

T&D Holdings, Inc.

**President
Naoteru Miyato**

October 2008

Latest Financial Highlights

1Q2008 Financial Highlights

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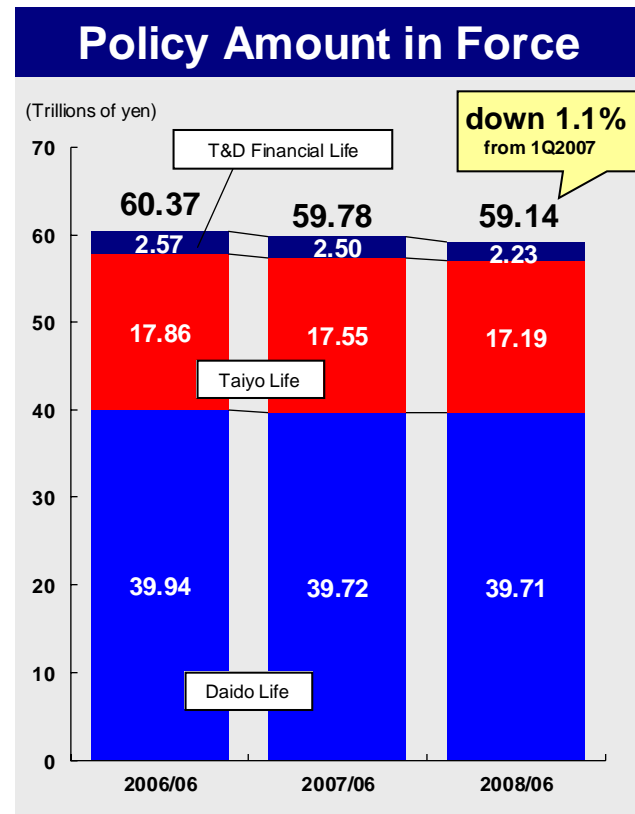
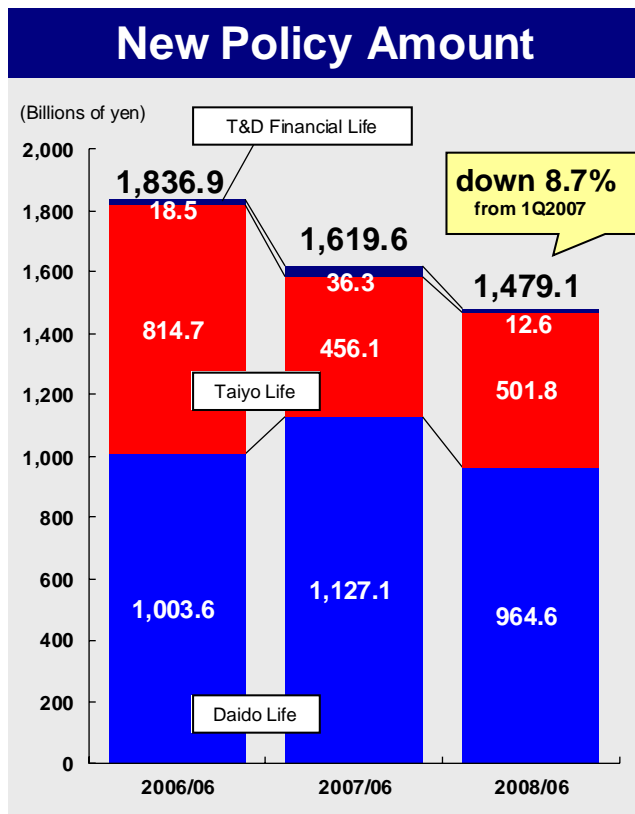
1Q2008 Financial Highlights

T&D Holdings Financial Highlights



- **The new policy amount for the three life insurance companies declined from the same term of the previous fiscal year while the surrender and lapse amount decreased. The total policy amount in force slightly decreased from the beginning of fiscal 2008**
- **Core profit, ordinary profit and net income decreased from the same term of the previous fiscal year mainly due to a decrease in interest and dividend income**

Sales Results



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

Sales Results: Daido Life

(Billions of yen)

	1Q2008	1Q2007	Changes	
New policy amount*				
Individual insurance and annuities total	964.6	1,127.1	(14.4%)	Mainly due to no such a positive factor that lower premiums according to the revision of premium rate in the same term of previous fiscal year
Individual term life insurance	931.7	1,092.2	(14.7%)	
Decrease in policy amount**				
Individual insurance and annuities total	1,148.6	1,135.2	1.2%	Decreased by ¥184.0 billion from the beginning of the fiscal year
Individual term life insurance	1,065.8	1,050.4	1.5%	
Surrender and lapse amount	920.6	912.7	0.9%	
Surrender and lapse rate***	9.23%	9.19%	0.04P	
Individual term life insurance	872.8	863.6	1.1%	
Policy amount in force				
Individual insurance and annuities total	39,713.1	39,723.9	(0.0%)	Decreased by ¥134.1 billion from the beginning of the fiscal year
Individual term life insurance	36,041.2	35,859.9	0.5%	
Annualized premiums of new policies*	15.2	17.5	(13.0%)	Mainly due to a decline in new policy amount
Annualized premiums of total policies	685.4	690.4	(0.7%)	

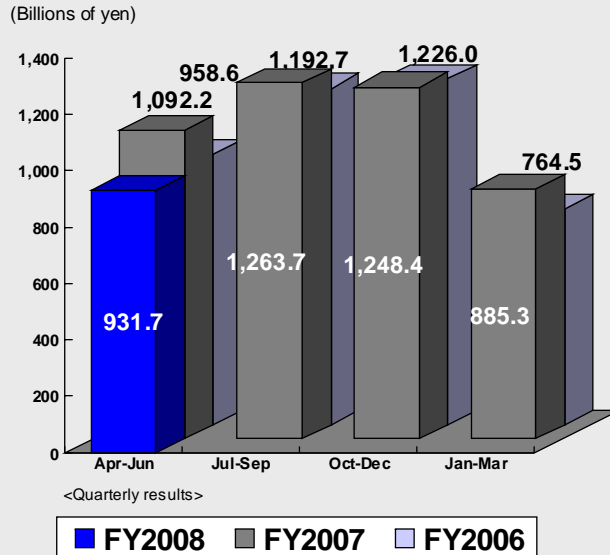
* Includes net increase from conversion

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

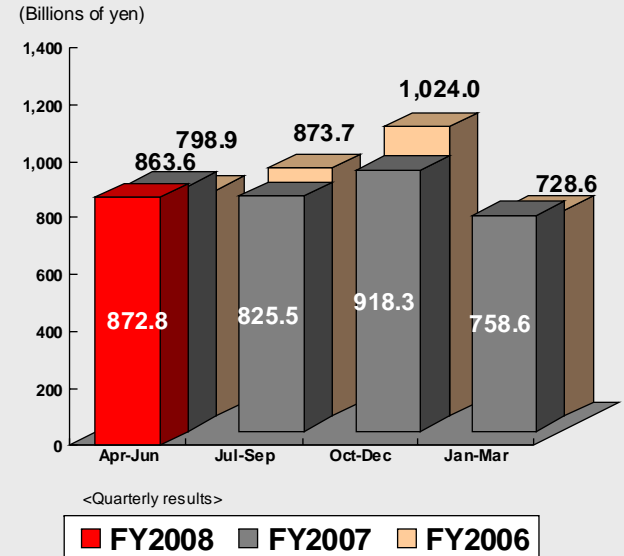
*** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 4

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)

	1Q2008	1Q2007	Changes
New policy amount*			
Individual insurance and annuities total	501.8	456.1	10.0%
Protection-oriented products	450.2	409.8	9.8%
Net increase from conversion	79.0	79.1	(0.1%)
Decrease in policy amount**			
Individual insurance and annuities total	485.2	547.3	(11.3%)
Surrender and lapse amount	314.3	370.4	(15.1%)
Surrender and lapse rate***	7.32%	8.40%	(1.08P)
Policy amount in force			
Individual insurance and annuities total	17,198.8	17,553.3	(2.0%)
Protection-oriented products	12,463.0	12,630.5	(1.3%)
Annualized premiums of new policies*	9.8	9.4	4.8%
Annualized premiums of total policies	631.1	655.5	(3.7%)

-Due to an increase in new policy amount for the main product, "Taiyo Life's *Hoken Kumikyoku*" -"Taiyo Life's *Hoken Kumikyoku*" including conversions amounted to ¥355.0 billion (up 14.0% y-o-y)

Due to a continued focus on the improvement of persistency rate

-Increased ¥16.6 billion from the beginning of FY2008
-The proportion of the protection-type products is 72.5%, up 0.4 points from the beginning of FY2008

Includes ¥2.5 billion of 3rd sector products (down 4.9% y-o-y)

Includes ¥110.9 billion of 3rd sector products (down 0.9% y-o-y)

* Includes net increase from conversion

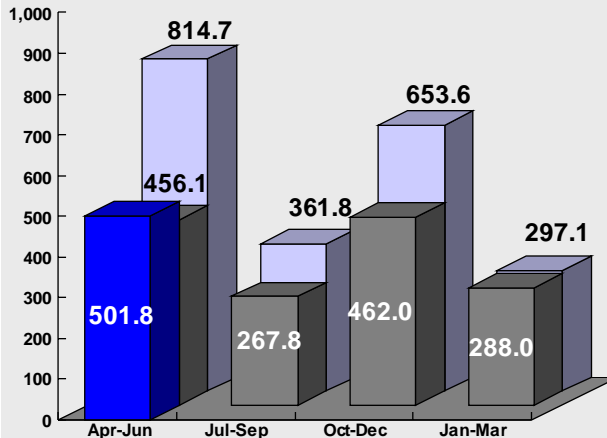
** Decrease in policy amount = New policy amount - Net increase of policy amount in force from previous fiscal year end

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

Quarterly Trends: Taiyo Life Individual Insurance and Annuities

Trends in New Policy Amount*

(Billions of yen)



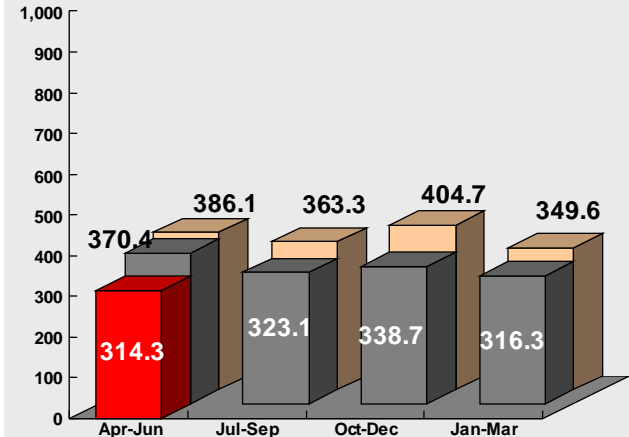
<Quarterly results>

■ FY2008 ■ FY2007 ■ FY2006

* New policy amount includes net increase from conversion

Trends in Surrender and Lapse Amount

(Billions of yen)



<Quarterly results>

■ FY2008 ■ FY2007 ■ FY2006

Sales Results: T&D Financial Life

Individual Variable Annuities Sales Update

	1Q2008		1Q2007	
	Number of Policies	Insurance premiums	Number of Policies	Insurance premiums
Sales results	1,769	13.5 bn yen	4,625	40.2 bn yen
Over-the-counter sales at banks*	1,719	12.9 bn yen	3,900	32.7 bn yen
Number of financial Institution agents*	54 Banks, 3 Security Firms, 2 other agents		50 Banks, 3 Security Firms, 1 other agent	

Includes an additional ¥0.9 billion insurance premiums paid by existing policyholders on exercise of additional coverage options

* Banks include Shinkin (Credit Association) banks

(Billions of yen)

	1Q2008	1Q2007	Changes
New Policy Amount*			
Individual variable annuities	12.6	36.3	(65.2%)
Decrease in policy amount**			
Individual insurance and annuities total	42.4	50.3	(15.7%)
Surrender and lapse amount	36.9	48.4	(23.7%)
Individual variable annuities	4.8	9.6	(49.5%)
Surrender and lapse rate***	3.25%	6.19%	(2.94P)
Policy amount in force			
Individual insurance and annuities total	2,231.1	2,509.2	(11.1%)
Individual variable annuities	618.2	667.5	(7.4%)
Annualized premiums of new policies*	1.7	5.0	(65.7%)
Annualized premiums of total policies	99.6	95.7	4.1%

-Decreased due to the delay of launching new variable annuity
-Launched new variable annuity, "FiveTer" at the end of June 2008

The number of policies and the policy amount in force for the individual variable annuities increased by 1,141 policies and ¥21.4 billion from the beginning of FY2008, respectively

