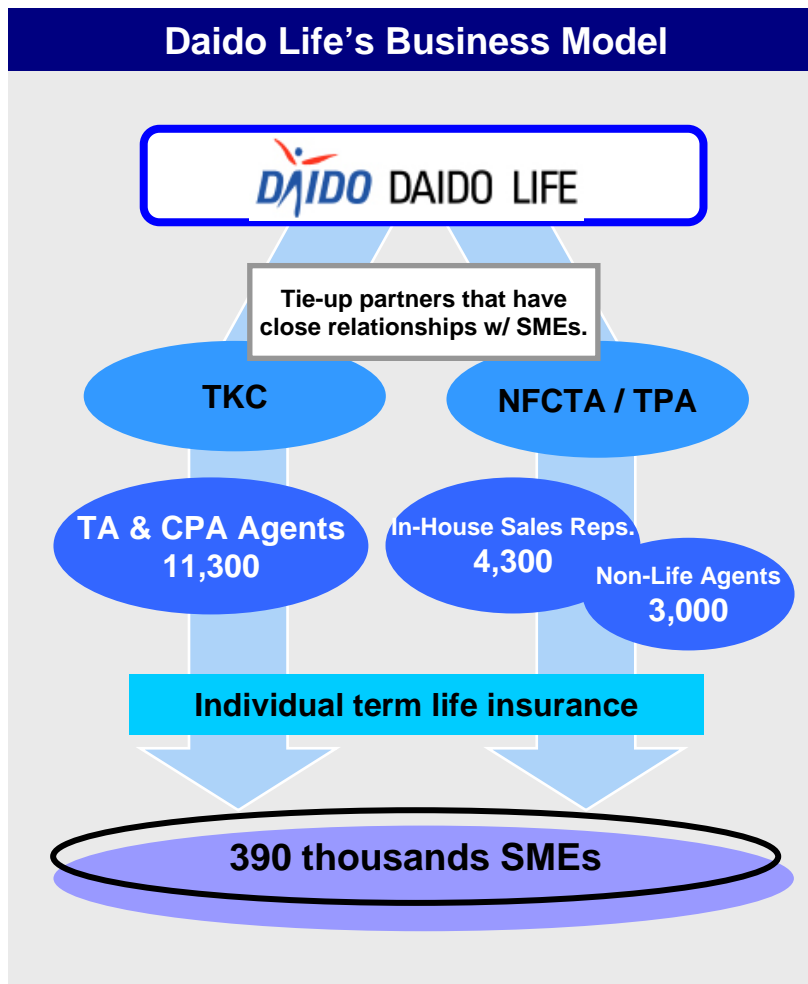
- Taiyo has been shifting its emphasis from saving products to protection products
- In T&D Group, Taiyo seeks to increase 3rd sector products



* 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

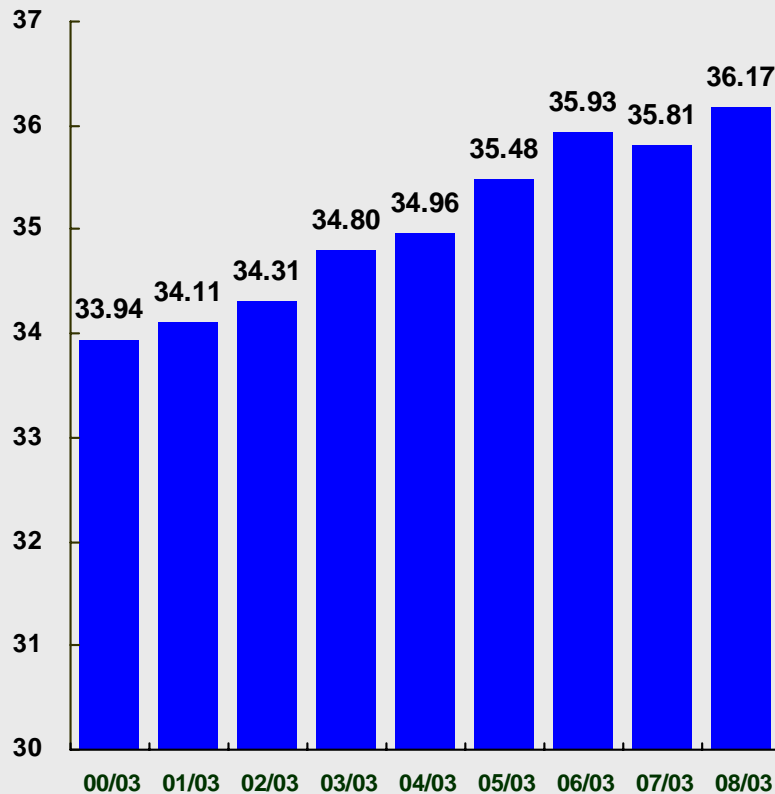


* Number of SMEs is from Establishment and Enterprise Census of Japan (2004) by the Ministry of Internal Affairs and Communications; the percentage of companies not insure against company owners is from the Survey on Companies' Welfare Systems(2002) by JILL.
 ** Source: Results of the Corporation Sample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

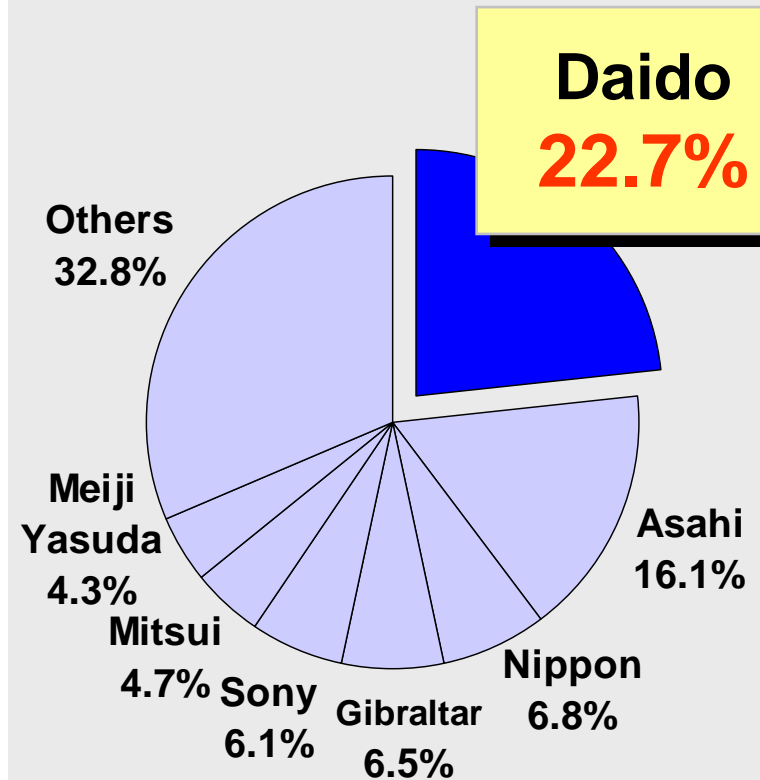
Daido is #1 Term Life Provider

Trends in Policy Amount in Force of Term Life Insurance

(Trillions of yen)



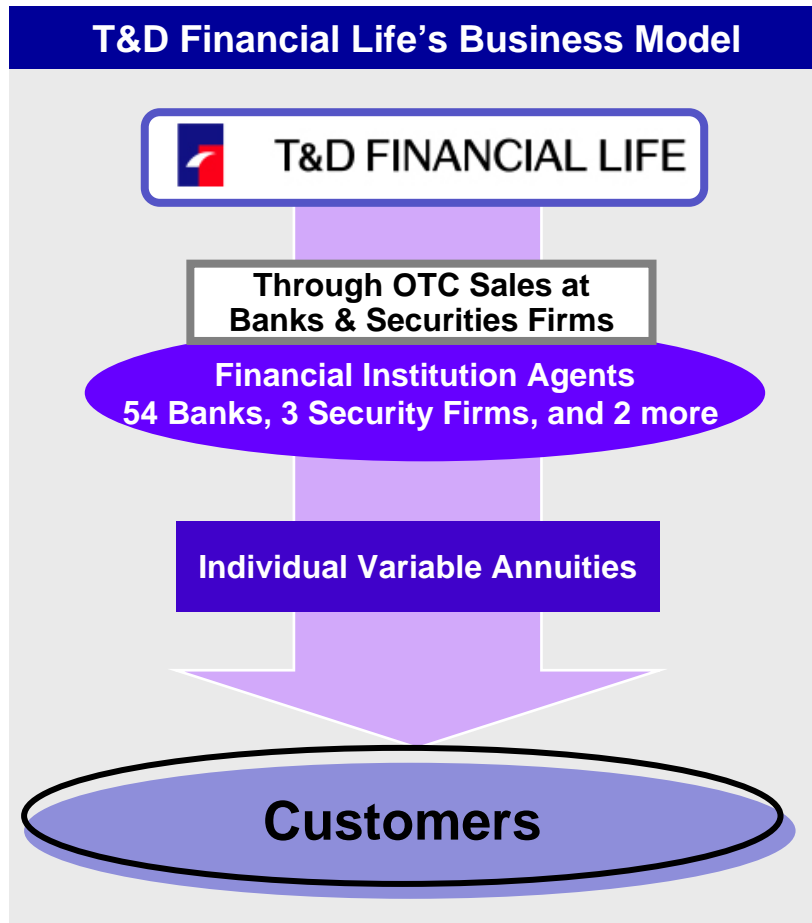
Top Market Share in Term Life Insurance



Sources: Company financial reports (FY2005)

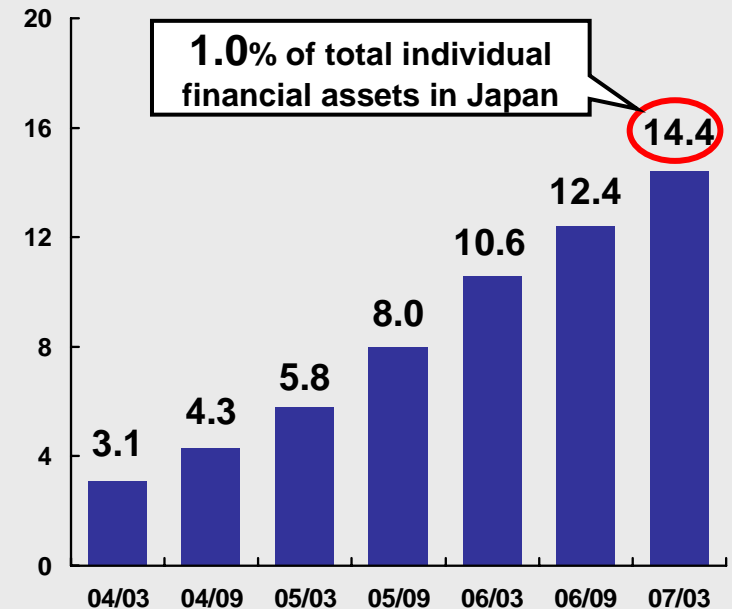
T&D Financial's Marketing Strategies

- 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)



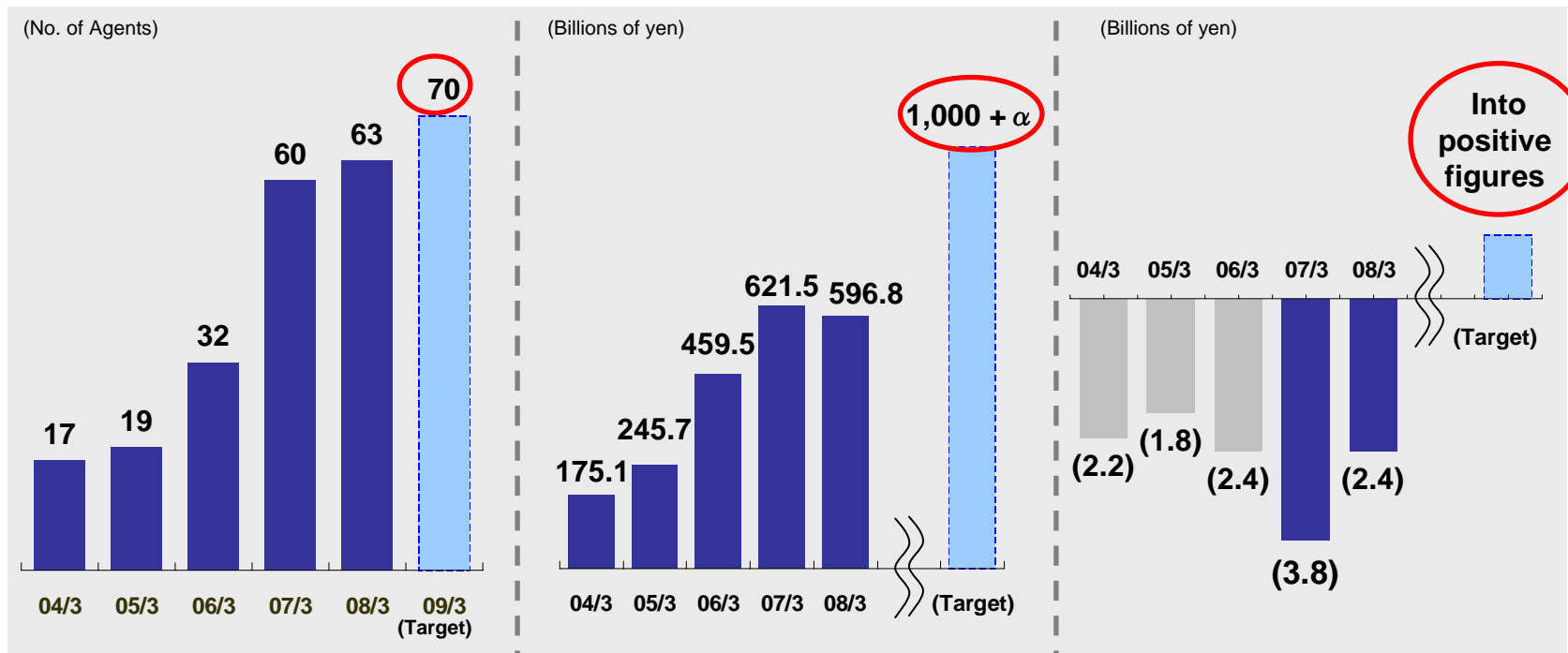
If the share of variable annuities in Japan was the same level as that in the U.S, its market would be;

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



* T&D Life Group and the three life insurance companies has been disclosed EEV as of March 2007 and 2008. EV results before March 2006 were calculated on TEV basis.