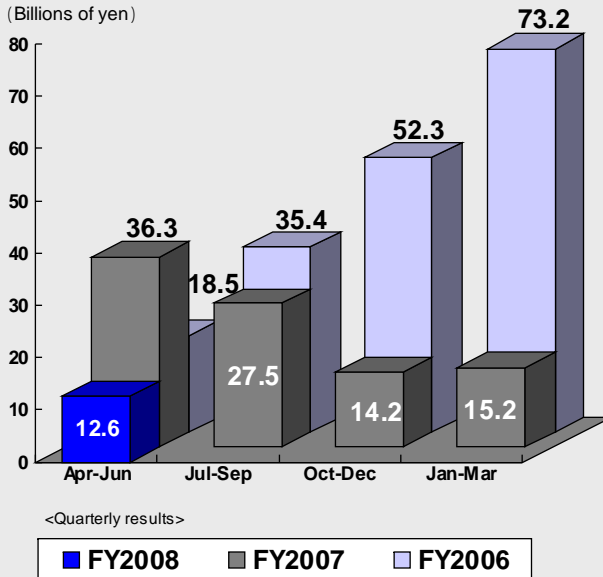
* Includes net increase from conversion

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

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

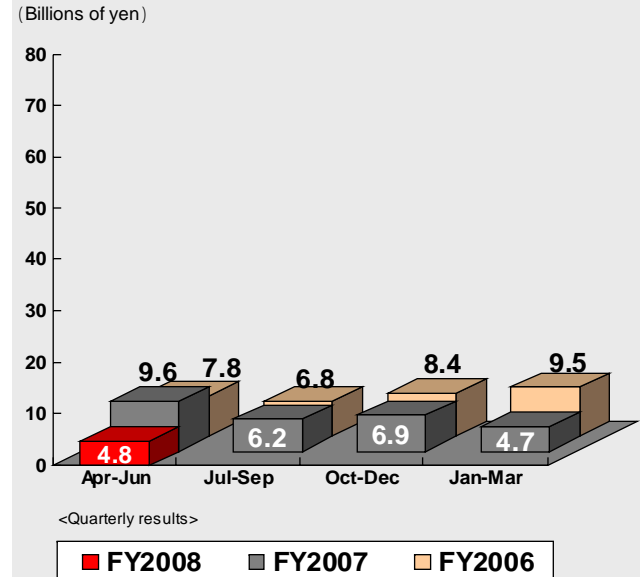
Quarterly trends : T&D Financial Life Individual Variable Annuities

Trends in New Policy Amount*



* New policy amount includes net increase from conversion

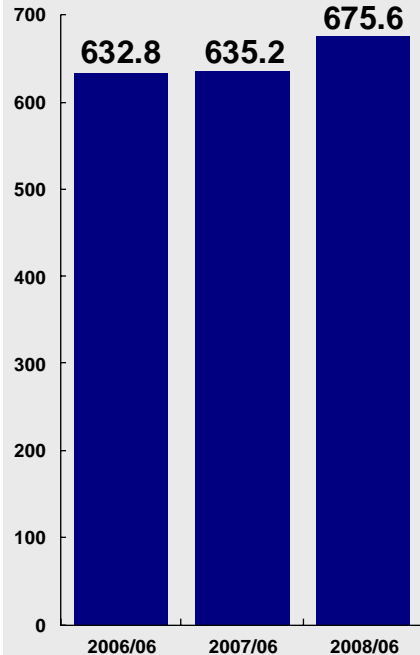
Trends in surrender and Lapse Amount



Consolidated Operation Results

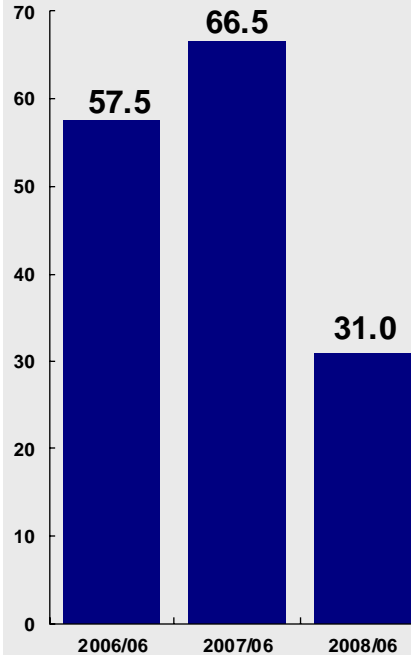
Ordinary Revenues

(Billions of yen)



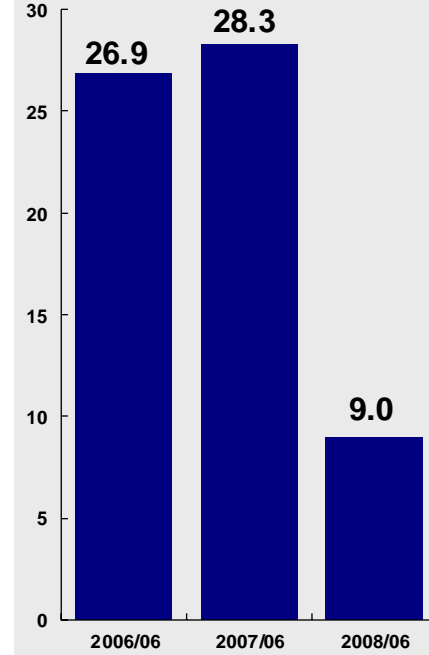
Ordinary Profit

(Billions of yen)



Net Income

(Billions of yen)



Consolidated Statements of Operations

(Billions of yen)

	1Q2008	1Q2007	Changes
Ordinary revenues	675.6	635.2	40.4
Income from insurance premiums	394.8	428.4	(33.6)
Investment income	132.0	156.1	(24.0)
Interest, dividends and income from real estate for rent	62.5	75.1	(12.5)
Gains from monetary trust, net	-	4.8	(4.8)
Gains on investments in trading securities, net	13.4	14.8	(1.3)
Gains on sale of securities	32.6	32.6	0.0
Gains on separate accounts, net	22.7	28.0	(5.3)
Other ordinary income	148.7	50.6	98.1
Reversal of policy reserve	123.9	30.0	93.9
Ordinary expenses	644.5	568.6	75.8
Insurance claims and other payments	514.8	459.3	55.5
Provision for policy and other reserves	0.2	0.2	(0.0)
Investment expenses	54.0	39.6	14.4
Losses from monetary trust, net	5.0	-	5.0
Losses on sale of securities	7.7	5.1	2.6
Devaluation losses on securities	10.6	1.1	9.5
Losses from derivatives, net	23.9	23.9	0.0
Operating expenses	52.4	51.6	0.8
Other ordinary expenses	22.9	17.8	5.0
Ordinary profit	31.0	66.5	(35.4)
Net extraordinary gains (losses)	(1.2)	(7.8)	6.5
Provision for reserve for policyholder dividends	10.5	12.1	(1.5)
Income before income taxes	19.3	46.5	(27.2)
Income taxes	10.2	18.2	(8.0)
Net income	9.0	28.3	(19.2)

Breakdown;
 -Daido: up ¥2.5 billion
 -Taiyo: down ¥7.1 billion
 -T&D Financial: down ¥28.9 billion

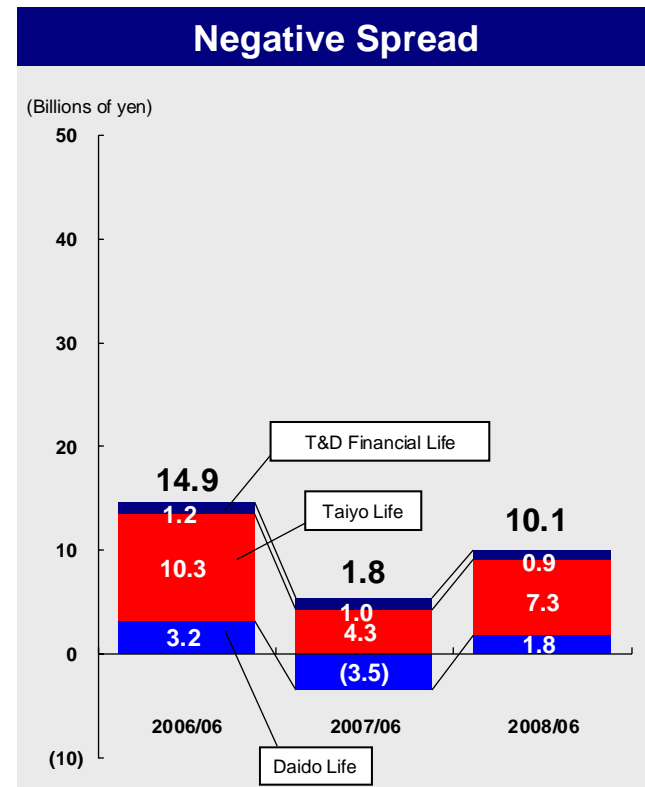
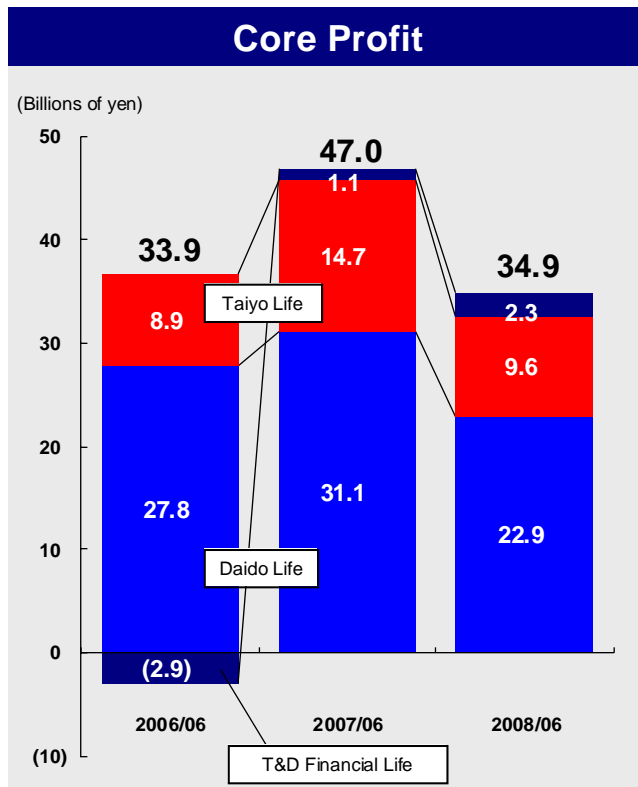
-Daido: Mainly due to a decrease in dividends from private equity funds and investment trusts
 -Taiyo: Mainly due to a decrease in interests from foreign currency-denominated bonds and dividends from domestic investment trusts

Breakdown;
 -Daido: up ¥56.4 billion
 -Taiyo: up ¥4.8 billion
 -T&D Financial: down ¥5.7 billion

Daido: up ¥8.2 billion, mainly due to the devaluation losses on domestic unlisted stocks

Set aside ¥1.7 billion (down ¥5.1 billion y-o-y) for reserve for price fluctuations, including excess amount of ¥1.0 billion (down ¥4.7 billion) as additional internal reserves

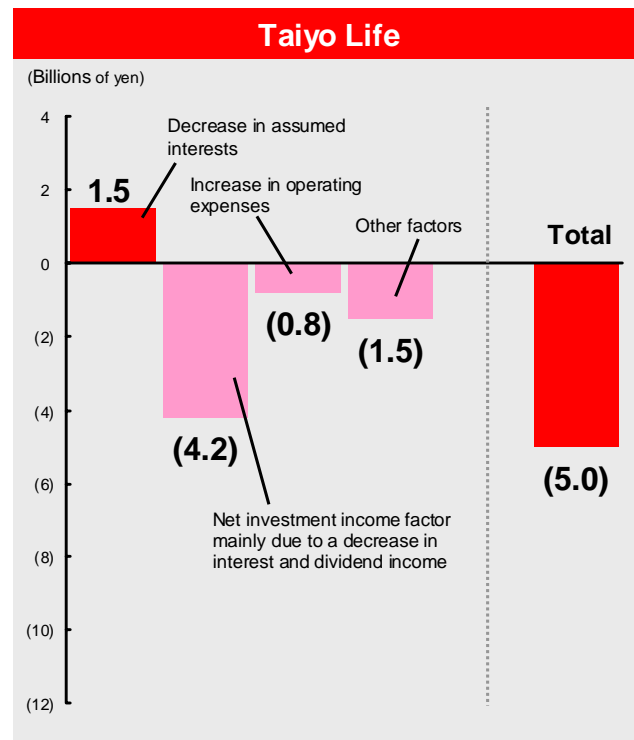
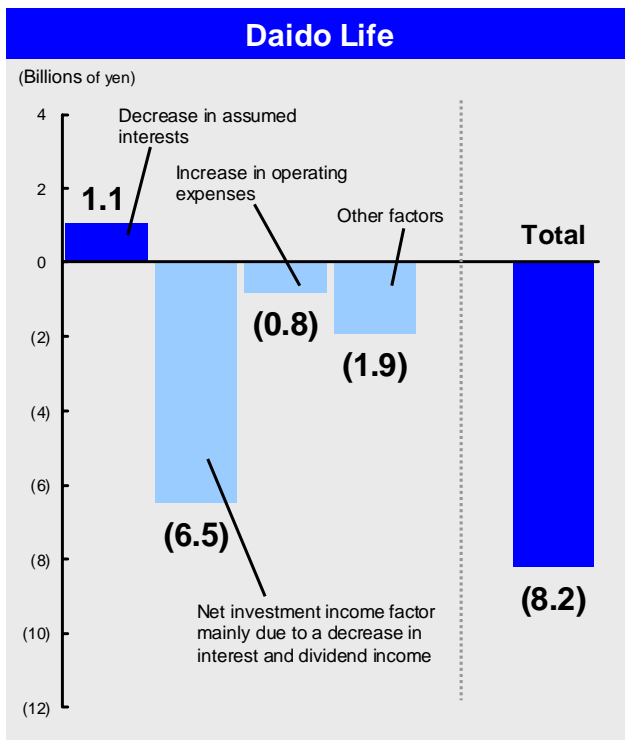
Core Profit/Negative Spread



* Daido Life's spread for 1Q2007 turned positive (3.5 billion yen).

Factors for Increase/Decrease in Core Profit

Factors for Increase/Decrease in Core Profit for 1Q2008 (vs. 1Q2007)



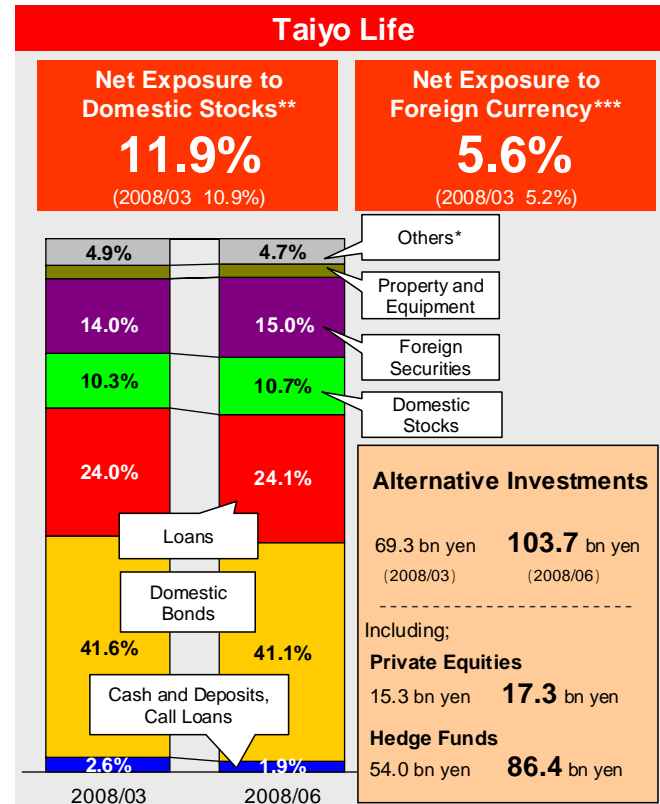
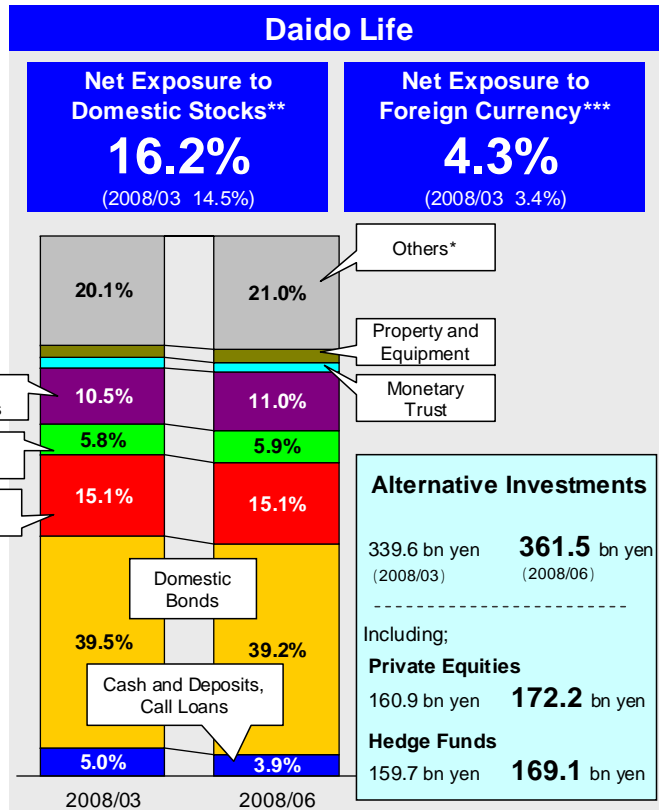
Consolidated Balance Sheets

	(Billions of yen)				(Billions of yen)		
	As of June 30, 2008	As of March 31, 2008	Changes		As of June 30, 2008	As of March 31, 2008	Changes
<u>Assets:</u>				<u>Liabilities:</u>			
Cash and deposits, call loans	468.6	588.2	(119.5)	Total policy reserves	12,007.9	12,137.7	(129.8)
Monetary claims purchased	512.4	430.5	81.8	Policy reserve	11,751.6	11,875.6	(123.9)
Monetary trusts	124.2	134.7	(10.4)	Contingency reserve	200.4	198.2	2.2
Securities	9,293.5	9,244.5	49.0	Reserve for price fluctuations	139.0	137.2	1.7
Loans	2,356.1	2,363.4	(7.3)	Total liabilities	12,544.7	12,688.7	(144.0)
Tangible fixed assets	306.3	309.2	(2.8)	<u>Net assets:</u>			
Other assets	141.8	199.0	(57.2)	Total stockholders' equity	469.0	475.9	(6.9)
Defferd tax assets	38.3	66.4	(28.0)	Common stock	118.5	118.5	-
Reserve for possible loan losses	(3.8)	(3.9)	0.0	Capital surplus	106.1	106.1	-
Total assets	13,270.4	13,366.0	(95.6)	Retained earnings	245.0	251.9	(6.8)
				Total valuation and translation adjustment	254.7	199.4	55.3
				Net unrealized gains on securities	302.4	246.8	55.6
				Land revaluation	(48.0)	(48.0)	(0.0)
				Total net assets	725.6	677.2	48.3
				Total liabilities and net assets	13,270.4	13,366.0	(95.6)

Includes ¥1.0 billion of excess amount of additional contingency reserve at Taiyo

Includes ¥1.0 billion of excess amount of additional reserve for price fluctuations at Daido

General Account Assets Composition



*Others; Other Securities (mainly investment trusts), Deferred Tax Assets, Monetary Claims Purchased and Other Assets ** Net exposure to domestic stocks adjusting the hedging position and including stocks held in monetary and investment trusts *** 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 June 30, 2008	As of March 31, 2008	As of June 30, 2008	As of March 31, 2008	As of June 30, 2008	As of March 31, 2008	As of June 30, 2008	As of March 31, 2008	Changes
Total	201.1	163.8	267.0	266.6	(1.1)	1.4	467.1	432.0	35.1
Domestic bonds	7.7	30.7	20.0	63.1	(1.1)	1.5	26.7	95.4	(68.7)
Domestic stocks	133.4	114.7	258.3	210.5	-	-	391.8	325.3	66.4
Foreign securities	(4.4)	(3.8)	(3.3)	0.7	0.0	(0.0)	(7.7)	(3.1)	(4.6)
Other securities	60.3	16.4	(7.6)	(11.0)	(0.0)	(0.0)	52.6	5.3	47.3
Monetary claims purchased	0.6	5.4	(0.3)	3.2	-	-	0.2	8.7	(8.4)
Certificates of deposit	-	-	-	0.0	-	-	-	0.0	(0.0)
Monetary trusts	3.4	0.3	-	-	-	-	3.4	0.3	3.1

*Securities with market value

Net unrealized gains/losses on real	34.9	35.2	35.9	35.8	-	-	70.8	71.0	(0.1)
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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 June 30, 2008	As of March 31, 2008	Change
Daido Life			
Solvency margin ratio	1,103.8%	1,096.3%	7.5P
Adjusted net assets	823.2	777.2	46.0
Adjusted net worth on EEV	555.2	532.9	22.2
Taiyo Life			
Solvency margin ratio	999.0%	1,000.6%	(1.6P)
Adjusted net assets	656.9	659.7	(2.8)
Adjusted net worth on EEV	470.4	484.7	(14.2)
T&D Financial Life			
Solvency margin ratio	891.2%	912.4%	(21.2P)
Adjusted net assets	60.4	63.7	(3.3)
Adjusted net worth on EEV	36.5	39.5	(2.9)

Mainly due to an increase in unrealized gains on available-for-sale securities

Mainly due to a decrease in unrealized gains on policy-reserve-matching bonds and held-to-maturity bonds, while increasing in unrealized gains on available-for-sale securities

Due to a net loss for 1Q2008

Total of Three Insurance Companies			
Adjusted net assets	1,540.6	1,500.7	39.8
Adjusted net worth on EEV	1,062.2	1,057.1	5.0

Forecasts for the Year Ending March 31, 2009

- Full year forecasts have not been changed as originally announced on May 19, 2008

T&D Holdings' Consolidated Forecasts

(Billions of yen)

	Full Year Forecast	Three Months Ended June 30, 2008	Progress Rate	(Ref.) Year Ended March 31, 2008
Ordinary revenues	2,100	675.6	32.2%	2,330.0
Ordinary profit	115	31.0	27.0%	155.7
Net income	39	9.0	23.3%	36.7

[Reference] Projected additional reserve for price fluctuations for FY2008: ¥7.4 billion (¥4.7 billion after-tax) , all for Daido
-1Q2008 result: ¥1.0 billion (¥0.6 billion after-tax) for Daido

Total of Three Life Insurance Companies

(Billions of yen)

	Full Year Forecast	Three Months Ended June 30, 2008	Progress Rate	(Ref.) Year Ended March 31, 2008
New policy amount	6,350	1,479.1	23.3%	6,201.8
Policy amount in force	59,270	59,143.1	**	59,340.3
Income from insurance premiums	1,750	394.8	22.6%	1,613.1
Core profit	149	34.9	23.4%	159.7
Negative spread		10.1		-

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

** Decreased 197.2 billion yen from the beginning of fiscal 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%

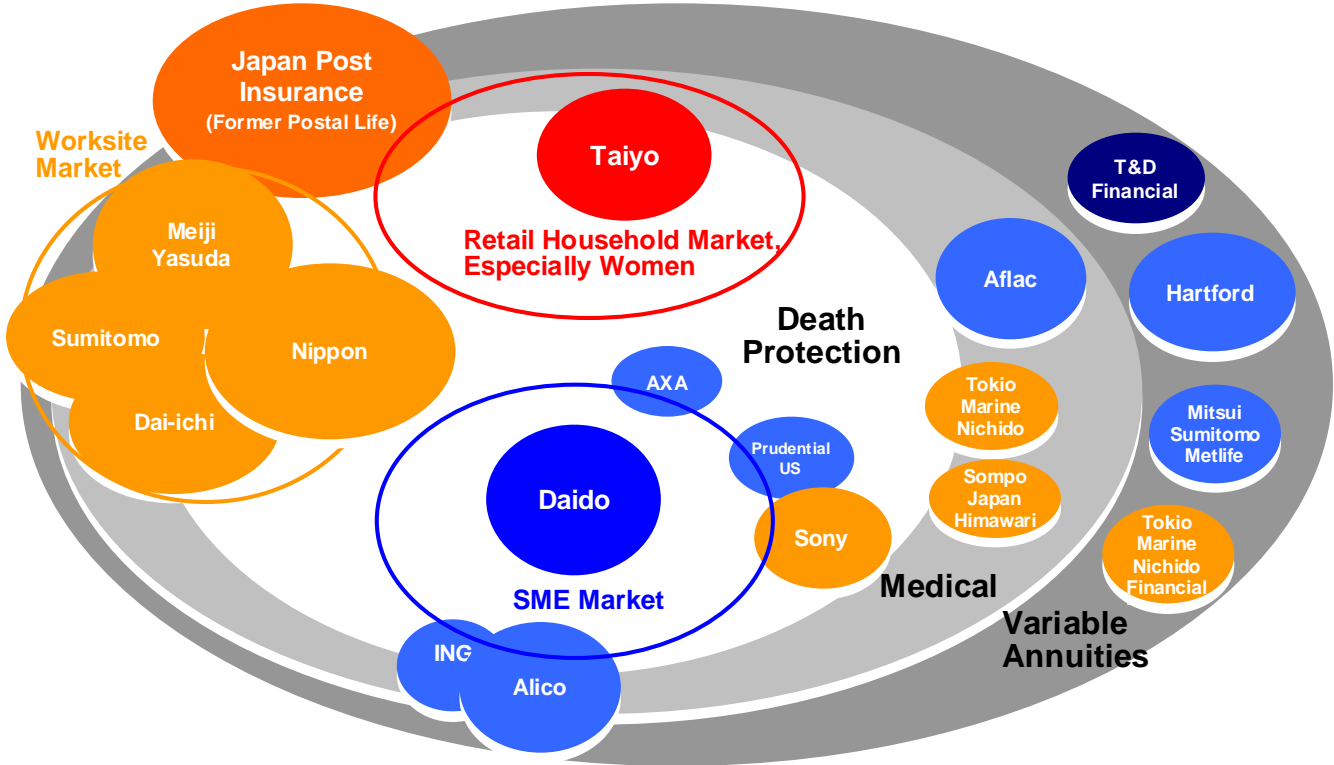
* New policy amount and policy amount in force include individual insurance and individual annuities. New policy amount includes net increase from conversion. Individual term life insurance and individual variable annuities are the core product for Daido Life and T&D Financial Life respectively.