External Growth: Expansion and Penetration of Business Domains

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

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

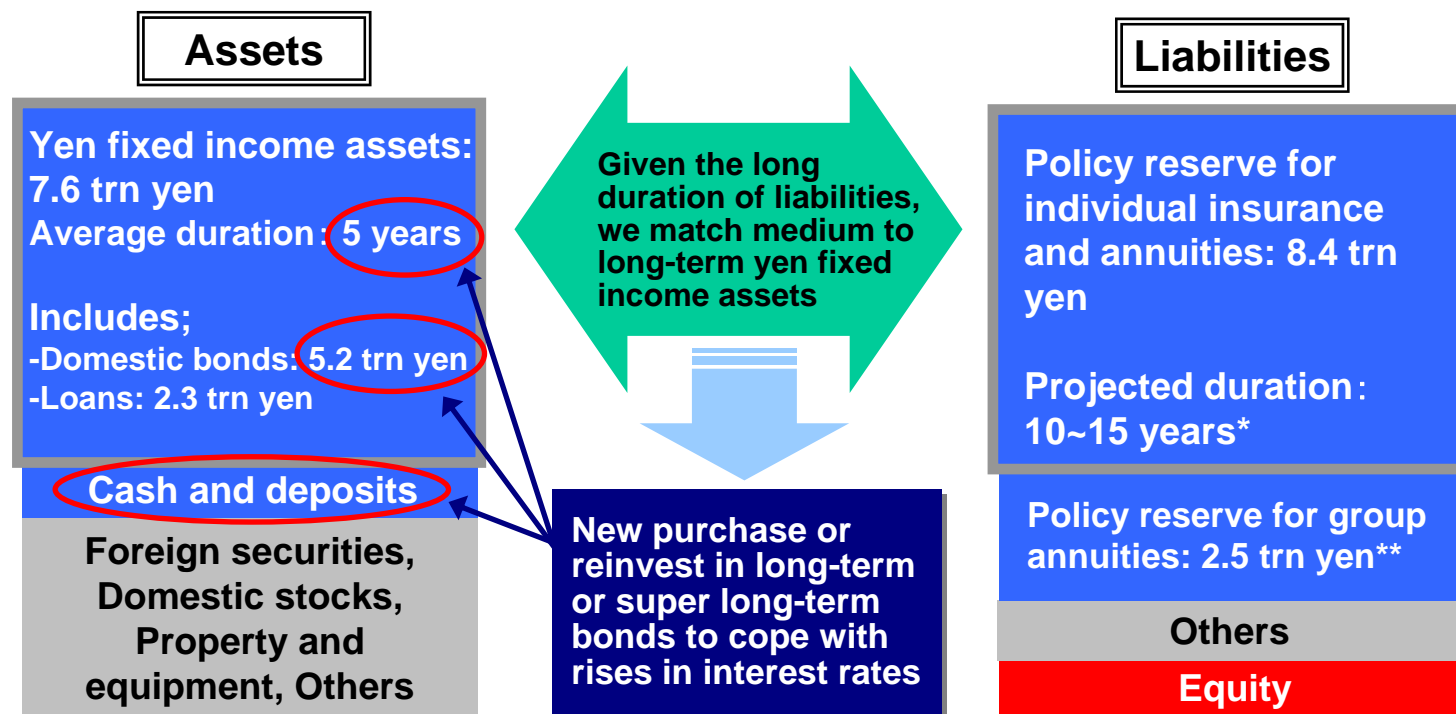
		Growth Potential		
		Small	Average	Large
Profitability *	High			3rd sector
	Average	Death protection (Work-site market)	Death protection (SME and households market)	
	Low	Traditional saving products (Endowment, etc.)		Variable annuities

* 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.

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, 2008

* 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.

Ratings

(As of March 31, 2008)

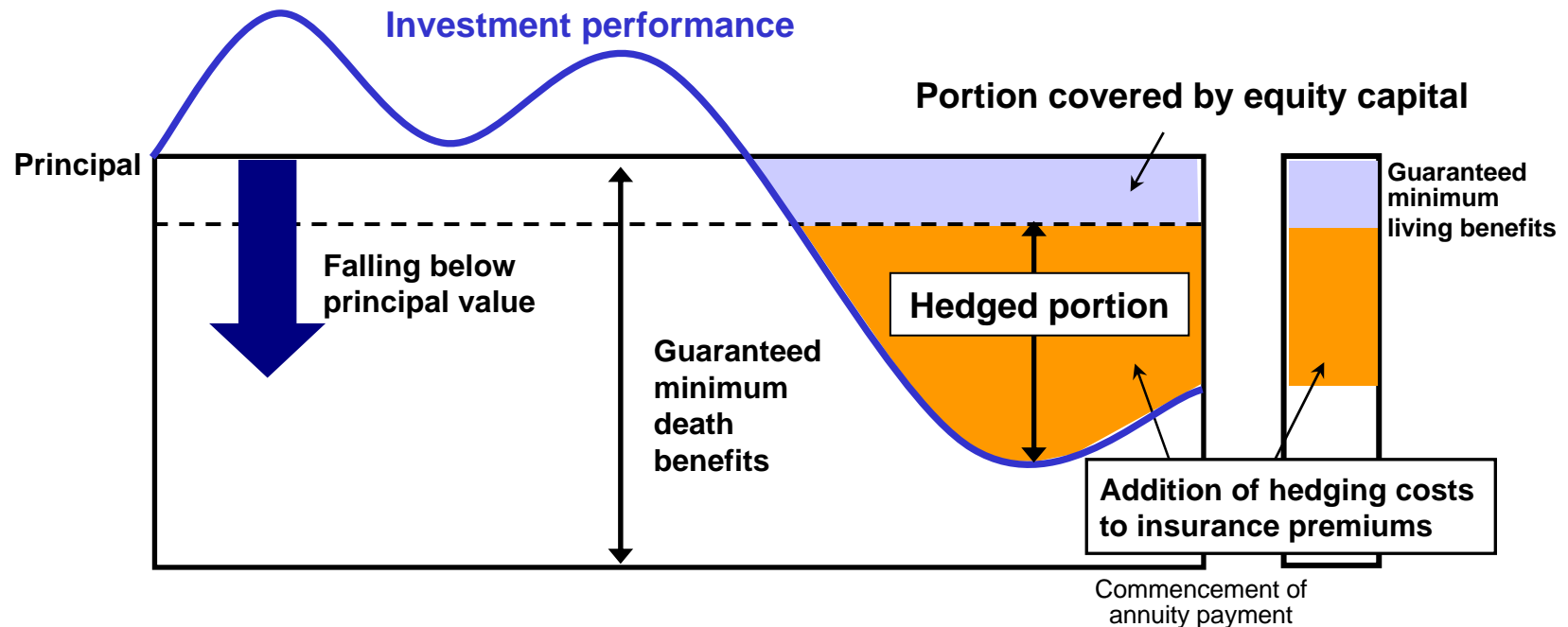
Daido Life		Taiyo Life		T&D Financial Life	
R&I	A+	R&I	A+	R&I	A+
JCR	AA-	JCR	A+	JCR	A
S&P	A	S&P	A	S&P	-
Fitch	AA-	Fitch*	A+	Fitch	-
Moody's*	A1	Moody's	A1	Moody's	-

* Public Information Rating

VA Risk Management

- Appropriate risk management for guaranteed minimum death and living benefits of VA, and monitoring risk conditions on the monthly basis.
- Implementation of risk hedging methods to cope with bearing risks and the addition of hedging costs to insurance premiums.
- Hedging of most risks with the residual risks covered by equity capital.

Risk Management Using Hedging Methods (Image Concept)



Non-Consolidated Statements of Operations: Daido Life

	(Billions of yen)		
	FY2007	FY2006	Changes
Ordinary revenues	1,136.3	1,061.8	74.5
Income from insurance premiums	843.3	865.2	(21.9)
Individual insurance and annuities	669.4	673.8	(4.3)
Investment income	205.7	183.3	22.4
Interest, dividends and income from real estate for rent	144.7	129.4	15.2
Gains on investment in trading securities, net	-	17.8	(17.8)
Gains on sale of securities	14.9	18.7	(3.8)
Gains from derivatives, net	29.3	-	29.3
Gains on separate accounts, net	-	6.5	(6.5)
Other ordinary income	87.2	13.2	74.0
Reversal of policy reserve	80.7	9.3	71.4
Ordinary expenses	1,031.6	940.5	91.0
Insurance claims and other payments	804.3	758.2	46.1
Provision for policy and other reserves	2.9	3.5	(0.6)
Investment expenses	94.6	44.1	50.5
Losses on investment in trading securities, net	25.1	-	25.1
Losses on sale of securities	10.0	5.7	4.3
Devaluation losses on securities	19.4	0.6	18.8
Losses from derivatives, net	-	20.3	(20.3)
Losses on separate accounts, net	16.2	-	16.2
Operating expenses	114.1	111.8	2.3
Other ordinary expenses	15.6	22.8	(7.2)
Ordinary profit	104.6	121.2	(16.5)
Net extraordinary gains (losses)	(10.2)	(12.7)	2.4
Provision for reserve for policyholder dividends	31.2	40.0	(8.8)
Net income before taxes	63.1	68.4	(5.2)
Income taxes	32.7	25.2	7.4
Net income	30.4	43.1	(12.7)

Group annuities: down ¥15.0 billion y-o-y

-Dividends from investment trusts: up ¥8.6 billion
-Dividends from private equity funds: up ¥7.0 billion

Net gains decreased as gains on hedge funds dropped (Gains based on local currencies were positive).
*Gains/losses from derivatives includes gains/losses from foreign exchange forward contracts relating to hedge funds

Net gains from derivatives improved by ¥49.7 bn from a ¥20.3 bn of losses for FY2006.
-Net gains on currency-related: ¥27.6 billion (up ¥50.8 billion y-o-y)
-Net gains on stock-related: ¥2.4 billion (down ¥1.2 billion y-o-y)

Group annuities: up ¥70.5 billion

Group annuities: ¥262.1 billion (up ¥38.5 billion y-o-y)

Provision for reserve for employees' retirement benefits decreased by ¥6.8 billion

Includes provision for reserve for price fluctuations of ¥11.9 bn (down ¥2.0 bn y-o-y) including excess amount of internal reserves of ¥9.3 billion (down ¥2.1 bn y-o-y)

Mainly due to taxable depreciation of losses on sale of securities

Non-Consolidated Statements of Operations: Taiyo Life

(Billions of yen)

	FY2007	FY2006	Changes
Ordinary revenues	1,000.3	1,012.0	(11.6)
Income from insurance premiums	635.7	705.5	(69.8)
Investment income	229.6	211.8	17.7
Interest, dividends and income from real estate for rent	142.0	137.2	4.7
Gains on sale of securities	87.2	74.2	13.0
Other ordinary income	134.9	94.5	40.4
Reversal of policy reserve	99.0	60.0	39.0
Ordinary expenses	943.3	960.3	(17.0)
Insurance claims and other payments	747.1	772.8	(25.7)
Provision for policy and other reserves	0.1	1.7	(1.6)
Investment expenses	76.1	70.3	5.7
Losses on sale of securities	51.9	45.3	6.6
Devaluation losses of securities	7.7	0.0	7.6
Losses from derivatives, net	7.0	15.6	(8.6)
Operating expenses	77.0	78.8	(1.7)
Other ordinary expenses	42.8	36.5	6.2
Ordinary profit	57.0	51.6	5.3
Net extraordinary gains (losses)	(20.9)	(14.6)	(6.3)
Provision for reserve for policyholder dividends	13.9	15.0	(1.0)
Net income before taxes	22.0	21.9	0.1
Income taxes	10.0	8.5	1.4
Net income	12.0	13.4	(1.3)

Includes insurance premiums for individual insurance and annuities of ¥532.0 billion (down ¥44.4 billion y-o-y) and for group annuities of ¥68.1 billion (down ¥24.6 billion y-o-y)

-Increase in interests from yen-denominated bonds: ¥2.9 billion
 -Increase in dividends from domestic investment trusts: ¥0.8 billion
 -Increase in dividends from domestic stocks: ¥1.0 billion
 -Increase in interests from foreign currency-denominated bonds: ¥0.7 billion
 -Decrease in dividends from domestic private equity funds: ¥(2.7) billion

-Domestic stocks: ¥47.9 billion (down ¥13.9 billion y-o-y)
 -Foreign securities: ¥36.3 billion (up ¥24.8 billion y-o-y)
 -Domestic bonds: ¥3.0 billion (up ¥2.1 billion y-o-y)

Includes payment for group annuities of ¥107.8 billion (up ¥22.9 billion y-o-y) and maturity benefits for individual insurance of ¥249.5 billion (down ¥58.5 billion y-o-y)

-Domestic stocks: ¥31.1 billion (up ¥11.9 billion y-o-y)
 -Domestic bonds: ¥7.8 billion (down ¥5.9 billion y-o-y)
 -Foreign securities: ¥12.9 billion (up ¥0.6 billion y-o-y)

-Currency-related: ¥11.0 billion (down ¥4.4 billion y-o-y), including ¥14.6 billion of hedge accounting applied (up ¥1.9 billion y-o-y)
 -Stock-related: ¥3.9 billion (up ¥4.1 billion y-o-y)