** 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.

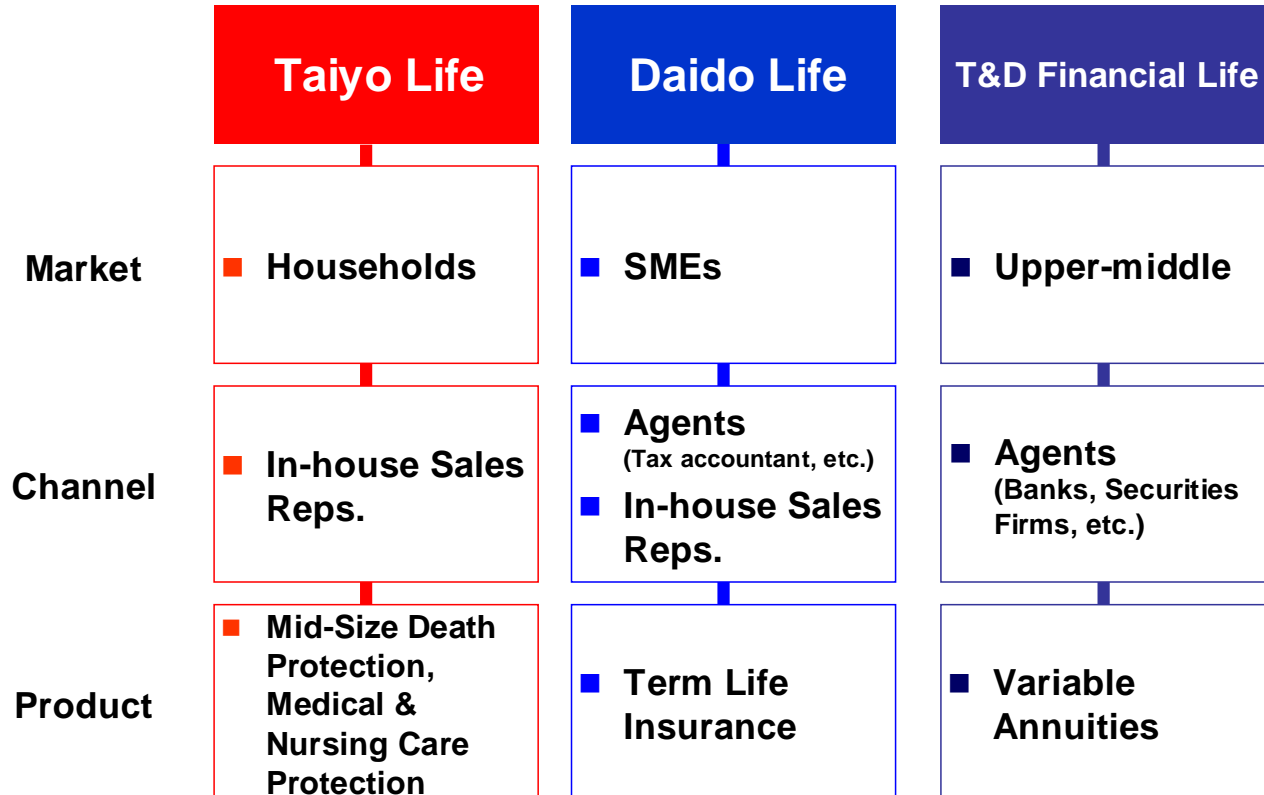
T&D Life Group Business Model

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

Taiyo Life

Household market,
especially women

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

Daido Life

SME market

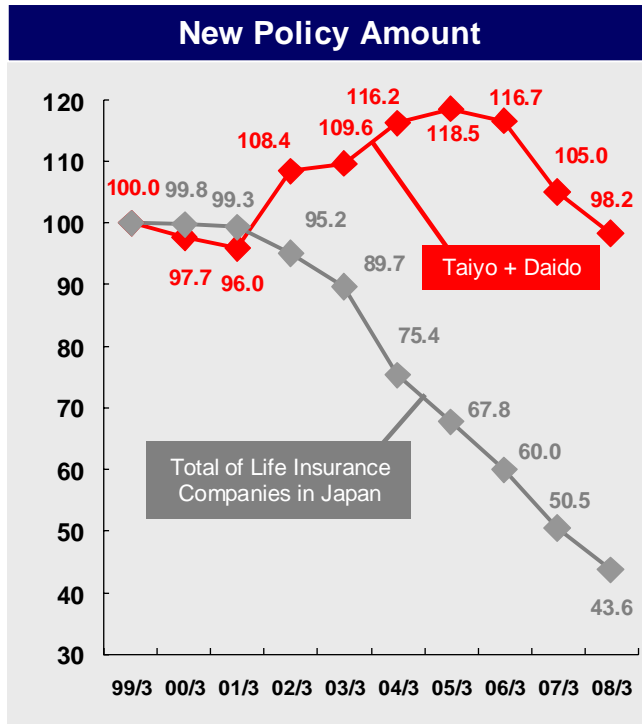
- Potential customers (estimated) **570 thousand**
vs. Daido's SME customers **380 thousand**
Total SMEs in Japan **1,720 thousand**

T&D Financial Life

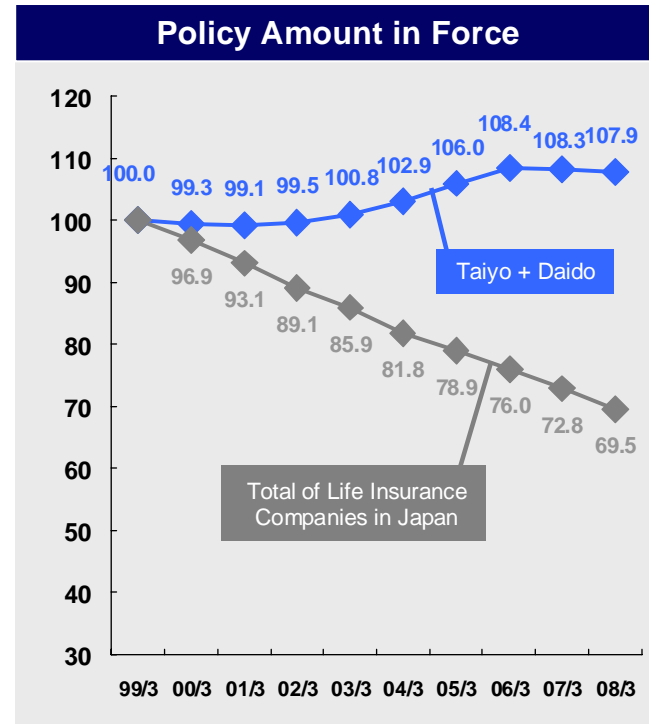
Middle and high
net-worth market

- Individual financial assets in Japan **1,490 tr yen**
- The share of over 60's to that assets **56.3%**

Trends in Sales Performance



Source: Summary of Life Insurance Business in Japan



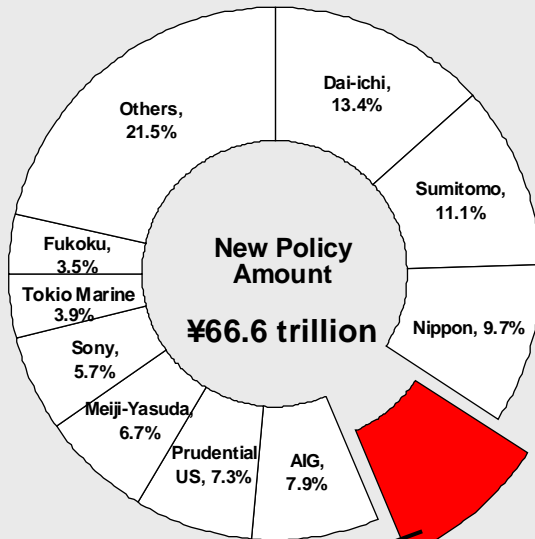
Source: Summary of Life Insurance Business in Japan

* 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.

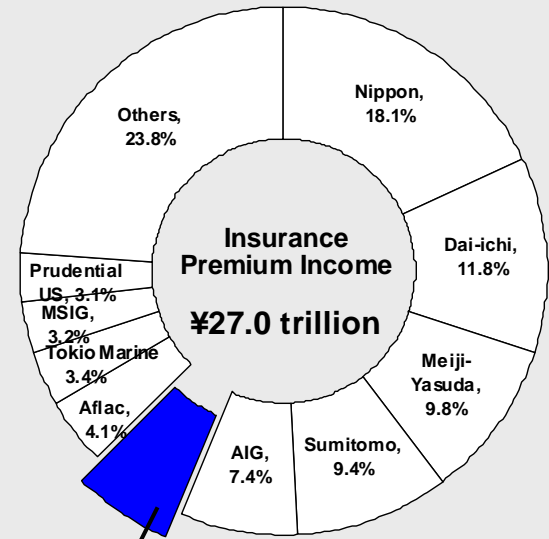
Market Share

New Policy Amount (FY2007)



T&D 9.3%
(4th Largest)

Insurance Premium Income (FY2007)



T&D 6.0%
(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, Dai-ichi: Dai-ichi Life + Dai-ichi Frontier Life, AIG: ALICO Japan + AIG Star Life + AIG Edison Life, Prudential (U.S.): Prudential Life + Gibraltar Life, Tokio Marine: Tokio Marine & Nichido Life + Tokio Marine & Nichido Financial Life, MSIG: Mitsui Sumitomo Kirameki Life + Mitsui Sumitomo MetLife, Fukoku: Fukoku + Fukoku Shinrai

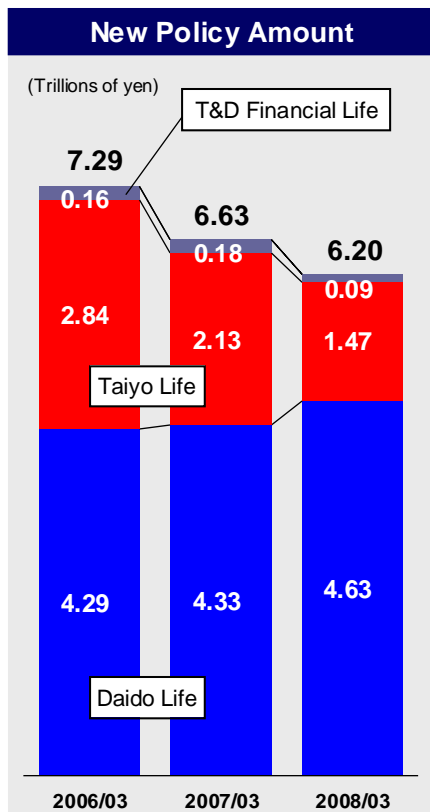
Refining the Yardstick of Corporate Value: From TEV to EEV

- T&D Life Group has disclosed European Embedded Value (EEV) since March 2008, using market-consistent EV (MCEV) method to improve the transparency of EV disclosure
- EEV has helped us refine the evaluation of our life insurance business in a manner that is closer to reality, particularly in terms of the value of new business

Key points of EEV

- Market-consistent setting of discount rate and investment yield assumptions; based on the risk-free rates
- Evaluation of items which were not explicit in Traditional EV (TEV)
 - ✓ Time value of financial options and guarantees
 - ✓ Cost of required capital (frictional cost of capital)
 - ✓ Non-financial risks

Targeting Top-Line Growth - Issues and Actions -



Issues and Actions

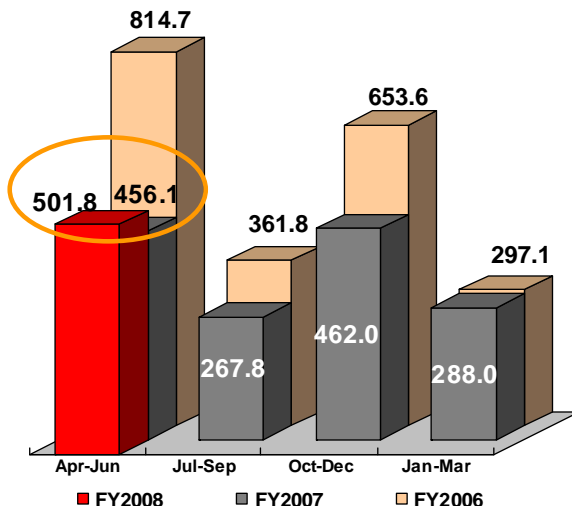
Taiyo	<ul style="list-style-type: none"> ■ New policy amount dropped mainly due to the reform of the sales representative channel and the negative impact of payment investigations ■ Aims to recover new sales performance by improving sales quality
Daido	<ul style="list-style-type: none"> ■ Has some concerns that business sentiment among SMEs is worsening ■ Continues achieving steady growth to maintain dominant competitive position in SME market
T&D Financial	<ul style="list-style-type: none"> ■ New policy amount decreased mainly due to the delay of launching a new product ■ Goes to regain new policy amount for variable annuities by launching a new competitive product

Improvement of Sales Performance

Quarterly Trends in New Policy Amount for Taiyo Life

- The number of sales representatives bottomed out in 4Q2007, and new policy amount for the main product “*Hoken Kumikyoku*” increased y-o-y in 1Q2008

(Billions of yen)

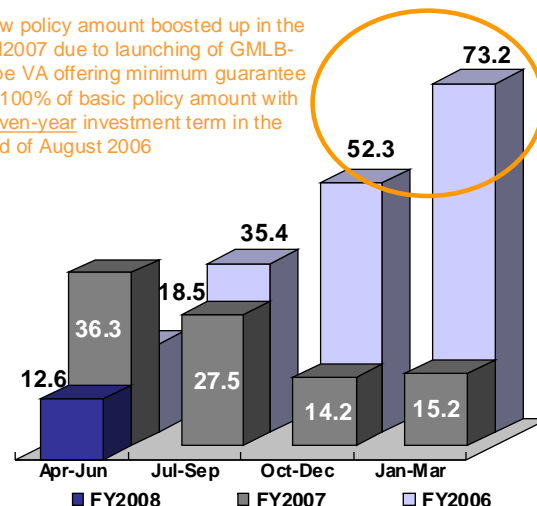


Quarterly Trends in New Policy Amount for T&D Financial Life

- Launched GMLB-type VA offering minimum guarantee of 100% of basic policy amount with five-year investment term in the end of June 2008, and this product has been selling well

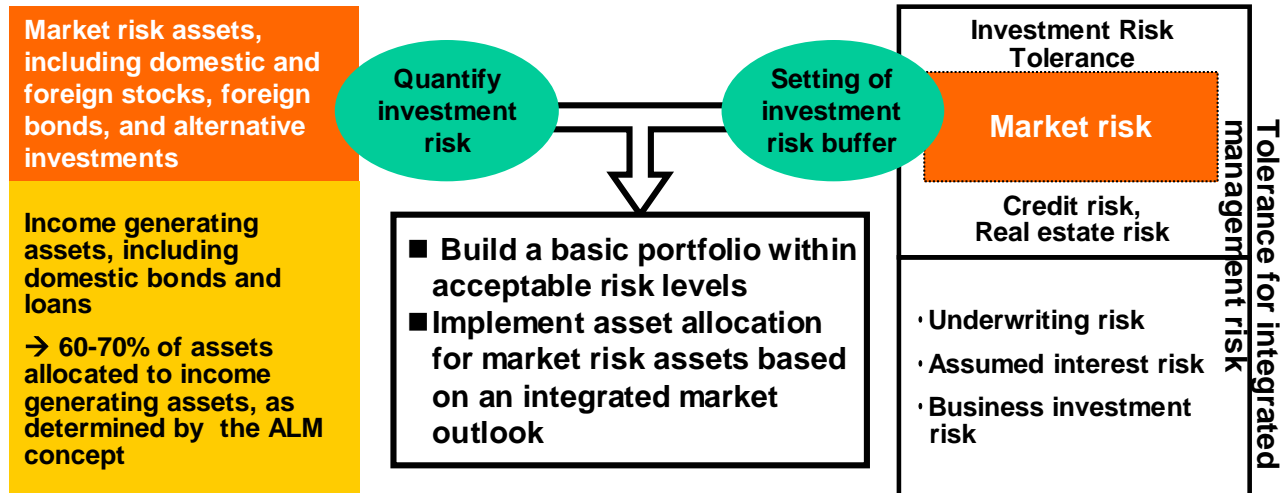
(Billions of yen)

New policy amount boosted up in the 2H2007 due to launching of GMLB-type VA offering minimum guarantee of 100% of basic policy amount with seven-year investment term in the end of August 2006



Group Investment Policy

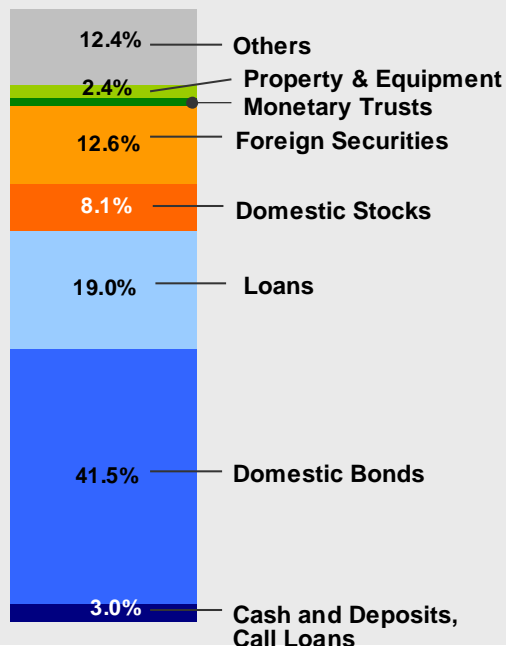
- **Basic investment policy**
 - Disciplined investment strategy based on liability-driven ALM and asset allocation within tolerable risk levels
 - Appropriate risk management to secure the financial soundness
- **Set integrated acceptable risk levels within equity capital. The company quantifies each 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, sub-prime CDO, and monoline-guaranteed bonds. In addition, impact from indirect investments through hedge-funds is so limited

**General Account Assets Composition
(Three companies total) ***



Net Exposure to Domestic Stocks & Foreign currency *

	Daido	Taiyo
Domestic Stocks	16.2%	11.9%
Foreign Currency	4.3%	5.6%

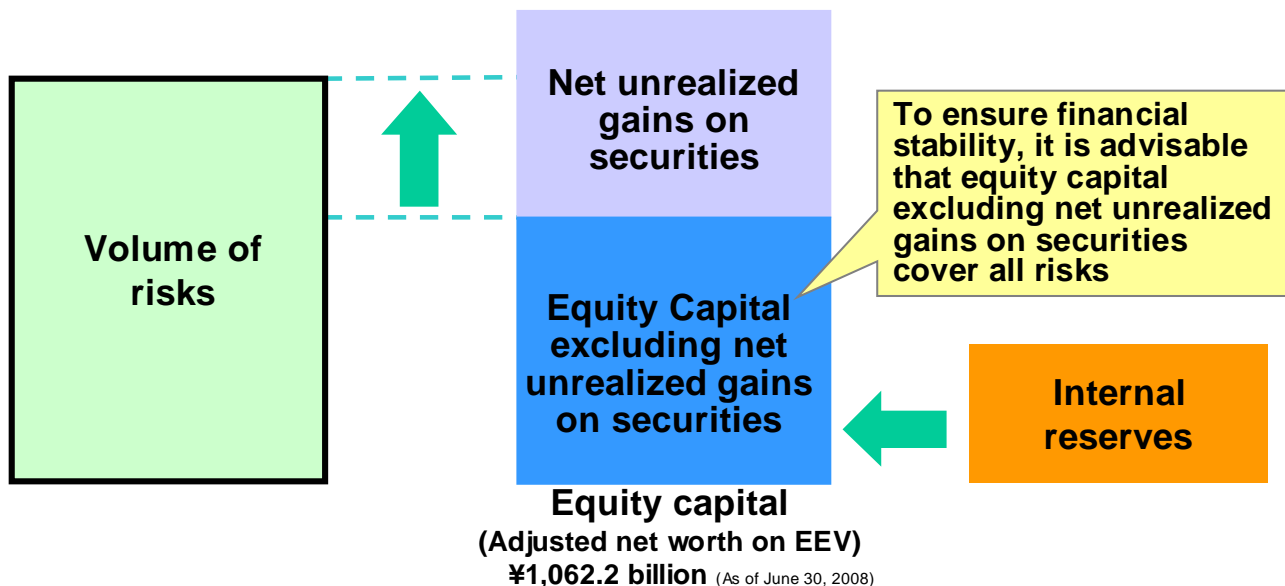
The Amount of Alternative Investment *

(Billions of yen)

	Daido	Taiyo
Total	361.5	103.7
Private Equities	172.2	17.3
Hedge Funds	169.1	86.4

Capital Management Policy

- Quantify of management risks to comprehend the volume of risks
- Retain adjusted net worth on EEV by the entire group, which exceeds the volume of risks



Response to Changing Regulatory Environment

- **Respond to the revision of solvency margin calculation methods 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 Standards and International Accounting Standards

Steps toward the revision of solvency margin calculation methods (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

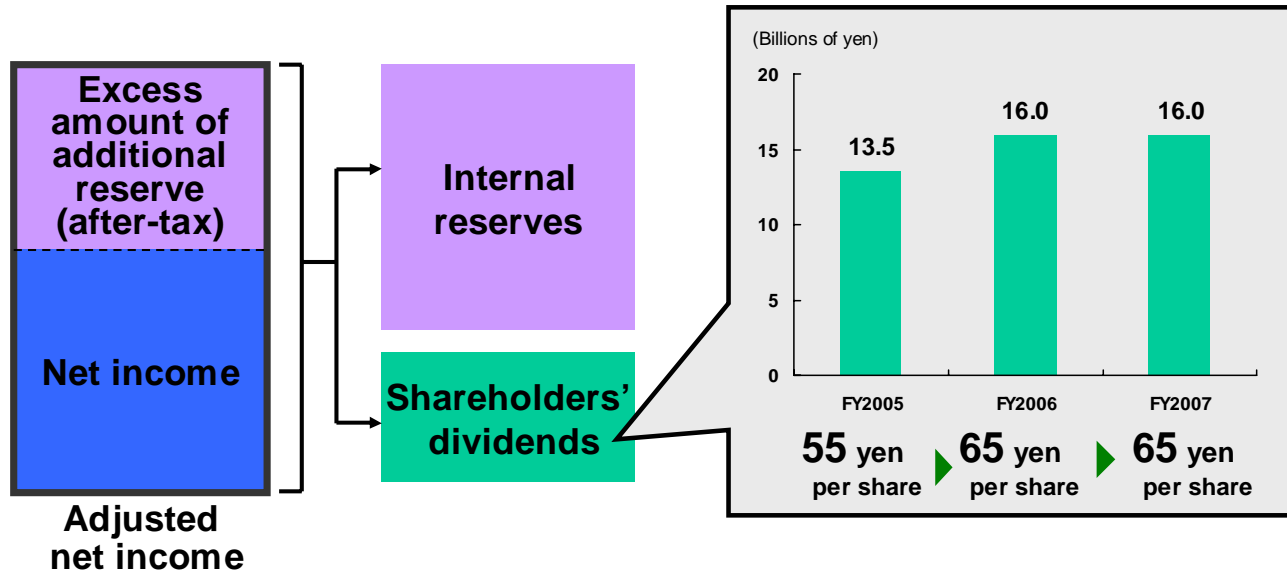
Respond to the introduction of international accounting standards (Mid-term perspective)

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

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

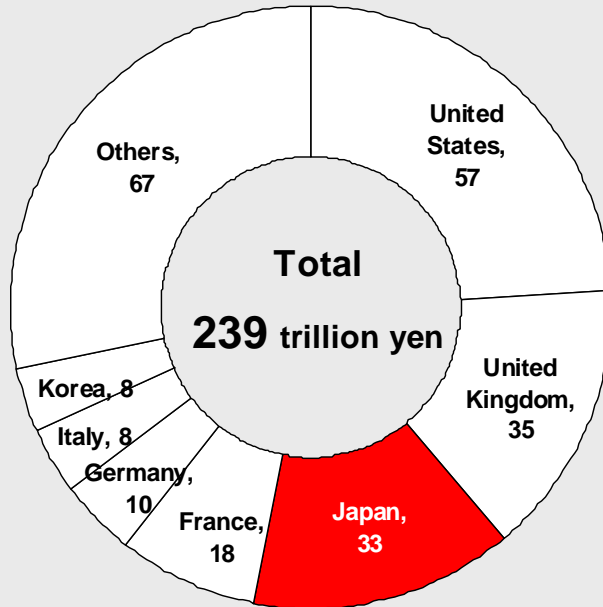
- **Pursue unique business models with regard to markets, distribution channels, and products. Markets T&D focuses on have large potential for growth**
- **Define EEV as the yardstick to measure corporate value, refining it through the response to EEV Principles, and aim to achieve sustainable growth in EEV by targeting top-line growth in the three life insurance companies**
- **Apply capital management policy to maintain both financial soundness and capital efficiency**

Supplementary Information

3rd Largest Life Insurance Market in the World

Premium Income by Country

(Trillions of yen)

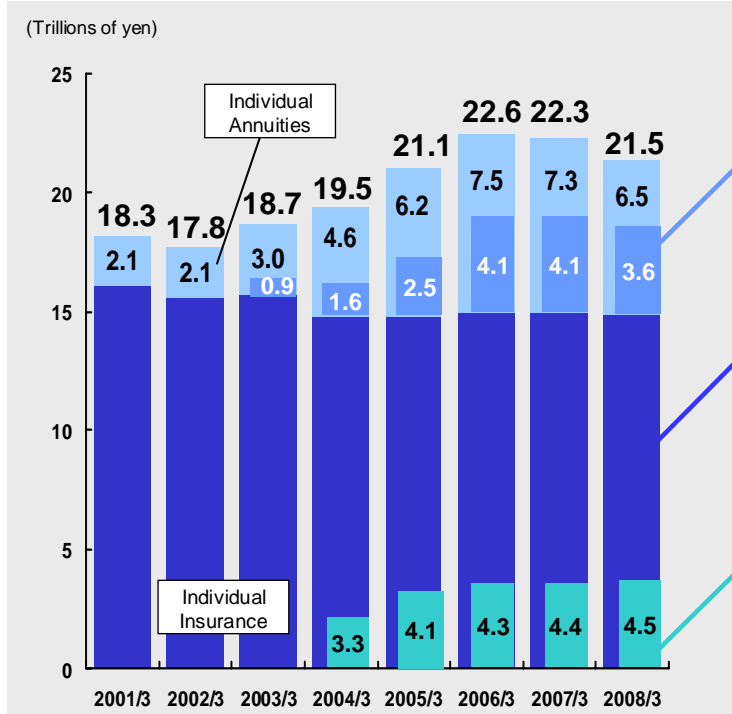


- **Private-sector** (excluding Japan Post Insurance)
: ¥27.0 trillion
- Including;
 - Individual insurance & annuities
: ¥21.5 trillion
 - Group insurance & annuities
: ¥5.2 trillion
- Japan Post Insurance : ¥3.8 trillion