Includes in extraordinary losses;
 -Provision for reserve for price fluctuations: ¥20.7 billion (up ¥4.2 billion y-o-y), including additional internal reserves of ¥18.5 billion (up ¥4.2 billion y-o-y)
 -Impairment loss: ¥0.3 billion (down ¥1.0 billion y-o-y)

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

(Billions of yen)

	FY2007	FY2006	Changes
Ordinary revenues	180.4	266.1	(85.6)
Income from insurance premiums	134.0	240.7	(106.6)
Investment income	19.8	17.1	2.6
Interest, dividends and income from real estate for rent	4.1	4.3	(0.2)
Gains on monetary trusts	15.3	-	15.3
Gains on separate accounts, net	-	11.3	(11.3)
Other ordinary income	26.5	8.1	18.3
Reversal of policy reserve	16.7	-	16.7
Ordinary expenses	190.1	279.6	(89.5)
Insurance claims and other payments	95.5	99.5	(4.0)
Provision for policy and other reserves	0.1	154.5	(154.4)
Investment expenses	77.9	4.7	73.1
Losses from monetary trusts, net	-	3.4	(3.4)
Losses on sales of securities	0.1	1.3	(1.1)
Losses on separate account, net	77.6	-	77.6
Operating expenses	13.6	17.9	(4.3)
Other ordinary expenses	2.8	2.7	0.0
Ordinary profit (losses)	(9.6)	(13.5)	3.8
Net extraordinary gains (losses)	(0.0)	(0.3)	0.3
Provision for reserve for policyholder dividends	0.1	1.3	(1.1)
Net income before taxes	(9.8)	(15.2)	5.3
Income taxes	(2.9)	(4.5)	1.5
Net income (loss)	(6.9)	(10.7)	3.7

Includes ¥103.7 billion of insurance premiums for individual variable annuities, down ¥98.7 billion from a ¥202.4 billion for FY2006

¥24.8 billion of provision for policy reserve for variable annuities (separate accounts)

¥23.3 billion of provision for policy reserve relating to minimum guarantee risks for variable annuities

Non-Consolidated Balance Sheets: Daido Life

(Billions of yen)

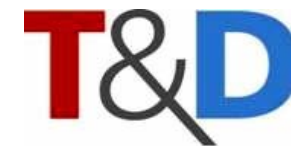
(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Assets</u>			
Cash and deposits, call loans	297.2	442.1	(144.8)
Monetary claims purchased	270.0	295.3	(25.2)
Monetary trusts	104.6	100.8	3.7
Securities	4,159.6	4,410.1	(250.4)
Domestic bonds	2,394.0	2,251.5	142.5
Domestic stocks	375.6	550.0	(174.3)
Foreign securities	653.4	707.6	(54.1)
Other securities	736.3	900.8	(164.5)
Loans	890.3	932.9	(42.5)
Tangible fixed assets	140.4	146.9	(6.5)
Other assets	131.5	58.4	73.1
Deferred tax assets	44.1	-	44.1
Total assets	6,047.8	6,397.0	(349.1)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Liabilities</u>			
Total policy reserves	5,392.1	5,474.5	(82.3)
Policy reserve	5,216.5	5,297.2	(80.7)
Contingency reserve	82.6	80.3	2.2
Other liabilities	101.8	53.9	47.8
Reserve for price fluctuations	73.5	61.5	11.9
Deferred tax liabilities	-	105.2	(105.2)
Total liabilities	5,673.4	5,792.2	(118.8)
<u>Net assets</u>			
Total stockholders' equity	261.8	241.2	20.5
Common stock	75.0	75.0	-
Capital surplus	5.4	5.4	-
Retained earnings	186.7	166.2	20.5
Total valuation and translation adjustments	112.5	363.4	(250.9)
Net unrealized gains on securities	111.8	362.7	(250.8)
Total net assets	374.4	604.7	(230.3)
Total liabilities and net assets	6,047.8	6,397.0	(349.1)

-Domestic bonds: Mainly due to purchases of short-term government bonds
 -Domestic stocks: Mainly due to a drop of holding stock prices
 -Foreign Securities: Mainly due to sale of foreign bonds and a decrease in amount of hedge funds
 -Other securities: Mainly due to a decline of fair value of investment trusts

Non-Consolidated Balance Sheets: Taiyo Life



T&D Life Group

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Assets</u>			
Cash and deposits, call loans	159.8	201.7	(41.9)
Securities	4,152.4	4,485.2	(332.7)
Domestic bonds	2,575.1	2,628.4	(53.3)
Domestic stocks	638.5	873.2	(234.7)
Foreign securities	867.2	865.9	1.2
Other securities	71.5	117.5	(45.9)
Loans	1,481.8	1,502.2	(20.3)
Tangible fixed assets	162.2	163.4	(1.2)
Reserve for possible loan losses	(2.5)	(2.3)	(0.1)
Total assets	6,185.5	6,552.5	(366.9)

-Domestic bonds: decreased mainly due to a decrease in total assets
 -Domestic stocks: decreased mainly due to a decline in holding stock prices and trades based on market outlook

Includes excess amount of additional reserves: ¥18.5 billion

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Liabilities</u>			
Total policy reserves	5,731.1	5,836.5	(105.4)
Policy reserve	5,652.0	5,751.1	(99.0)
Contingency reserve	101.9	85.5	16.4
Reserve for price fluctuations	63.2	42.5	20.7
Deferred tax liabilities	-	104.1	(104.1)
Total liabilities	5,931.2	6,121.9	(190.6)
<u>Net assets</u>			
Total stockholders' equity	166.3	160.8	5.4
Common stock	37.5	37.5	-
Capital surplus	37.5	37.5	-
Retained earnings	91.3	85.8	5.4
Total valuation and translation adjustments	87.9	269.7	(181.7)
Net unrealized gains on securities	136.1	318.4	(182.3)
Land revaluation	(48.0)	(48.5)	0.4
Total net assets	254.3	430.5	(176.2)
Total liabilities and net assets	6,185.5	6,552.5	(366.9)

Non-Consolidated Balance Sheets: T&D Financial Life

(Billions of yen)

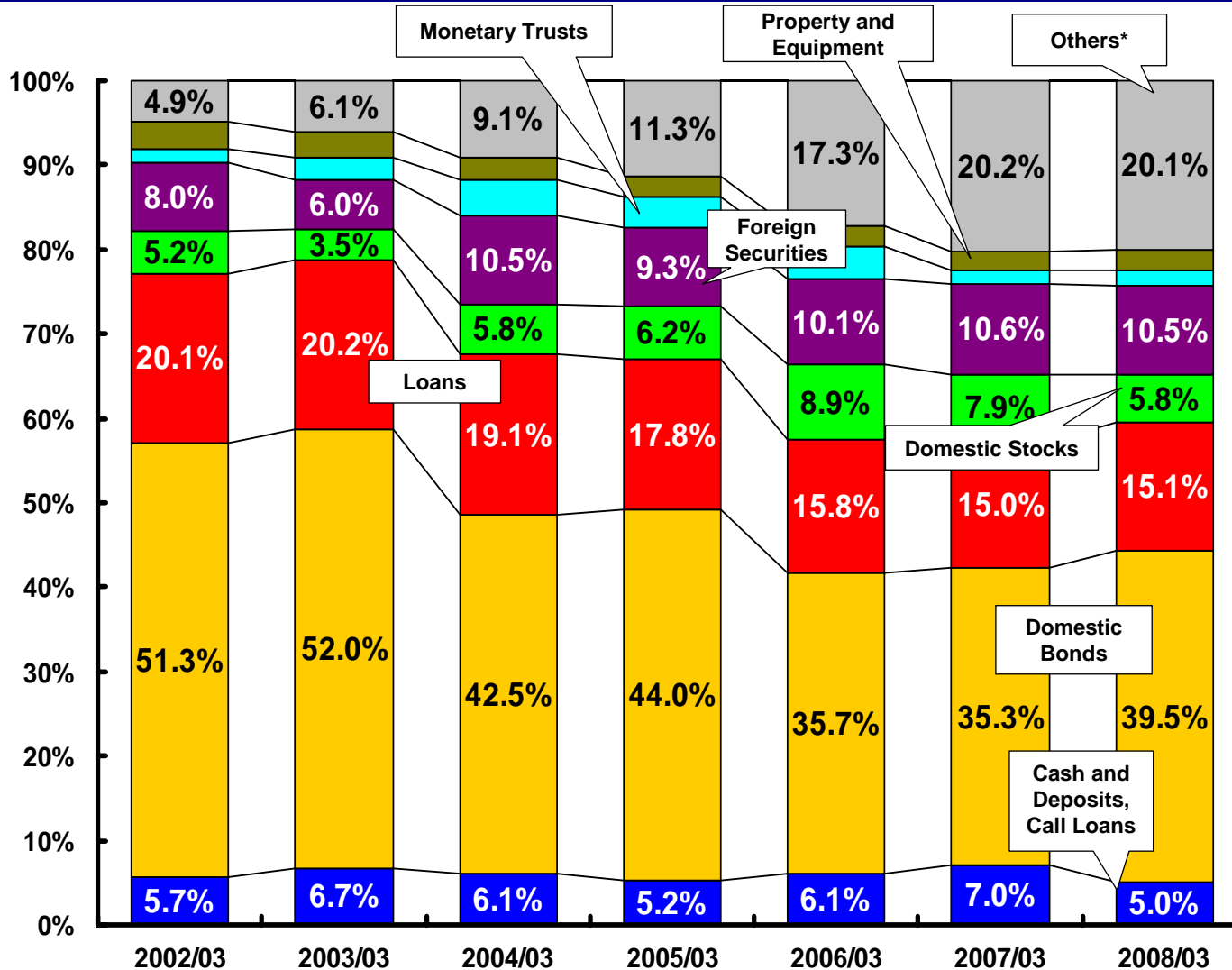
	As of March 31, 2008	As of March 31, 2007	Changes
<u>Assets</u>			
Cash and deposits, call loans	50.1	50.6	(0.5)
Monetary trusts	30.1	12.3	17.8
Securities	934.8	977.5	(42.6)
Domestic bonds	360.1	354.5	5.6
Domestic stocks	0.9	1.9	(0.9)
Foreign securities	2.0	24.8	(22.8)
Other securities	571.7	596.2	(24.5)
Loans	7.2	10.2	(2.9)
Tangible fixed assets	0.3	0.2	0.0
Intangible fixed assets	3.3	2.6	0.6
Other assets	6.5	10.3	(3.8)
Deferred tax assets	8.7	6.2	2.5
Total assets	1,048.9	1,078.4	(29.4)

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Changes
<u>Liabilities</u>			
Total policy reserves	1,011.5	1,029.1	(17.6)
Policy reserve	1,004.1	1,020.8	(16.7)
Contingency reserve	13.5	9.3	4.2
Reserve for price fluctuations	0.4	0.3	0.0
Total liabilities	1,022.0	1,044.2	(22.2)
<u>Net assets</u>			
Total stockholders' equity	28.1	35.0	(6.9)
Common stock	36.0	36.0	-
Capital surplus	26.0	26.0	-
Retained earnings	(33.8)	(26.9)	(6.9)
Total valuation and translation adjustments	(1.1)	(0.8)	(0.3)
Net unrealized gains on securities	(1.1)	(0.8)	(0.3)
Total net assets	26.9	34.2	(7.2)
Total liabilities and net assets	1,048.9	1,078.4	(29.4)

-Foreign securities: Due to the redumption of foreign bonds and the sales of foreign investment trusts
 -Other securities: Due to a decrease in investment trusts reflecting a decrease in policies for individual variable annuities and a drop of fair value of investment trusts

General Account Assets Composition: Daido Life

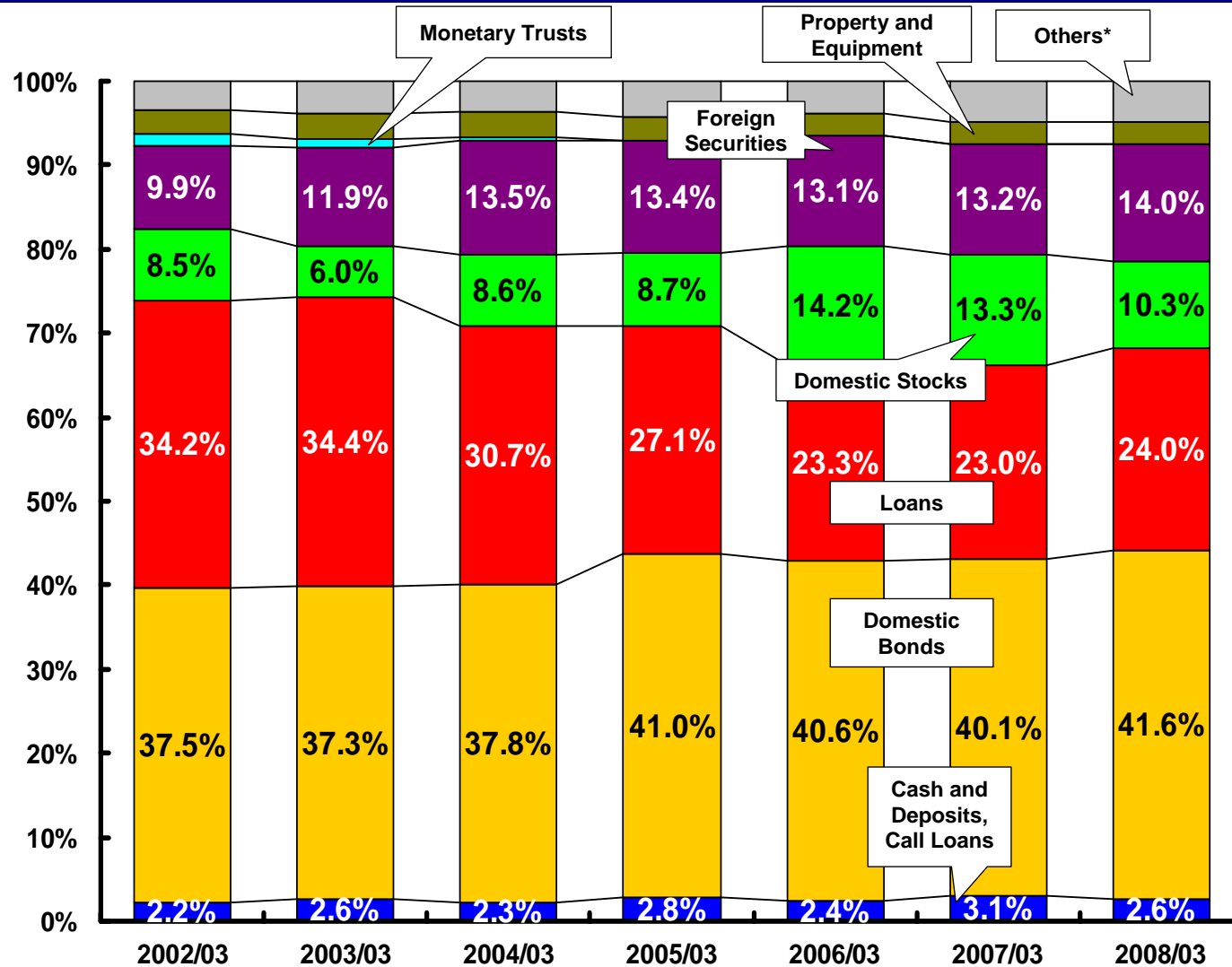


Net Exposure to Domestic Stocks **
14.5%
 (2007/03 18.1%)
 (2006/03 19.0%)