Source: Swiss Re Sigma No.3/2008 "World Insurance in 2007"
All figures converted at 100.19 yen to the U.S. dollar

Trends in Insurance Premiums

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



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

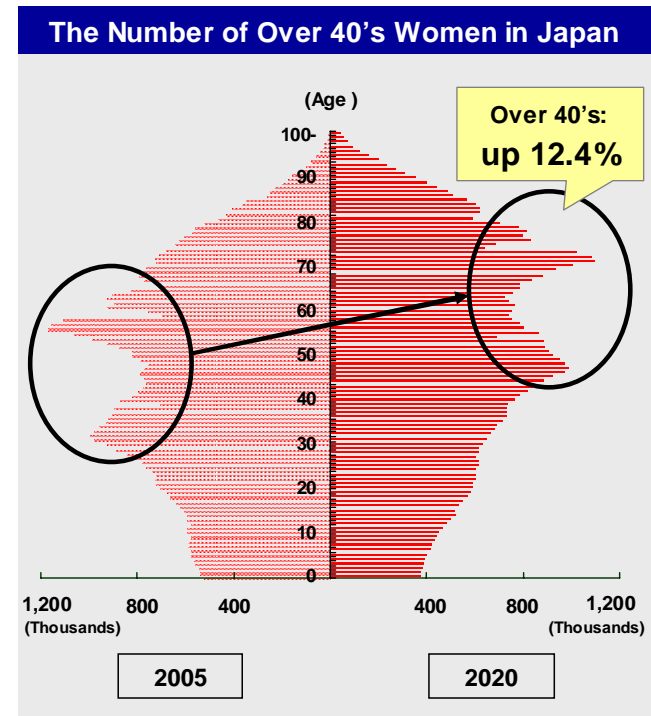
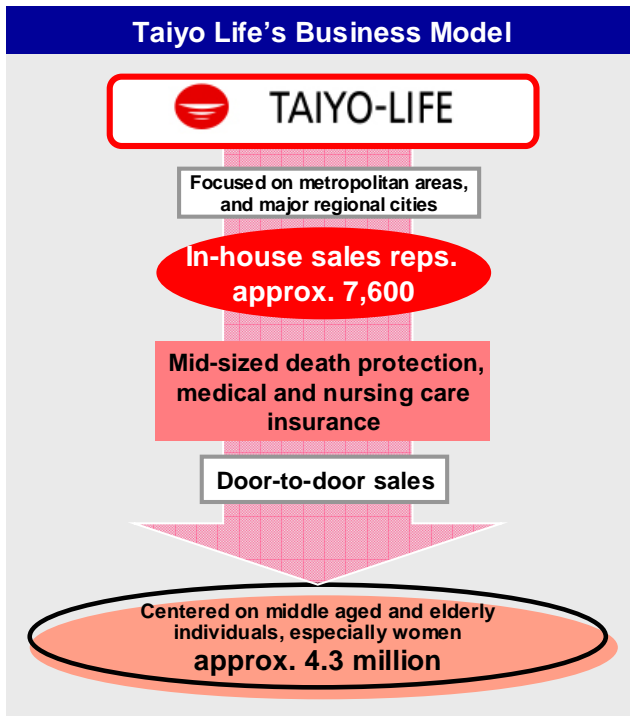
Source: Compiled by T&D Holdings based on 'Summary of Life Insurance Business in Japan'

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

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

Taiyo's Marketing Strategies

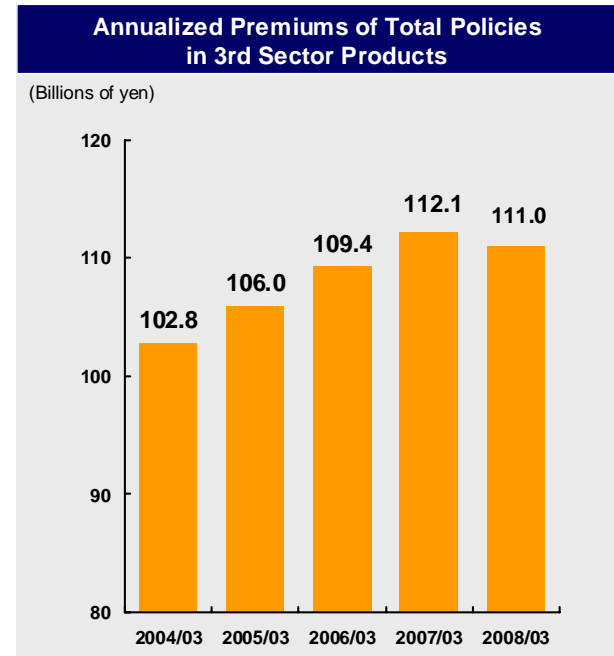
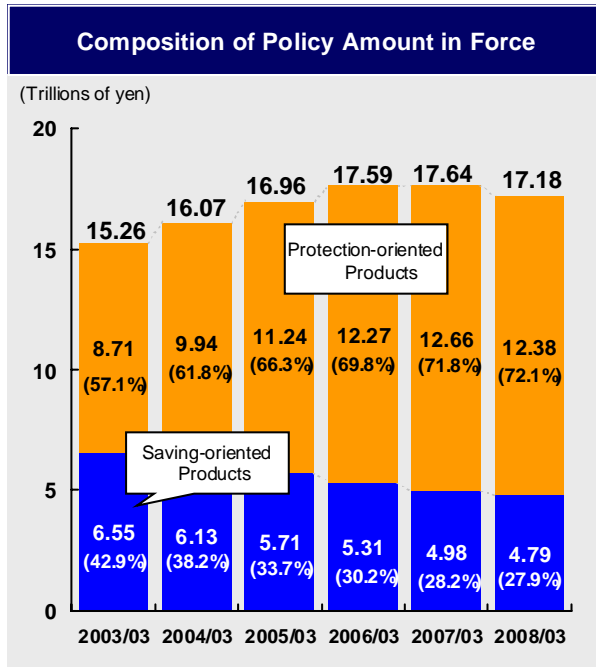
- Taiyo has a solid customer base to which the company sold saving-oriented products



Source: Prepared by T&D Holdings based on Population Predictions by the National Institute of Population and Social Security Research
T&D Holdings, Inc. October 2008

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

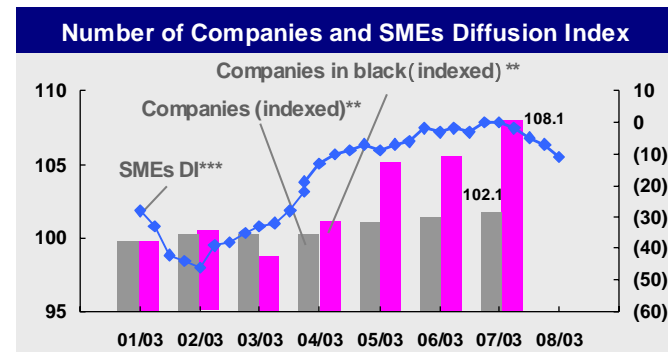
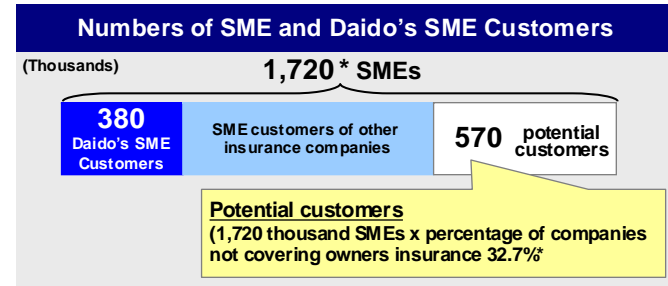
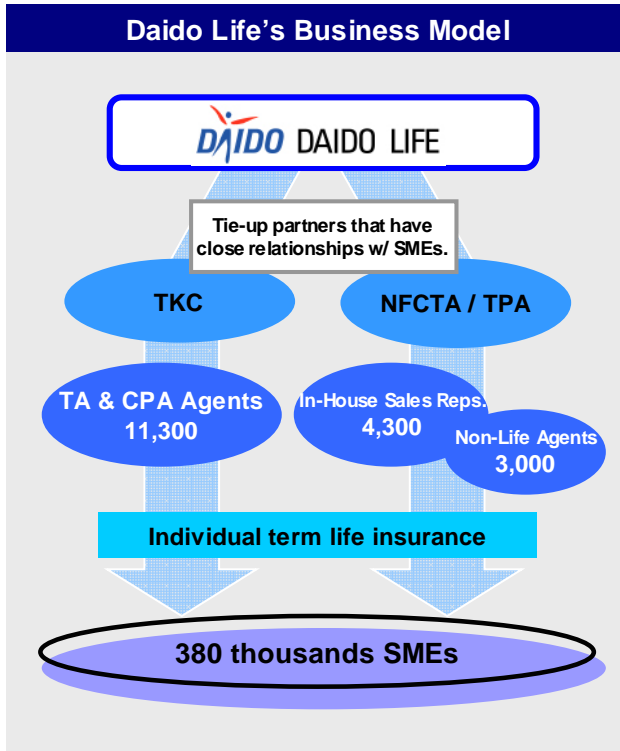
- Taiyo has been shifting its emphasis from saving products to protection products
- In T&D Group, Taiyo seeks to increase 3rd sector products



* 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

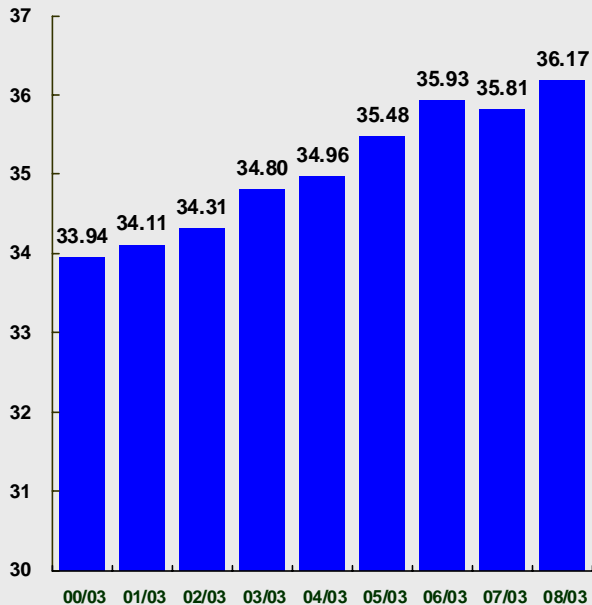


* Number of SMEs: Establishment and Enterprise Census of Japan (The Ministry of Internal Affairs and Communications), the percentage of companies not insure against company owners: Survey on Companies' Welfare Systems (JILI)
 ** Source: Results of the Corporation Sample Survey (The National Tax Agency). 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)

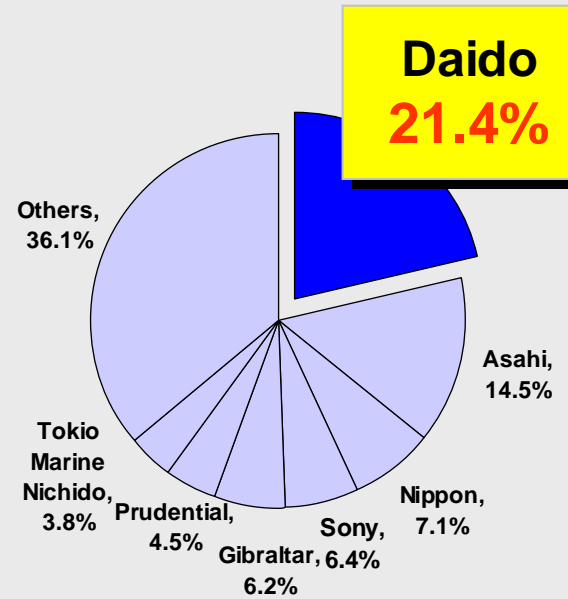
Daido is #1 Term Life Provider

Trends in Policy Amount in Force of Term Life Insurance

(Trillions of yen)



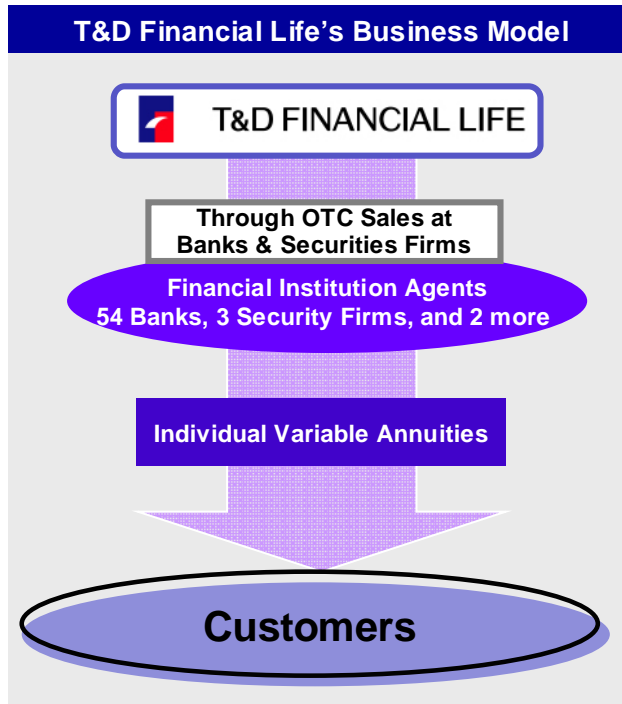
Top Market Share in Term Life Insurance



Sources: Company financial reports (FY2006)

T&D Financial's Marketing Strategies

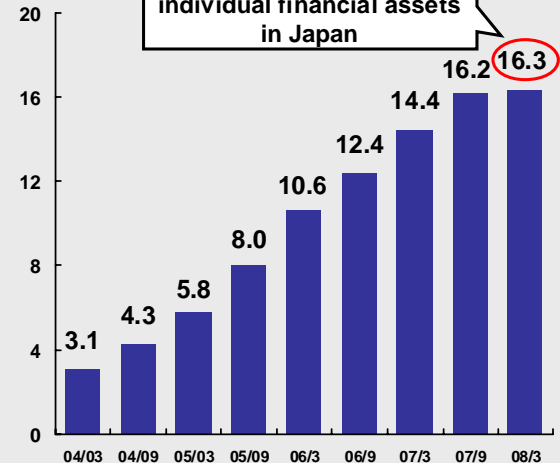
- T&D Financial was reorganized as a company specializing on OTC sales at banks, and now selling VA which market is fastest-growing in Japan



Total policies for variable annuities in Japan

(Trillions of yen)

Approx. 1.1% of total individual financial assets in Japan



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

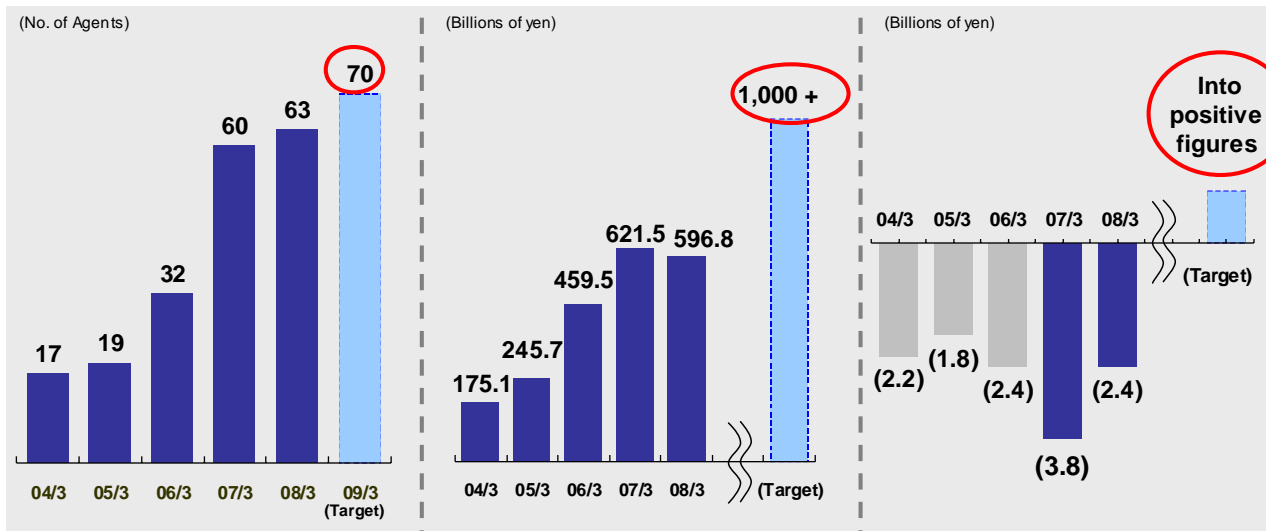
Three-Step Growth Plan by Capitalizing on OTC Sales at Banks

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

Expansion in Number of Financial Institution Agents

Increase in Policy Amount in Force for Variable Annuities

Make EV* of New Business be positive figure



* 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

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

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

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

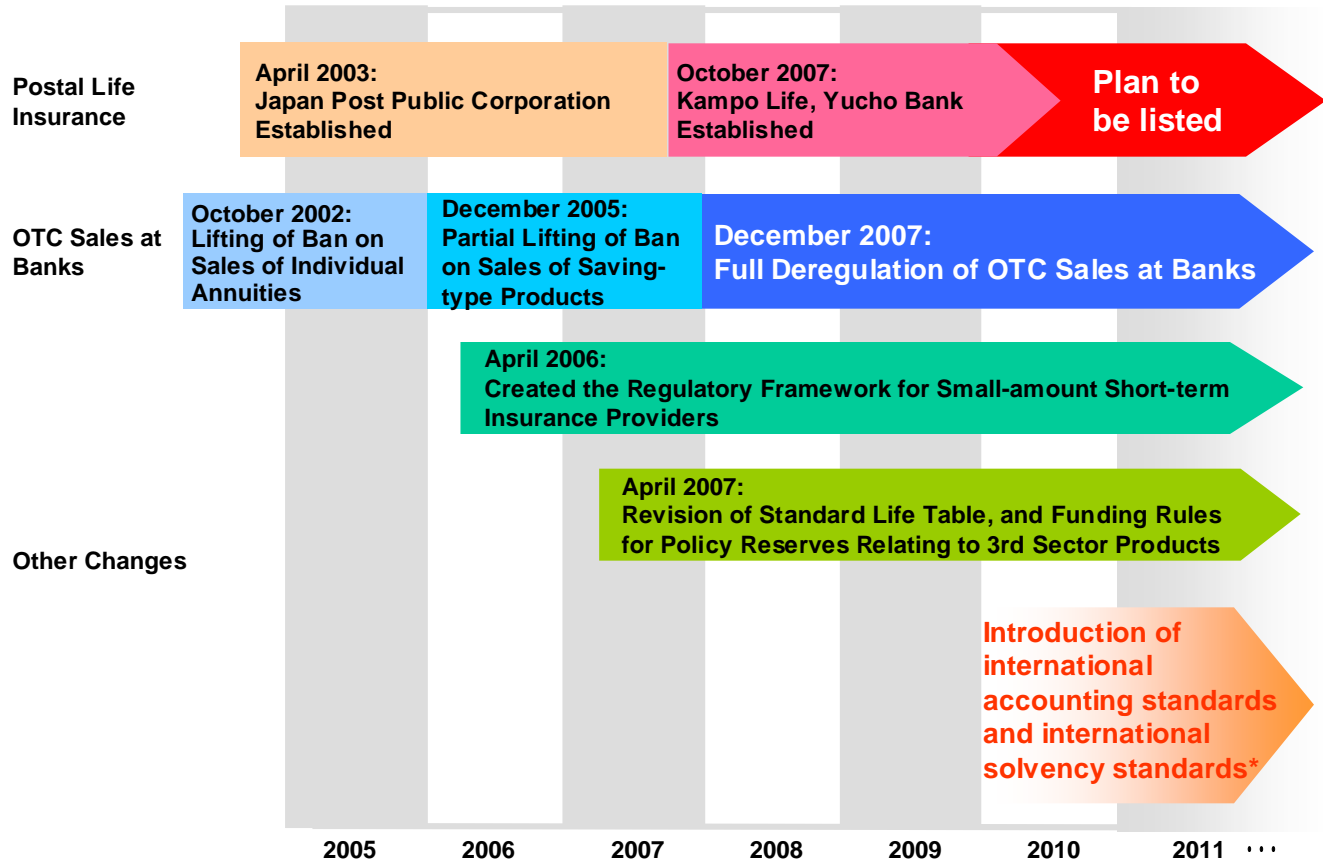
Profitability and Growth Potential by Product Market

		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.

Changing Regulatory Environment



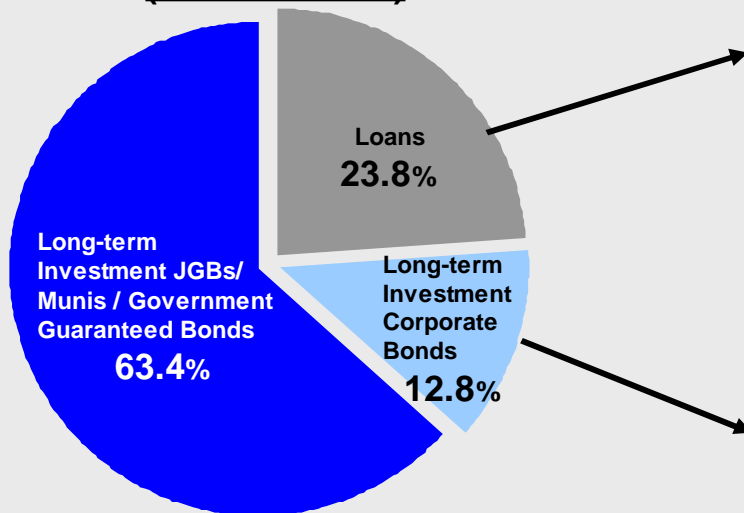
*Timeline for introduction of international accounting standards and international solvency standards is not fixed at this time.

Status of Yen Fixed Income Assets

Aggregate values for Taiyo and Daido

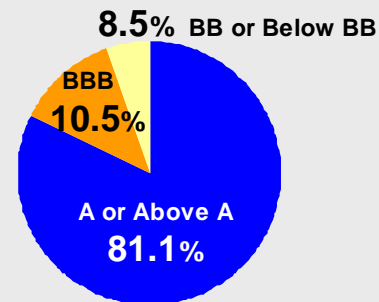
(As of March 31, 2008)

Breakdown of Yen Fixed Income Assets (¥ 6.74 Trillion)



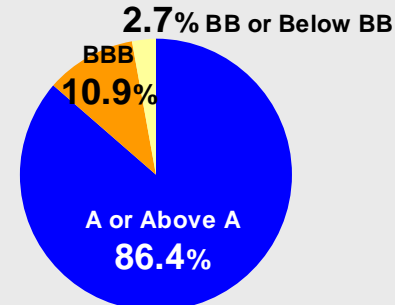
Ratings of Corporate Loans*

(¥ 1,606.0 Billion)



Ratings of Corporate Bonds*

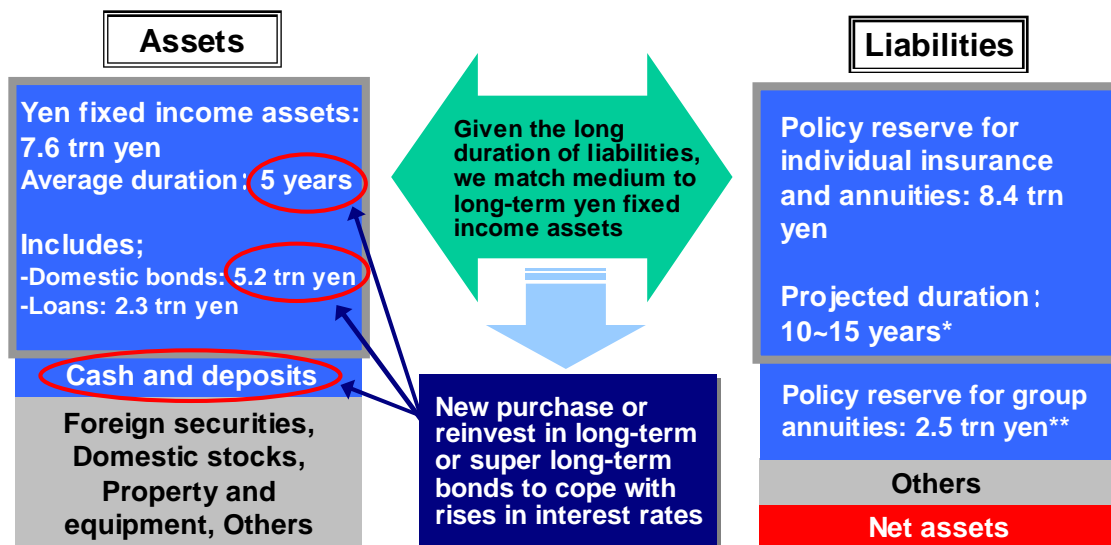
(¥ 860.5 Billion)



* Rated by in-house ratings based mainly on Rating and Investment Information, Inc. (R&I)
Rating of loans include only corporate loans which have external or in-house ratings.

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**



* 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.