Net Exposure to Foreign Currency ***
3.4%
 (2007/03 3.4%)
 (2006/03 4.2%)

* Others as of March 31, 2008; Other Securities (mainly investment trusts): 12.4%, Monetary Claims Purchased : 4.6%, 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

General Account Assets Composition: Taiyo Life



Net Exposure to Domestic Stocks **
10.9%
 (2007/03 14.5%)
 (2006/03 14.9%)

Net Exposure to Foreign Currency ***
5.2%
 (2007/03 6.1%)
 (2006/03 5.5%)

* Others as of March 31, 2008; Monetary Claims Purchased : 2.6%, Other Securities (mainly investment trusts): 1.2%, and other assets

** Net exposure to domestic stocks adjusting the hedging position and including investment trusts

*** Net foreign currency exposure adjusting for hedges

Breakdown of Foreign Securities (Foreign Bonds)

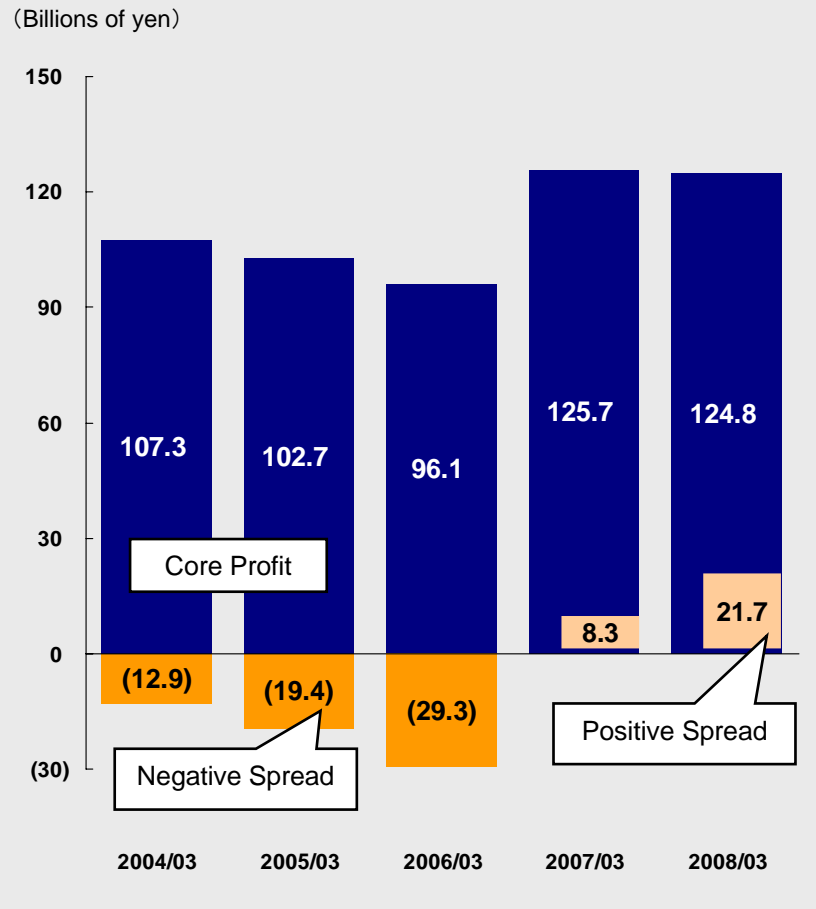
(Billions of yen)

	Daido Life (As of March 31, 2008)		Taiyo Life (As of March 31, 2008)	
Government bonds	68.5	33.4%	511.0	91.2%
BBB and above	68.5	33.4%	511.0	91.2%
Supranational bonds	3.0	1.5%	7.1	1.3%
BBB and above	3.0	1.5%	7.1	1.3%
Government-related organizations' bond and public entities' bond	7.3	3.6%	6.2	1.1%
BBB and above	7.3	3.6%	6.2	1.1%
Municipal bonds	3.0	1.5%	-	-
BBB and above	3.0	1.5%	-	-
Corporate bonds	123.0	60.0%	36.1	6.5%
BBB and above	122.5	59.8%	36.1	6.5%
Total	205.0	100.0%	560.6	100.0%

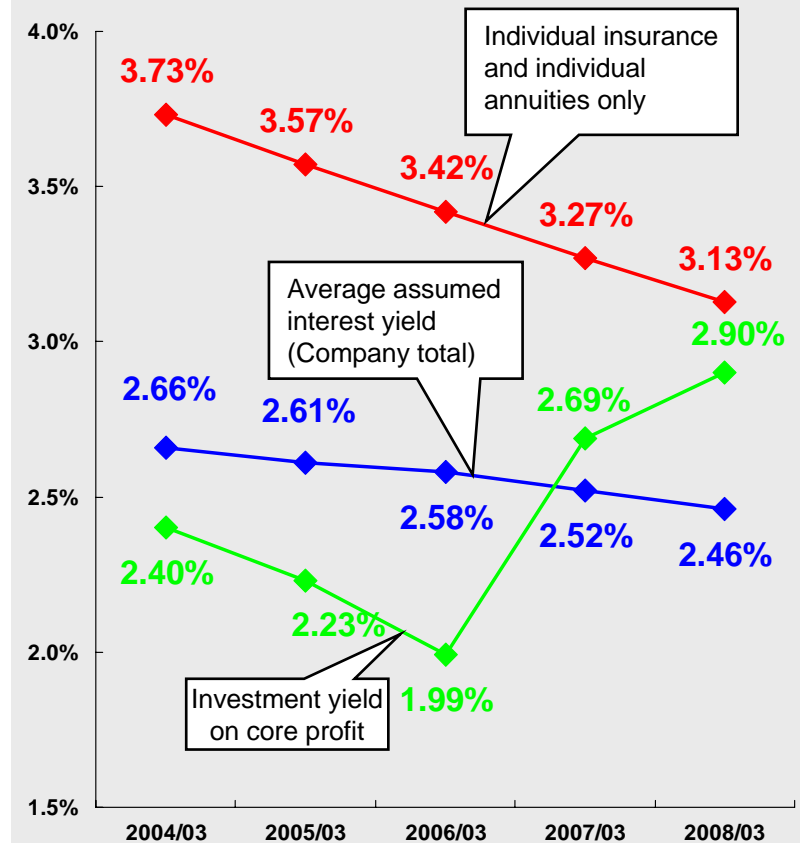
* BBB and above are categorized according to the each company's standard.

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

Amount of Core Profit and Negative Spread



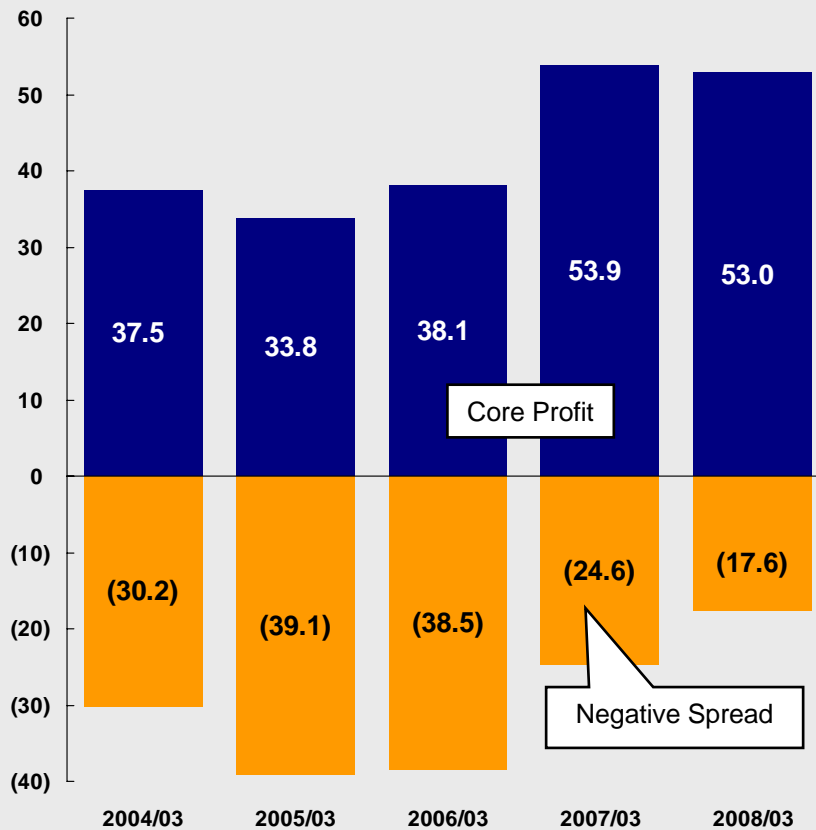
Average Assumed Investment Yield



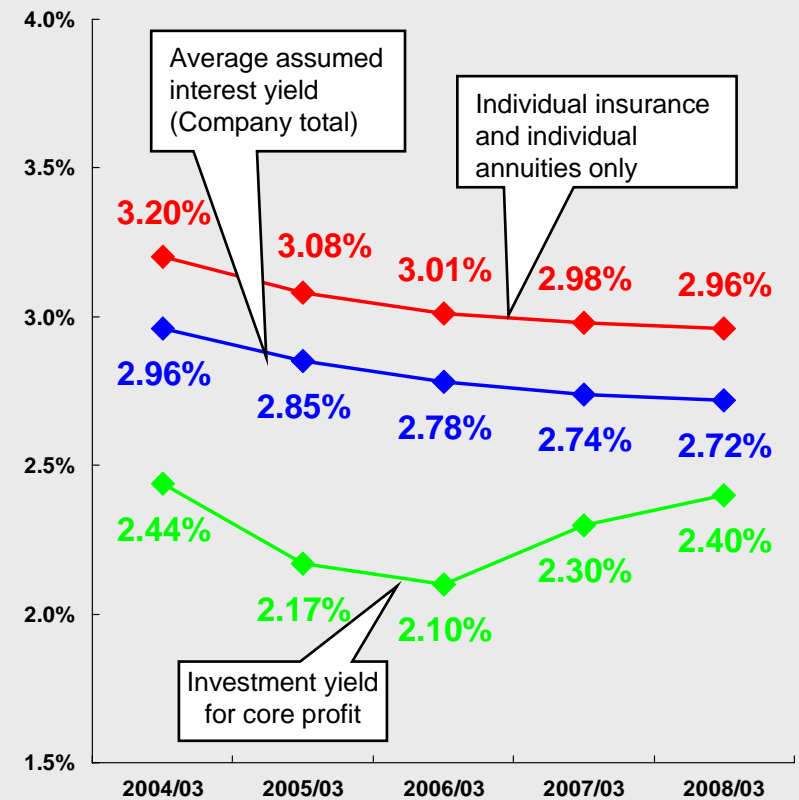
Core Profit/ Negative Spread, Average Assumed Investment Yield: Taiyo Life

Amount of Core Profit and Negative Spread

(Billions of yen)

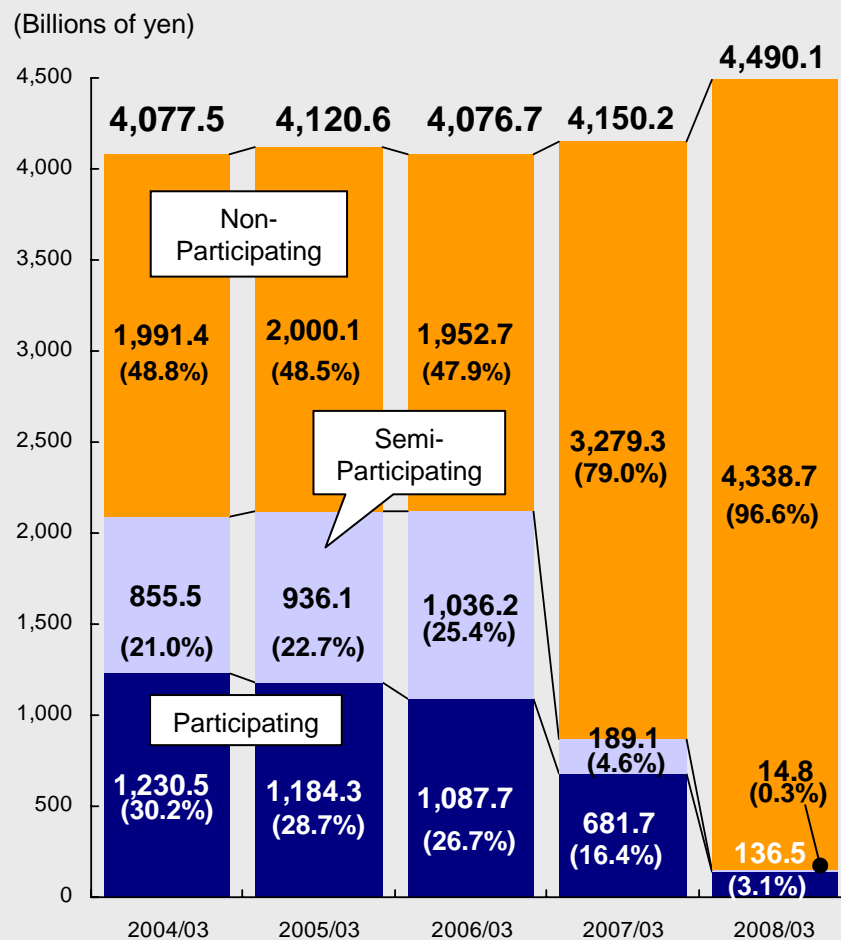


Average Assumed Investment Yield



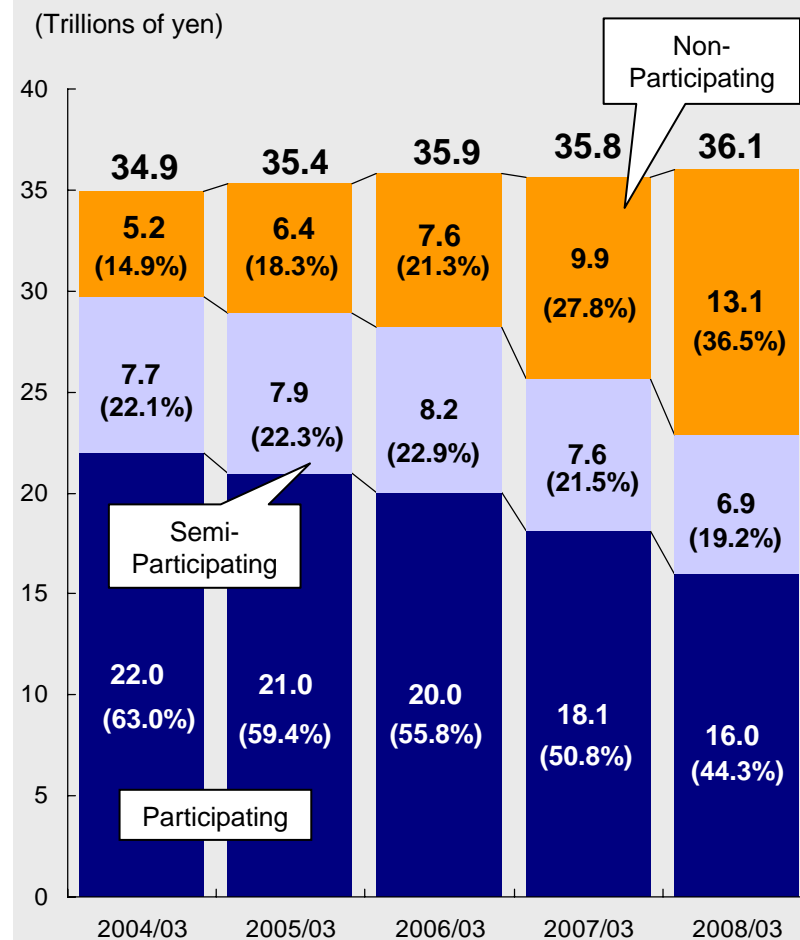
Sales Results by Dividend Type: Daido Life (Individual Term Life Insurance)

New Policy Amount*



* Net increase from conversion is not included.

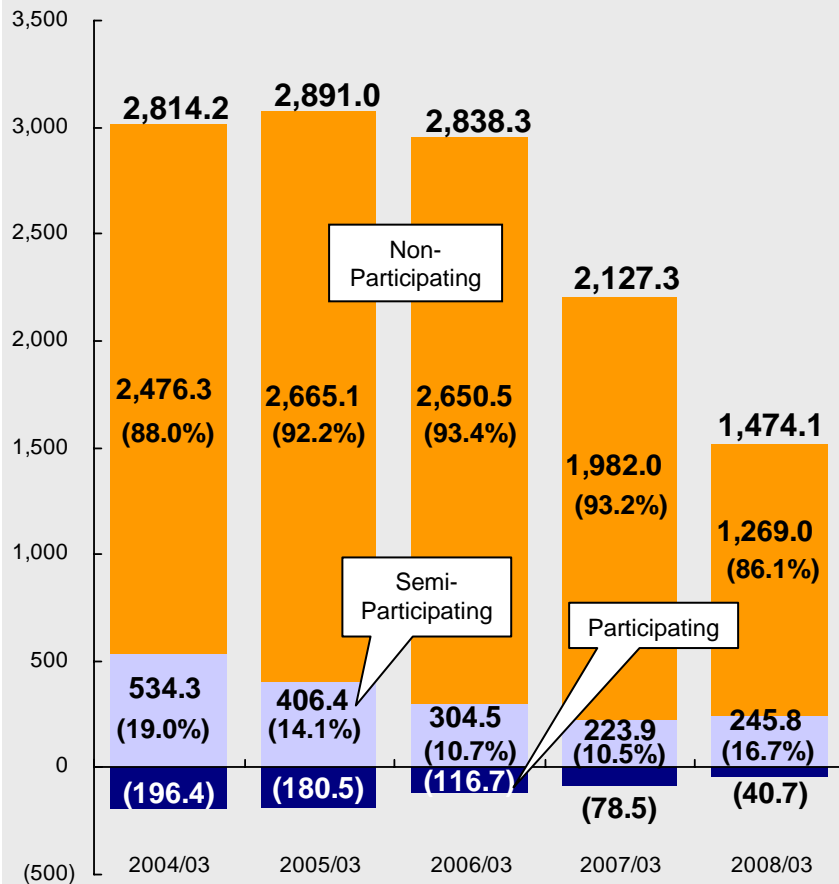
Policy Amount in Force



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

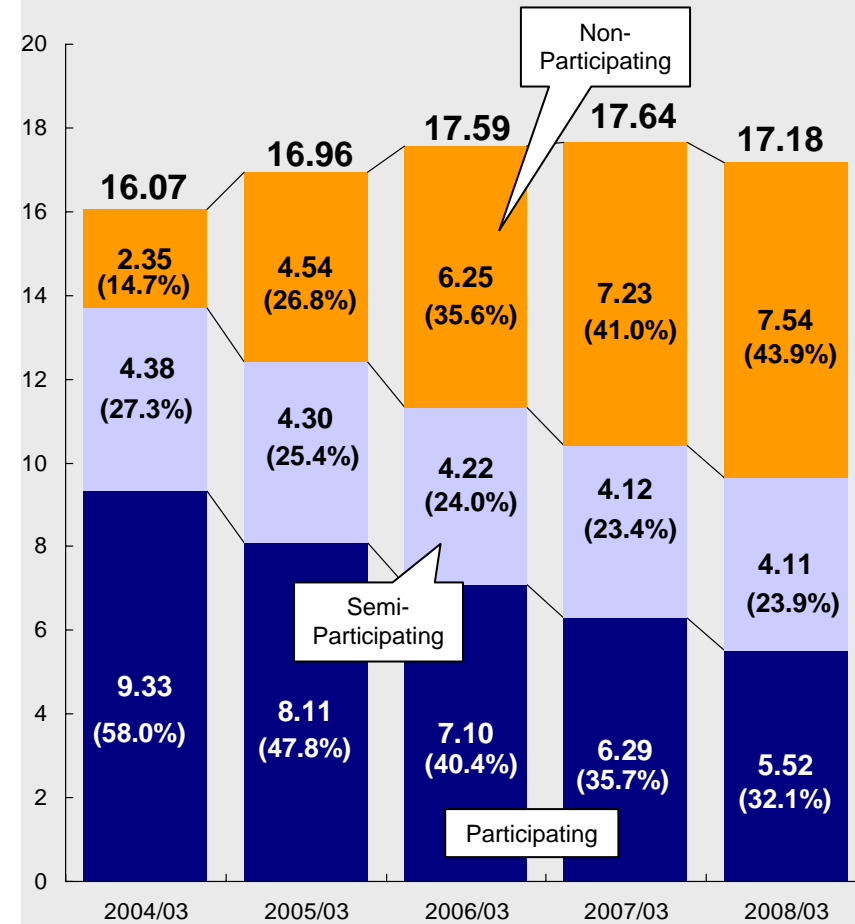
New Policy Amount*

(Billions of yen)



Policy Amount in Force

(Trillions of yen)



* Net increase from conversion included

Breakdown of Financial Indicator: Daido Life

(Millions of yen)

Category	1. Adjusted Net Worth on EEV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	261,844	261,844	261,844	
Reserve for deferred gain on sale of real estate	-	-	(1,559)	
Estimated appropriation paid in cash	-	-	(8,158)	3. Shareholders' dividends
Net unrealized gains (losses) on securities	111,873	175,103	157,593	1. After-tax 2. Before-tax 3. 90% of before-tax
Unrealized gains (losses) on loans	20,985	-	-	1. After-tax
Deferred valuation gains (losses) on hedge	692	692	-	1.2. After-tax
Net unrealized gains (losses) on real estate	22,529	35,262	29,973	1. After-tax 2. Before-tax 3. 85% of before-tax
Reserve for price fluctuations	73,558	73,558	73,558	
Contingency reserve	82,642	82,642	82,642	
Unallotted portion of reserve for policyholder dividends	17,304	17,304	17,304	
Excess amount of policy reserve based on Zillmer method	-	130,878	130,878	
Future profits	-	-	15,618	
Deferred tax assets for quasi-equity liabilities	(62,652)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.11%)
Deferred tax assets	-	-	92,862	
General reserve for possible loan losses	112	-	175	1. After-tax 3. Before-tax
Subordinated debt	-	-	-	
Net unrealized gains (losses) on subordinated debt	-	-	-	
Net unrealized gains (losses) on held-to-maturity securities, etc.	4,043	(70)	-	1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax
Total	532,933	777,216	852,732	

Breakdown of Financial Indicator: Taiyo Life

(Millions of yen)

Category	1. Adjusted Net Worth on EEV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	166,333	166,333	166,333	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	(7,851)	3. Shareholders' dividends
Net unrealized gains (losses) on securities	135,891	212,663	191,396	1. After-tax 2. Before-tax 3. 90% of before-tax
Net unrealized gains (losses) on loans	27,471	-	-	1. After-tax
Deferred valuation gains (losses) on hedge	796	(121)	-	1. After-tax, including net valuation gains/losses on interest rate swaps 2. After-tax
Net unrealized gains (losses) on real estate	(957)	(12,207)	(1,498)	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	63,296	63,296	63,296	
Contingency reserve	101,982	101,982	101,982	
Unallotted portion of reserve for policyholder dividends	21,715	21,715	21,715	
Excess amount of policy reserve based on Zillmer method	-	52,370	52,370	
Future profits	-	-	6,982	
Deferred tax assets for quasi-equity liabilities	(67,504)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.1%)
Deferred tax assets	-	-	47,163	
General reserve for possible loan losses	1,045	-	1,636	1. After-tax 3. Before-tax
Subordinated debt	-	-	55,000	
Net unrealized gains (losses) on subordinated debt	(598)	-	-	1. After-tax
Net unrealized gains (losses) on held-to-maturity securities, etc.	35,246	53,693	-	1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax
Total	484,718	659,726	698,527	

Breakdown of Financial Indicator: T&D Financial Life

(Millions of yen)

Category	1. Adjusted Net Worth on EEV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	28,110	28,110	28,110	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	-	3. Shareholders' dividend + bonus to directors and corporate auditors
Net unrealized gains (losses) on securities	(1,188)	(1,697)	(1,697)	1. Net unrealized gains/losses on securities x (1 - corporate tax rate: 30%) 2. Before-tax 3. 90% of before-tax
Net unrealized gains (losses) on loans	590	-	-	1. After-tax
Deferred valuation gains (losses) on hedge	-	-	-	1. After-tax
Net unrealized gains (losses) on real estate	-	-	-	1. After-tax 2.3. Before-tax
Reserve for price fluctuations	414	414	414	
Contingency reserve	13,587	13,587	13,587	
Unallotted portion of reserve for policyholder dividends	-	-	-	
Excess amount of policy reserve based on Zillmer method	-	20,216	27,851	2. Excludes due from reinsures related to variable annuities 3. Includes due from reinsures related to variable annuities
Future profits	-	-	91	
Deferred tax assets for quasi-equity liabilities	(4,200)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policy holder 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 subordinated debt	-	-	-	
Net unrealized gains (losses) on held-to-maturity securities	2,217	3,168	-	1. After-tax 2. Before-tax
Total	39,534	63,798	68,361	

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)

FYE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *1	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	59,899.9	59,340.3
New policy amount *1, *2	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	6,634.7	6,201.8
Income from insurance premiums	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	1,811.5	1,613.1
Surrender and lapse amount *1	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	5,362.5	5,064.2
Core profit	135.4	114.5	96.9	128.1	126.5	114.2	141.7	129.8	127.2	173.3	159.7
Provision for reserve for policyholder dividends *3	55.3	49.9	56.1	44.3	43.6	39.6	43.6	44.9	44.4	56.4	45.3
Number of in-house sales reps.	15,920	16,576	15,567	14,142	15,089	14,942	14,915	14,492	13,872	12,842	11,926
Number of agents	13,454	13,701	13,807	13,888	13,942	13,710	13,877	14,095	14,528	14,748	14,862
Total assets	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	14,028.0	13,282.4

*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: Daido Life

(Billions of yen)

FYE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *1	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	39,732.0	39,897.1
Individual term life insurance	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	35,818.1	36,175.3
New policy amount *1,*2	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	4,327.8	4,634.2
Individual term life insurance	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	4,141.9	4,489.8
Income from insurance premiums	1,168.4	1,192.8	1,136.9	1,072.2	1,059.4	989.4	928.2	884.8	871.1	865.2	843.3
Individual insurance and annuities *1	724.9	702.6	684.8	686.7	662.0	684.9	641.0	664.2	667.8	673.8	669.4
Surrender and lapse amount *1	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	3,615.8	3,550.0
Surrender and lapse rate (%)	9.3%	9.9%	9.8%	9.0%	9.0%	8.45%	8.44%	7.70%	7.66%	9.04%	8.93%
Core profit	135.4	114.5	96.9	114.2	109.8	88.7	107.3	102.7	96.1	125.7	124.8
Provision for reserve for policyholder dividends *3	39.9	34.3	39.5	33.2	30.6	26.5	30.5	30.5	27.3	40.0	31.2
Number of in-house sales reps.	6,072	6,126	5,456	4,866	5,154	5,194	5,251	4,888	4,909	4,726	4,307
Number of agents	13,123	13,213	13,135	13,203	13,252	12,970	13,079	13,415	13,963	14,295	14,460
Total assets	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	6,397.0	6,047.8

*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: Taiyo Life

(Billions of yen)

FYE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *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	17,644.5	17,182.2
Individual insurance	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	13,820.3	13,468.3
New policy amount *1,*2	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	2,127.3	1,474.1
Individual insurance	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	2,107.0	1,372.1
Income from insurance premiums	1,328.8	1,234.6	1,155.2	1,097.3	1,019.0	887.9	794.1	788.1	823.0	705.5	635.7
Individual insurance and annuities	1,104.0	1,095.0	972.4	914.8	837.8	762.1	680.2	646.6	609.2	576.5	532.0
Surrender and lapse amount *1	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	1,503.8	1,348.6
Surrender and lapse rate (%)	6.78%	6.06%	6.60%	7.91%	7.97%	8.66%	8.92%	8.86%	9.69%	8.55%	7.64%
Core profit	-	-	-	13.9	13.8	28.7	37.5	33.8	38.1	53.9	53.0
Provision for reserve for policyholder dividends *3	15.3	15.5	16.6	11.1	10.8	11.2	11.9	13.4	15.9	15.0	13.9
Number of in-house sales reps.	9,848	10,450	10,111	9,276	8,948	8,808	8,703	9,111	8,963	8,116	7,619
Number of agents	241	488	672	685	690	740	798	680	505	453	402
Total assets	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	6,552.5	6,185.5

*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: T&D Financial Life

(Billions of yen)

FYE	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *1	3,620.1	3,314.2	3,135.7	2,913.0	2,665.4	2,523.3	2,261.0
Individual variable annuities	1.3	64.1	175.1	245.7	459.5	621.5	596.8
New policy amount *2	174.3	467.5	444.0	299.7	162.7	179.5	93.3
Individual variable annuities	1.2	65.1	90.4	60.8	128.6	179.5	93.3
Income from insurance premiums	35.2	127.4	156.1	126.0	208.1	240.7	134.0
Individual variable annuities	1.2	66.3	100.8	77.2	164.2	202.4	103.7
Surrender and lapse amount *1	722.9	606.2	518.7	425.1	418.6	242.7	165.5
Surrender and lapse rate (%)	17.05%	16.75%	15.65%	13.56%	14.37%	9.11%	6.56%
Core profit	2.7	(3.2)	(3.1)	(6.7)	(7.0)	(6.4)	(18.1)
Provision for reserves for policyholder dividends	2.1	1.8	1.2	1.0	1.2	1.3	0.1
Number of in-house sales reps.	987	940	954	493	-	-	-
Total assets	598.6	613.6	682.2	727.2	934.1	1,078.4	1,048.9

*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. As a consequence, subsequent to reorganization, the Company's fiscal 2002 started October 1, 2001, and ended on March 31, 2002.

T&D Life Group European Embedded Value (EEV)

- **The Group's EEV as of March 31, 2008 was 1,621.6 billion yen, decreased by 450.4 billion yen from the end of previous fiscal year**
- **The value of new business decreased to 62.0 billion yen, down by 22.8 billion yen from the previous fiscal year**

EEV Results



T&D Life Group

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Change
T&D Life Group			
EEV	1,621.6	2,072.1	(450.4)
Adjusted net worth	1,057.1	1,344.8	(287.7)
Value of in-force business	564.4	727.2	(162.7)
Value of new business	62.0	84.8	(22.8)
(Breakdown)			
Daido Life			
EEV	990.7	1,263.0	(272.2)
Adjusted net worth	532.9	728.0	(195.1)
Value of in-force business	457.7	534.9	(77.1)
Value of new business	46.2	55.2	(9.0)
Taiyo Life			
EEV	574.9	738.6	(163.7)
Adjusted net worth	484.7	574.9	(90.2)
Value of in-force business	90.2	163.7	(73.5)
Value of new business	18.2	33.4	(15.1)
T&D Financial Life			
EEV	56.0	70.4	(14.4)
Adjusted net worth	39.5	41.8	(2.3)
Value of in-force business	16.4	28.5	(12.1)
Value of new business	(2.4)	(3.8)	1.3

* Value of new business doesn't include values anticipated from future new business. For conversions, only net increase is included.

(Reference) Breakdown of the Group's EEV

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Change
EEV	1,621.6	2,072.1	(450.4)
Adjusted net worth	1,057.1	1,344.8	(287.7)
Shareholders' equity on the balance sheet *1	456.2	437.2	19.0
Unrealized gains/losses on securities (after tax)	289.5	687.8	(398.2)
Unrealized gains/losses on loans (after tax)	49.0	24.3	24.6
Unrealized gains/losses on lands (after tax)	21.5	(5.6)	27.2
General reserves for possible loan losses (after tax)	1.1	1.0	0.1
Internal reserves as quasi-equity liabilities (after tax) *2	240.1	201.4	38.6
Unrealized gains/losses on subordinated debts (after tax)	(0.5)	(1.3)	0.7
Value of in-force business	564.4	727.2	(162.7)
Certainty equivalent present value of future profit	768.2	918.1	(149.9)
Time value of financial options and guarantees	(129.0)	(117.0)	(12.0)
Frictional cost of capital	(33.0)	(29.7)	(3.3)
Allowance for non financial risk	(41.5)	(44.1)	2.5
Value of new business *3	62.0	84.8	(22.8)
Adjusted net worth	(54.1)	(60.9)	6.7
Value of in-force business	116.2	145.7	(29.5)
Certainty equivalent present value of future profit	126.1	160.4	(34.2)
Time value of financial options and guarantees	(3.2)	(6.6)	3.3
Frictional cost of capital	(0.1)	(0.3)	0.1
Allowance for non financial risk	(6.4)	(7.6)	1.1
Present value of new business premiums *4	1,137.4	1,258.2	(120.8)
Value of new business/present value of new business premiums	5.5%	6.7%	(1.3P)

*1 Stockholders' equity on the balance sheet: Total net assets – total valuation and translation adjustment *2 Reserve for price fluctuation, contingency reserve, unallocated portion of reserve for policyholder dividends *3 Value of new business doesn't include values anticipated from future new business. For conversions, only net increase is included *4 Single premiums plus present value of regular premiums expected to be paid from the point of sale to the end of the term of the contract

(Ref.) Breakdown of Each Life Insurance Company's EEV

(Billions of yen)

	As of March 31, 2008			As of March 31, 2007			Change		
	Daido	Taiyo	TDF	Daido	Taiyo	TDF	Daido	Taiyo	TDF
EEV	990.7	574.9	56.0	1,263.0	738.6	70.4	(272.2)	(163.7)	(14.4)
Adjusted net worth	532.9	484.7	39.5	728.0	574.9	41.8	(195.1)	(90.2)	(2.3)
Shareholders' equity on the balance sheet *1	261.8	166.3	28.1	241.2	160.8	35.0	20.5	5.4	(6.9)
Unrealized gains/losses on securities (after tax)	116.6	171.9	1.0	368.3	320.0	(0.5)	(251.7)	(148.0)	1.5
Unrealized gains/losses on loans (after tax)	20.9	27.4	0.5	8.2	15.6	0.5	12.7	11.8	0.0
Unrealized gains/losses on lands (after tax)	22.5	(0.9)	-	10.9	(16.6)	-	11.5	15.6	-
General reserves for possible loan losses (after tax)	0.1	1.0	0.0	0.1	0.9	0.0	(0.0)	0.1	0.0
Internal reserves as quasi-equity liabilities (after tax) *2	110.8	119.4	9.8	99.1	95.5	6.7	11.6	23.9	3.0
Unrealized gains/losses on subordinated debts (after tax)	-	(0.5)	-	-	(1.3)	-	-	0.7	-
Value of in-force business	457.7	90.2	16.4	534.9	163.7	28.5	(77.1)	(73.5)	(12.1)
Certainty equivalent present value of future profit	599.2	144.1	24.8	660.9	218.0	39.1	(61.7)	(73.8)	(14.3)
Time value of financial options and guarantees	(97.1)	(24.6)	(7.3)	(85.8)	(22.4)	(8.7)	(11.2)	(2.2)	1.4
Frictional cost of capital	(15.3)	(16.7)	(0.9)	(10.4)	(18.0)	(1.2)	(4.9)	1.3	0.2
Allowance for non financial risk	(28.9)	(12.4)	(0.1)	(29.7)	(13.7)	(0.5)	0.7	1.3	0.4
Value of new business *3	46.2	18.2	(2.4)	55.2	33.4	(3.8)	(9.0)	(15.1)	1.3
Adjusted net worth	(31.3)	(16.6)	(6.1)	(31.4)	(19.3)	(10.0)	0.0	2.7	3.9
Value of in-force business	77.6	34.9	3.6	86.7	52.8	6.2	(9.1)	(17.8)	(2.5)
Certainty equivalent present value of future profit	83.4	37.5	5.1	94.2	56.4	9.7	(10.7)	(18.8)	(4.6)
Time value of financial options and guarantees	(1.4)	(0.6)	(1.2)	(2.9)	(0.8)	(2.8)	1.4	0.2	1.6
Frictional cost of capital	0.1	(0.1)	(0.1)	0.2	(0.1)	(0.4)	(0.1)	(0.0)	0.3
Allowance for non financial risk	(4.5)	(1.8)	(0.0)	(4.8)	(2.6)	(0.1)	0.3	0.8	0.0

*1 Stockholders' equity on the balance sheet: Total net assets – total valuation and translation adjustment *2 Reserve for price fluctuation, contingency reserve, unallocated portion of reserve for policyholder dividends *3 Value of new business doesn't include values anticipated from future new business. For conversions, only net increase is included

Economic assumptions

Discount Rates and Investment Yields

- In the certainty equivalent calculation, the discount rates and investment yields are the risk-free rates determined based on swap rates (mid price) at the valuation date

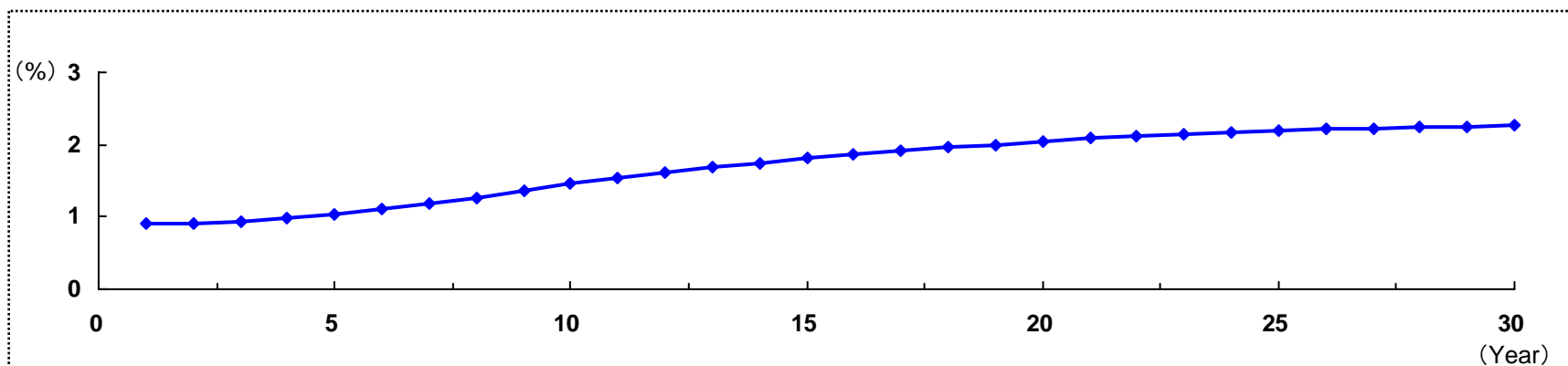
Swap rates

(%)

	1 year	2 year	3 year	4 year	5 year	10 year	15 year	20 year	25 year	30 year
As of March 31, 2008	0.915	0.898	0.939	0.988	1.043	1.462	1.804	2.041	2.184	2.264
As of March 31, 2007	0.781	0.946	1.087	1.221	1.343	1.810	2.118	2.315	2.406	2.476

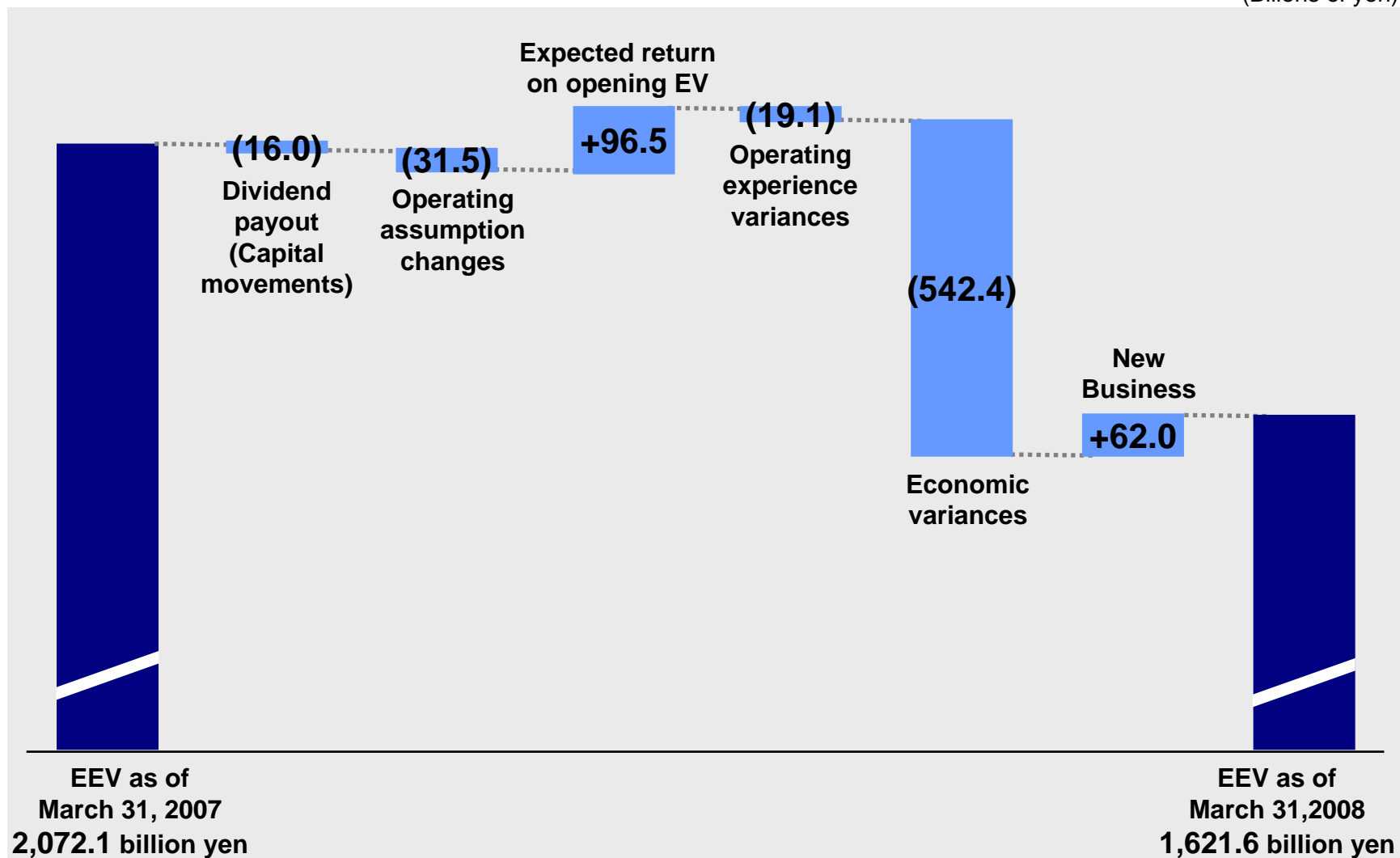
*Source: Bloomberg

<Reference> Yield Curve as of March 31, 2008



Movement Analysis

(Billions of yen)



* The amounts of expected transfer from in-force business to adjusted net worth were 99.5 billion yen.

(Reference) Breakdown of Movement Analysis

(Billions of yen)

	EEV		
		Adjusted net worth	Value of in-force business
EEV as of March 31, 2007	2,072.1	1,344.8	727.2
Dividend payout (Capital movements)	(16.0)	(16.0)	-
Operating assumption changes	(31.5)	-	(31.5)
Expected return on opening EV	96.5	15.8	80.6
Expected transfer from in-force business to adjusted net worth	-	99.5	(99.5)
Operating experience variances	(19.1)	(13.9)	(5.1)
Economic variances	(542.4)	(319.0)	(223.3)
New Business	62.0	(54.1)	116.2
Change in EEV	(450.4)	(287.7)	(162.7)
EEV as of March 31, 2008	1,621.6	1,057.1	564.4

Sensitivities

(Billions of yen)

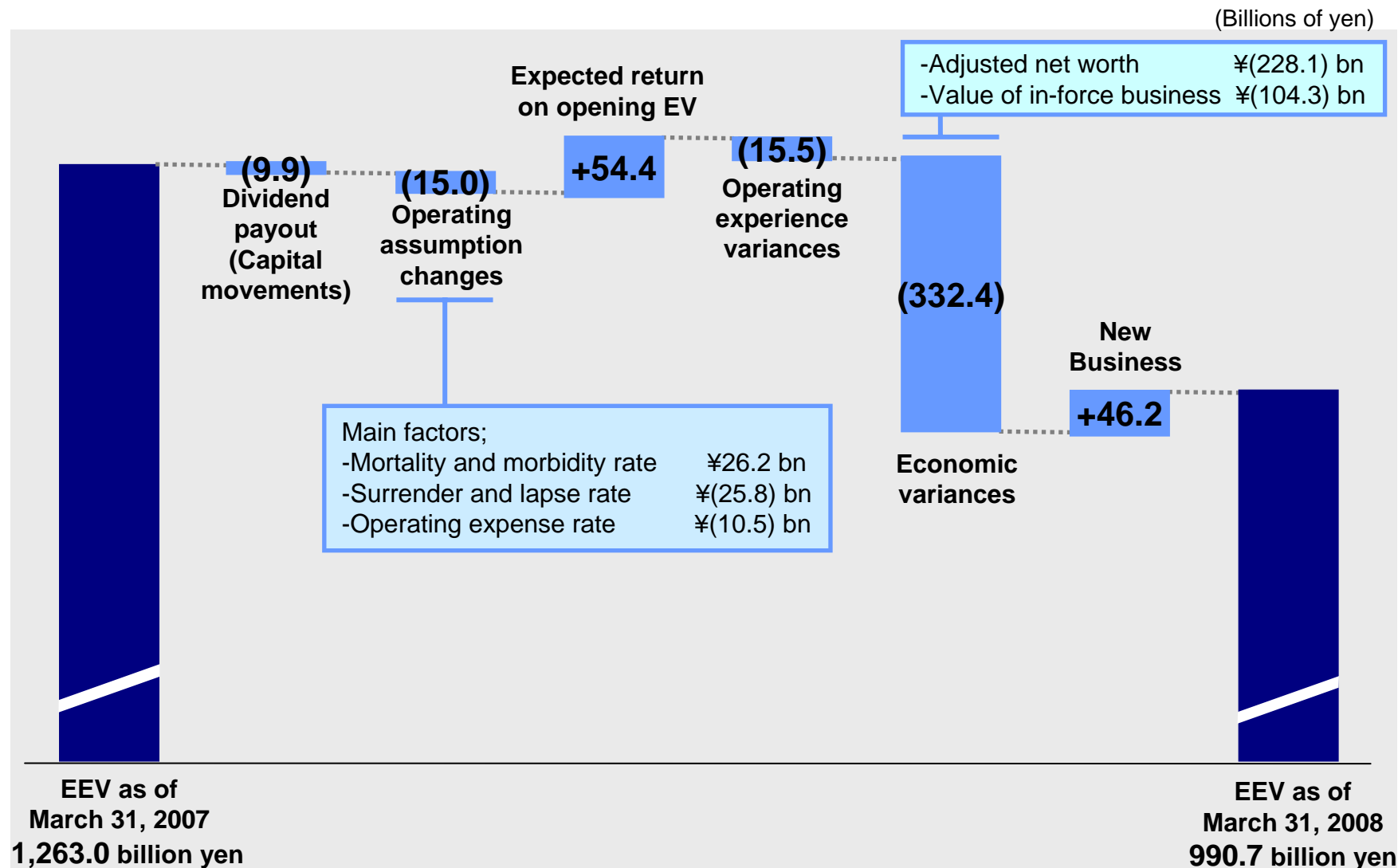
			EEV	Value of new business
EEV as of March 31, 2008 (base scenario)			1,621.6	62.0
Economic factor <small>*2</small>	Risk-free rate <small>*1</small>	+0.5%	164.0	13.1
		-0.5%	(203.6)	(15.8)
	Equity and real estate value	-10%	(157.0)	-
Non-economical factor	Surrender and lapse rate	x 0.9	59.4	9.1
	Operating expenses rate	x 0.9	41.8	3.0
	Claim incidence rate for the life business	x 0.95	76.7	5.7
	Mortality rate for the annuity business	x 0.95	(2.8)	0.0
Change the required capital to 200% (regulatory minimum) solvency margin ratio			33.0	0.1
Change the required capital to 1,000% solvency margin ratio			(59.6)	(2.8)
Implied volatility		x 1.25	(50.6)	(0.6)

*1 Fixed interest assets (bonds, loans, etc.) are revalued according to the change in the interest rate. The value of in-force business is re-calculated according to the change of investment yield and risk discount rate. Policyholder behavior also changes corresponding to these changes.

*2 The sensitivity results on the value of new business exclude the impact on the adjusted net worth, because adjusted net worth in value of new business is less than zero

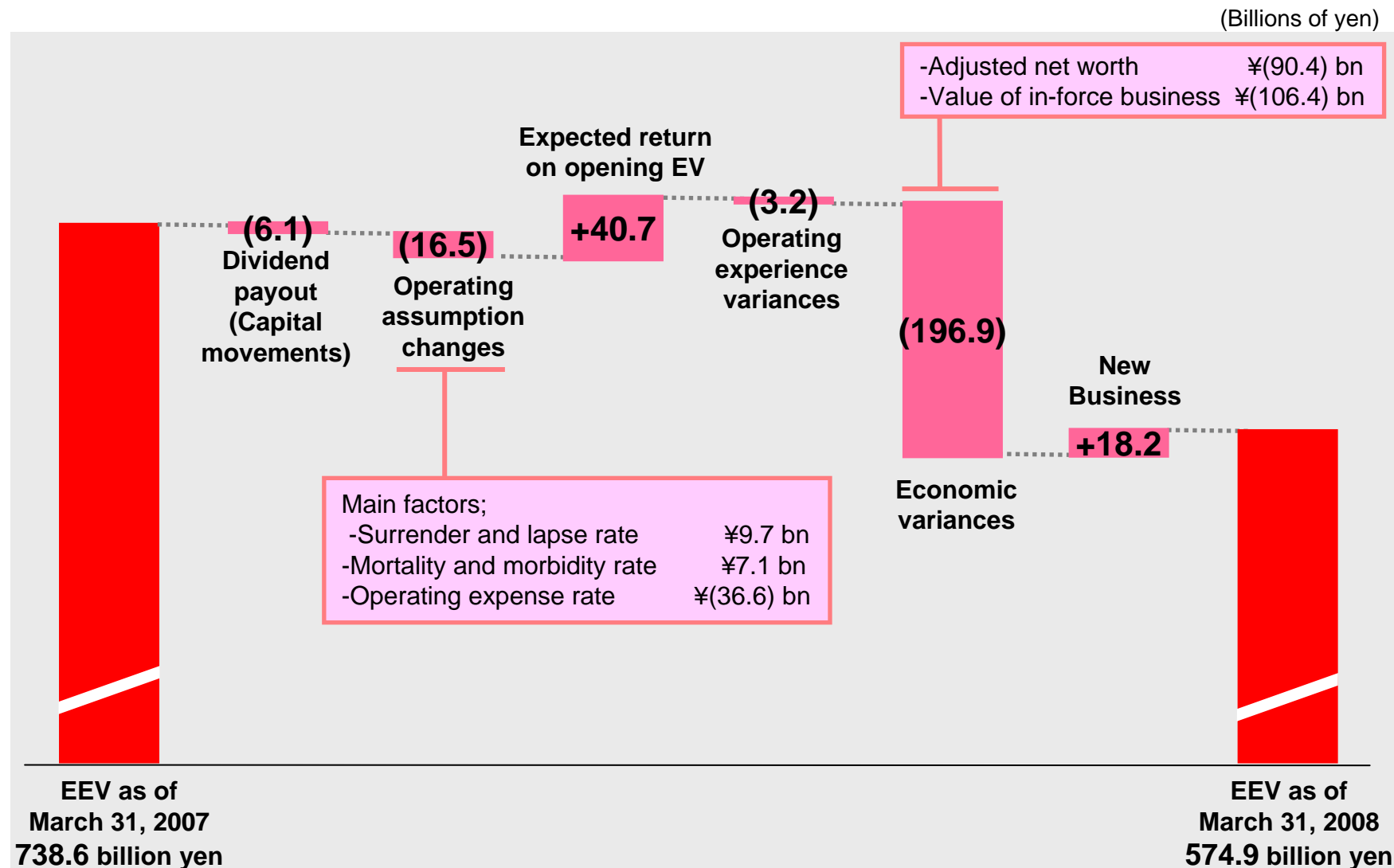
Appendix (EEV)

Movement Analysis: Daido Life



* The amounts of expected transfer from in-force business to adjusted net worth were 73.3 billion yen.

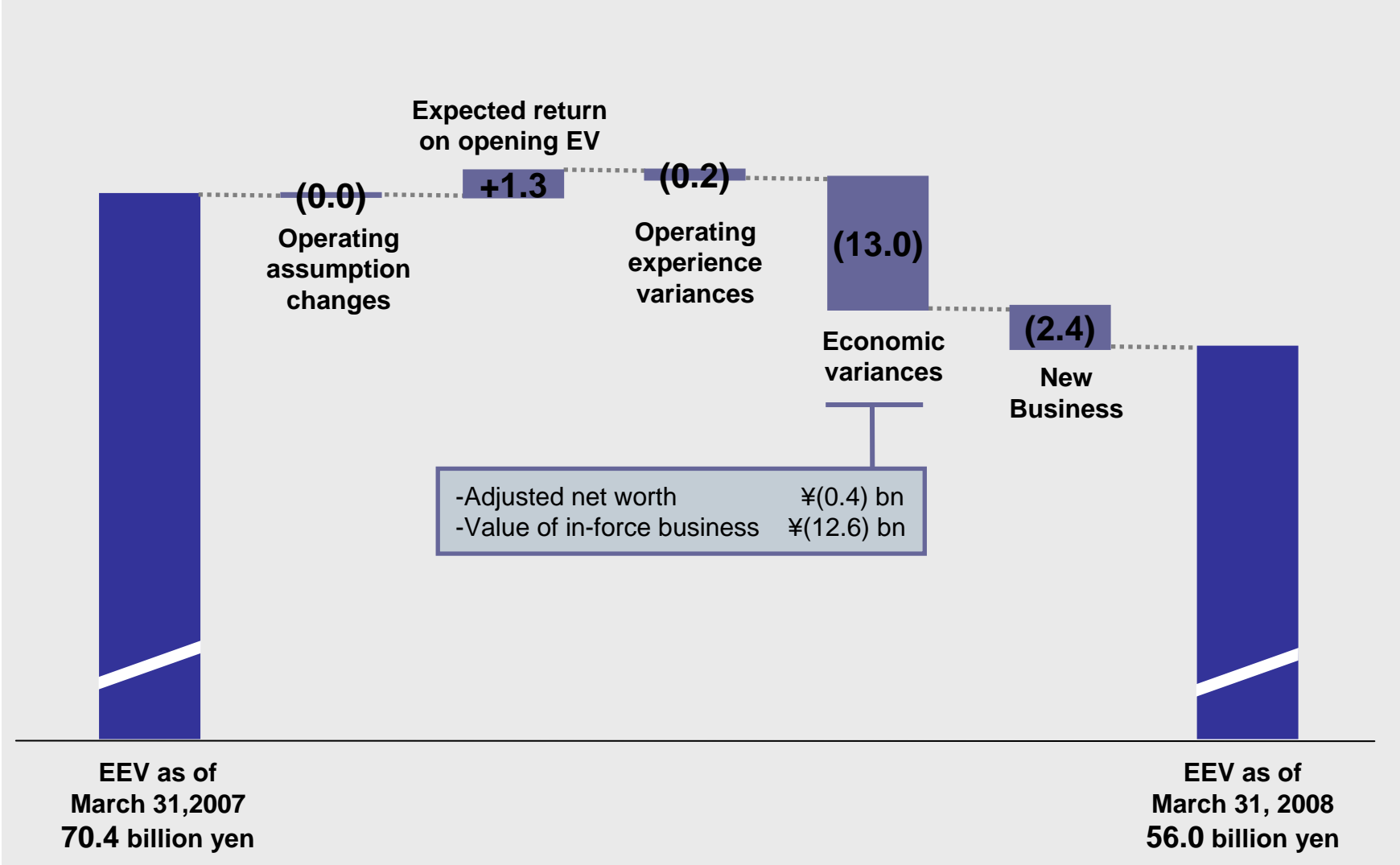
Movement Analysis: Taiyo Life



* The amounts of expected transfer from in-force business to adjusted net worth were 21.2 billion yen.

Movement Analysis: T&D Financial Life

(Billions of yen)



* The amounts of expected transfer from in-force business to adjusted net worth were 4.9 billion yen.

Sensitivities (Three life insurance companies)

(billions of yen)

			Daido Life		Taiyo Life		T&D Financial Life		
			EEV	VNB	EEV	VNB	EEV	VNB	
EEV as of March 31, 2008 (base scenario)			990.7	46.2	574.9	18.2	56.0	(2.4)	
Economical factor *2	Risk-free rate *1	+0.5%	110.6	9.3	45.4	3.3	8.0	0.4	
		-0.5%	(134.5)	(11.3)	(58.3)	(3.9)	(10.6)	(0.5)	
	Equity and real estate value	-10%	(83.5)	-	(65.4)	-	(8.0)	-	
Non-economical factor	Surrender and lapse rate	x 0.9	47.8	6.7	11.4	2.4	0.2	(0.0)	
	Operating expenses rate	x 0.9	18.4	1.6	21.5	1.2	1.8	0.1	
	Claim incidence rate for the life business	x 0.95	58.7	4.7	15.6	1.0	2.3	-	
	Mortality rate for the annuity business	x 0.95	(2.4)	0.0	(0.0)	0.0	(0.3)	0.0	
Change the required capital to 200% (regulatory minimum) solvency margin ratio			15.3	(0.1)	16.7	0.1	0.9	0.1	
Change the required capital to 1,000% solvency margin			(34.5)	(2.0)	(23.9)	(0.6)	(1.1)	(0.1)	
Implied volatility			x 1.25	(40.9)	(0.4)	(10.0)	(0.1)	0.3	(0.0)

*1 Fixed interest assets (bonds, loans, etc.) are revalued according to the change in the interest rate. The value of in-force business is re-calculated according to the change of investment yield and risk discount rate. Policyholder behavior also changes corresponding to these changes.

*2 * The sensitivity results on the value of new business exclude the impact on the adjusted net worth, because adjusted net worth in value of new business is less than zero

Expected Return on Assets for Movement Analysis

	Expected Return for EEV Movement Analysis (As of March 31, 2008)	(Reference) Basis of assumptions for TEV (As of March 31, 2007)
Cash and deposits, call loans	Risk free rate [SWAP1Y: 0.781%]	Based on year-end interest rates [1 Month LIBOR: 0.665%]
Domestic bonds	Risk free rate (SWAP1Y) + spread based on maturity date and ratings	Based on year-end interest rates + spread based on maturity date and ratings
Loans	Same as Domestic bonds above	Same as Domestic bonds above
Domestic stocks	SWAP1Y [0.781%] + risk premium [5.0%] = 5.781%	JGB10Y [1.66%] + risk premium [5.0%] = 6.66%
Foreign stocks	Same as Domestic stocks above [5.781%]	Same as Domestic stocks [6.66%]
Foreign bonds	All maturity dates: SWAP1Y [0.781%] , assuming risk premium is zero	Based on Citigroup BIG index as of March 31, 2007 (excluding hedge costs)
Private equities	Domestic stocks [5.781%] + risk premium [3.0%] = 8.781%	Domestic stocks [6.66%] + risk premium [3.0%] = 9.66%
Hedge funds	SWAP1Y [0.781%] + risk premium [4.0%] = 4.781%	US dollar short-term interest rate [5.25%] + risk premium [4.0%] = 9.25%
Real estate	SWAP1Y [0.781%] + risk premium [3.0%] = 3.781%	JGB10Y [1.66%] + risk premium [3.0%] = 4.66%
Loans to policyholders	SWAP1Y [0.781%] + risk premium [(0.196%)] = 0.585% (Same as JGB1Y)	Average year-end yield

(Reference) Expected Return on Domestic Bonds

	Less than 3 years	3 years - 6 years	6 years - 9 years	9years- 15years	15 years - 20years	20 years and over
JGB	0.605%	0.598%	0.599%	0.596%	0.561%	0.595%
AAA	0.724%	0.695%	0.656%	0.615%	0.580%	0.614%
AA	0.817%	0.791%	0.713%	0.634%	0.599%	0.634%
A	0.908%	0.862%	0.789%	0.688%	0.653%	0.687%
BBB	0.974%	0.982%	1.133%	1.094%	1.059%	1.094%
BB	1.138%	1.609%	1.932%	2.176%	2.141%	2.175%

Other Assumptions

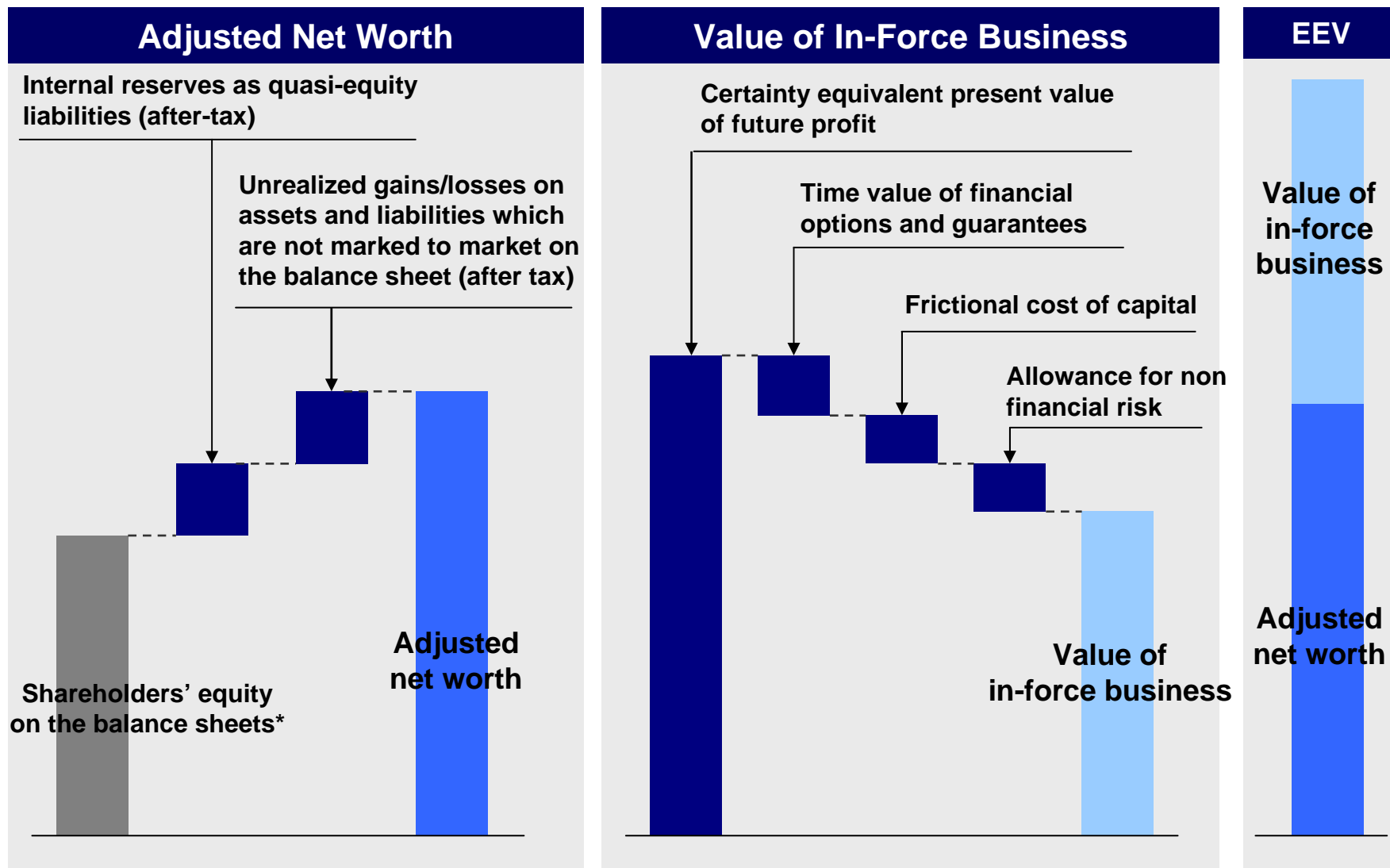
Other Assumptions

- All cash flows (premium, commission, non-commission expense, death benefit, cash surrender value, tax, etc.) :

Projected applying the best estimate assumptions up to the termination of the policies, by product, referring to recent experience, trends and the Group's future views

Assumptions	Referred Experience
Mortality and morbidity rate	The latest 3 years' experience
Surrender and lapse rate	The latest 3 years' experience *Interest-sensitive dynamic lapse assumptions are applied to conventional products. For variable business, dynamic lapse assumptions are related to the ratio of the actual fund value to the level of minimum guarantees
Operating expense rate	The latest year's experience *Some adjustments were made including the elimination of one-off expenses which are not expected to be regularly repeated in the future. The expense inflation assumption was taken to be zero
Tax rate	The latest effective tax rate

EEV Components



* Stockholders' equity on the balance sheet: Total net assets – total valuation and translation adjustment

Main differences between EEV and TEV

TEV		EEV*1
<p><u>TEV increases if more high-risk assets are assumed to be held</u></p>	<p>Investment Return</p>	<p>Investment return assumptions are <u>set consistently with financial markets</u></p>
<p><u>Applies a single risk discount rate to the cash flows of the entire company.</u> The risk discount rate may be set taking into account in aggregate the various risks the company is exposed to, but <u>deriving a single rate to be applied is subjective</u></p>	<p>Discount Rate</p>	<p>Both investment return assumptions and discount rates are <u>set consistently with financial markets, thus improve subjectivity</u></p>
<p><u>Typically uses a single deterministic cash flow projection, and thus does not explicitly capture the cost of options and guarantees, for example, of participating policies</u></p>	<p>Time Value of Financial Options and Guarantees</p>	<p><u>Require stochastic calculations be performed to value explicitly the cost of such financial options and guarantees*2, and such valuations are made on a market-consistent basis</u></p>
<p><u>Subjectivities may be introduced through the risk discount rate and investment yield assumptions</u></p>	<p>Cost of Capital</p>	<p><u>Redefined as frictional cost of capital. Objectivity is improved, although there may still remain issues in respect of the definition of the amount of required capital.</u></p>

*1 Each explanation includes the features of MCEV approach, because T&D Life Group adopts that approach in calculating EEV as of March 31, 2007.

*2 On TEV basis, valued implicitly by setting higher discount rate

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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.