As of March 31, 2008

Ratings

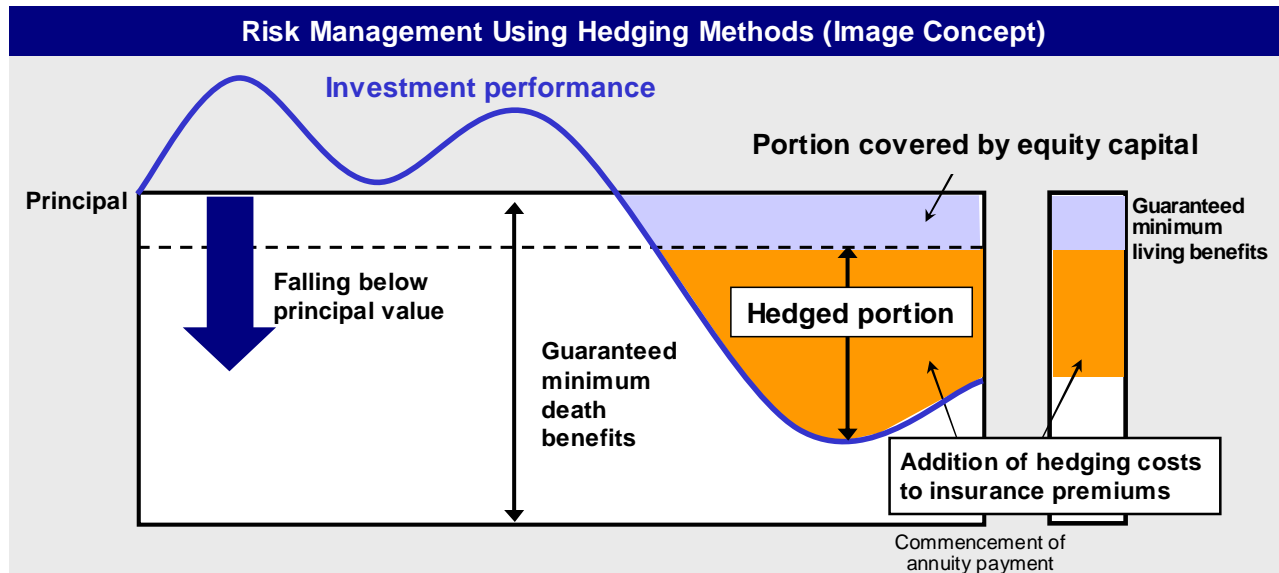
(As of March 31, 2008)

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.



Non-Consolidated Statements of Operations: Daido Life

(Billions of yen)

	1Q2008	1Q2007	Changes	
Ordinary revenues	360.4	316.0	44.4	Includes ¥133.4 billion of premiums for individual term life insurance, a main product line (up ¥0.4 billion y-o-y)
Income from insurance premiums	203.0	200.5	2.5	Includes; -Dividends from private equity funds: down ¥4.3 billion -Dividends from investment trusts: down ¥2.7 billion -Stock dividends: down ¥1.4 billion
Individual insurance and annuities	160.2	161.1	(0.9)	
Investment income	62.5	77.7	(15.1)	Includes; -Insurance claims for group annuities: up ¥33.3 billion y-o-y -Surrender payments for group annuities: up ¥19.8 billion y-o-y -Other payments for group annuities: up ¥11.0 billion
Interest, dividends and income from real estate for rent	31.0	40.6	(9.5)	
Gains from monetary trusts, net	-	7.0	(7.0)	Includes; -Other securities (domestic unlisted stocks): ¥7.2 billion -Foreign securities: ¥0.9 billion -Domestic stocks and monetary trusts: ¥0.4 billion
Gains on investment in trading securities, net	13.4	14.8	(1.3)	
Gains on sales of securities	13.3	7.9	5.4	Includes (y-o-y increase/decrease); -Foreign exchange forward contracts of ¥16.9 billion (down ¥0.9 billion) -Stock futures contracts of ¥0.8 billion (up 0.5 billion) -Interest-rate swap: ¥(1.1) billion (down ¥0.8 billion)
Gains on separate accounts, net	4.0	6.6	(2.5)	
Other ordinary income	94.7	37.7	57.0	Includes provision for reserve for price fluctuations of ¥1.7 billion including excess amount of additional reserves of ¥1.0 billion
Reversal of policy reserve	90.6	33.6	57.0	
Ordinary expenses	338.3	275.0	63.2	
Insurance claims and other payments	273.6	217.1	56.4	
Provision for policy and other reserves	0.1	0.2	(0.0)	
Investment expenses	30.6	25.6	4.9	
Losses from monetary trusts, net	0.2	-	0.2	
Losses on sales of securities	0.2	0.0	0.1	
Devaluation losses on securities	8.6	0.3	8.2	
Losses from derivatives, net	16.6	17.6	(0.9)	
Foreign exchange losses, net	1.0	1.3	(0.2)	
Operating expenses	29.2	28.4	0.8	
Other ordinary expenses	4.6	3.5	1.0	
Ordinary profit	22.0	40.9	(18.8)	
Net extraordinary gains (losses)	(1.1)	(2.6)	1.4	
Provision for reserve for policyholder dividends	7.2	8.3	(1.1)	
Income taxes	6.7	11.2	(4.5)	
Net income	6.9	18.6	(11.7)	

Non-Consolidated Statements of Operations: Taiyo Life

(Billions of yen)

	1Q2008	1Q2007	Changes	
Ordinary revenues	283.6	286.5	(2.9)	Includes (y-o-y increase/decrease); -Individual insurance and annuities: ¥139.9 billion (down ¥4.0 billion) -Group annuities: ¥24.2 billion (down ¥2.5 billion)
Income from insurance premiums	172.2	179.4	(7.1)	-Interests from yen-denominated bonds: up ¥1.3 billion -Interests from foreign currency-denominated bonds: down ¥2.6 billion
Investment income	50.5	60.2	(9.7)	-Dividends from domestic investment trusts: down ¥1.8 billion -Dividends from domestic and foreign stocks: down ¥0.8 billion
Interest, dividends and income from real estate for rent	30.9	35.2	(4.2)	
Gains on sales of securities	19.3	24.5	(5.2)	
Other ordinary income	60.7	46.7	14.0	
Reversal of policy reserve	48.5	38.1	10.4	Includes (y-o-y increase/decrease); -Domestic stocks: ¥12.8 billion (down ¥3.0 billion) -Foreign securities: ¥5.5 billion yen (down ¥3.1 billion) -Domestic bonds, etc.: ¥0.9 billion (up ¥0.9 billion)
Ordinary expenses	272.4	258.4	13.9	
Insurance claims and other payments	220.6	215.7	4.8	
Provision for policy and other reserves	0.0	0.0	0.0	Includes (y-o-y increase/decrease); -Individual insurance and annuities: ¥178.5 billion (up ¥0.5 billion), including maturity benefits of ¥71.4 billion (down ¥7.3 billion) -Group annuities: ¥36.6 billion (up ¥3.9 billion)
Investment expenses	18.5	13.9	4.6	
Losses on sales of securities	7.5	4.9	2.5	
Devaluation losses on securities	2.0	0.7	1.2	
Losses from derivatives, net	7.3	6.3	0.9	Includes (y-o-y increase/decrease); - Domestic stocks: ¥2.8 billion (up ¥1.5 billion) - Foreign securities: ¥3.5 billion (up ¥3.2 billion) - Domestic bonds, etc.: ¥1.0 billion (down ¥2.3 billion)
Operating expenses	19.7	18.9	0.8	
Other ordinary expenses	13.4	9.7	3.6	
Ordinary profit	11.1	28.0	(16.8)	Includes (y-o-y increase/decrease); - Foreign exchange forward contracts: ¥(7.2) billion (down ¥0.8 billion), including ¥(2.7) billion of hedge accounting applied (up ¥0.8 billion) - Stock-related: ¥(0.1) billion (down ¥0.1 billion)
Net extraordinary gains (losses)	(0.0)	(5.2)	5.1	
Provision for reserve for policyholder dividends	3.2	3.6	(0.4)	
Income taxes	3.9	6.8	(2.9)	
Net Income	3.9	12.1	(8.2)	Includes provision for reserve for price fluctuations of ¥0.08 billion only (down ¥5.1 billion y-o-y)

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

(Billions of yen)

	1Q2008	1Q2007	Changes
Ordinary revenues	41.8	73.2	(31.4)
Income from insurance premiums	19.4	48.4	(28.9)
Investment income	19.5	22.3	(2.7)
Interest, dividends and income from real estate for rent	1.0	1.0	(0.0)
Gains on separate accounts, net	18.5	21.1	(2.6)
Other ordinary income	2.7	2.5	0.2
Ordinary expenses	44.5	75.4	(30.9)
Insurance claims and other payments	20.6	26.3	(5.7)
Provision for policy and other reserves	15.6	42.0	(26.4)
Investment expenses	4.8	2.2	2.5
Losses from monetary trusts, net	4.7	2.2	2.5
Operating expenses	2.9	4.0	(1.1)
Other ordinary expenses	0.5	0.6	(0.1)
Ordinary profit (losses)	(2.7)	(2.1)	(0.5)
Net extraordinary gains (losses)	(0.0)	(0.0)	(0.0)
Provision for reserve for policyholder dividends	0.0	0.0	(0.0)
Income taxes	(0.8)	(0.6)	(0.1)
Net income (loss)	(1.9)	(1.5)	(0.3)

Includes ¥13.5 billion of insurance premiums for individual variable annuities, down ¥26.7 billion y-o-y

¥1.9 billion of reversal for policy reserve relating to minimum guarantee risks for variable annuities

Non-Consolidated Balance Sheets: Daido Life

(Billions of yen)

	As of June 30, 2008	As of March 31, 2008	Changes
Assets			
Cash and deposits, call loans	229.3	297.2	(67.9)
Monetary claims purchased	356.0	270.0	86.0
Monetary trusts	97.0	104.6	(7.5)
Securities	4,143.7	4,159.6	(15.8)
Domestic bonds	2,328.2	2,394.0	(65.8)
Domestic stocks	377.9	375.6	2.3
Foreign securities	667.9	653.4	14.4
Other securities	769.5	736.3	33.1
Loans	880.1	890.3	(10.2)
Tangible fixed assets	138.8	140.4	(1.6)
Other assets	63.1	131.5	(68.4)
Deferred tax assets	29.7	44.1	(14.4)
Total assets	5,946.8	6,047.8	(101.0)

-Domestic bonds: decreased mainly due to a decline in unrealized gains as well as redemption of municipal bonds and short-term government bonds
 -Foreign Securities: increased mainly due to depreciation of the yen and an increase in private equity funds
 -Other securities: increased mainly due to a rise in fair value of investment trusts for domestic stocks

(Billions of yen)

	As of June 30, 2008	As of March 31, 2008	Changes
Liabilities			
Total policy reserves	5,297.4	5,392.1	(94.7)
Policy reserve	5,125.8	5,216.5	(90.6)
Contingency reserve	82.7	82.6	0.0
Other liabilities	64.8	101.8	(36.9)
Reserve for price fluctuations	75.2	73.5	1.6
Total liabilities	5,545.1	5,673.4	(128.3)
Net assets			
Total stockholders' equity	260.6	261.8	(1.2)
Common stock	75.0	75.0	-
Capital surplus	0.0	0.0	-
Retained earnings	185.5	186.7	(1.2)
Total valuation and translation adjustments	141.0	112.5	28.4
Net unrealized gains on securities	140.4	111.8	28.5
Total net assets	401.6	374.4	27.2
Total liabilities and net assets	5,946.8	6,047.8	(101.0)

Non-Consolidated Balance Sheets: Taiyo Life

(Billions of yen)				(Billions of yen)			
	As of June 30, 2008	As of March 31, 2008	Changes		As of June 30, 2008	As of March 31, 2008	Changes
<u>Assets</u>				<u>Liabilities</u>			
Cash and deposits, call loans	114.8	159.8	(45.0)	Total policy reserves	5,681.6	5,731.1	(49.4)
Securities	4,199.0	4,152.4	46.6	Policy reserve	5,603.4	5,652.0	(48.5)
Domestic bonds	2,536.0	2,575.1	(39.0)	Contingency reserve	102.8	101.9	0.9
Domestic stocks	663.5	638.5	25.0	Reserve for price fluctuations	63.3	63.2	0.0
Foreign securities	929.0	867.2	61.8	Deferred tax liabilities	2.4	-	2.4
Other securities	70.4	71.5	(1.1)	Total liabilities	5,897.2	5,931.2	(34.0)
Loans	1,485.0	1,481.8	3.1	<u>Net assets</u>			
Tangible fixed assets	161.3	162.2	(0.8)	Total stockholders' equity	162.4	166.3	(3.9)
Deffered tax assets	-	11.2	(11.2)	Common stock	37.5	37.5	-
Reserve for possible loan losses	(2.5)	(2.5)	0.0	Capital surplus	37.5	37.5	-
Total assets	6,174.6	6,185.5	(10.9)	Retained earnings	87.4	91.3	(3.9)
				Total valuation and translation adjustments	115.0	87.9	27.0
				Net unrealized gains on securities	163.3	136.1	27.1
				Land revaluation	(48.0)	(48.0)	(0.0)
				Total net assets	277.4	254.3	23.1
				Total liabilities and net assets	6,174.6	6,185.5	(10.9)

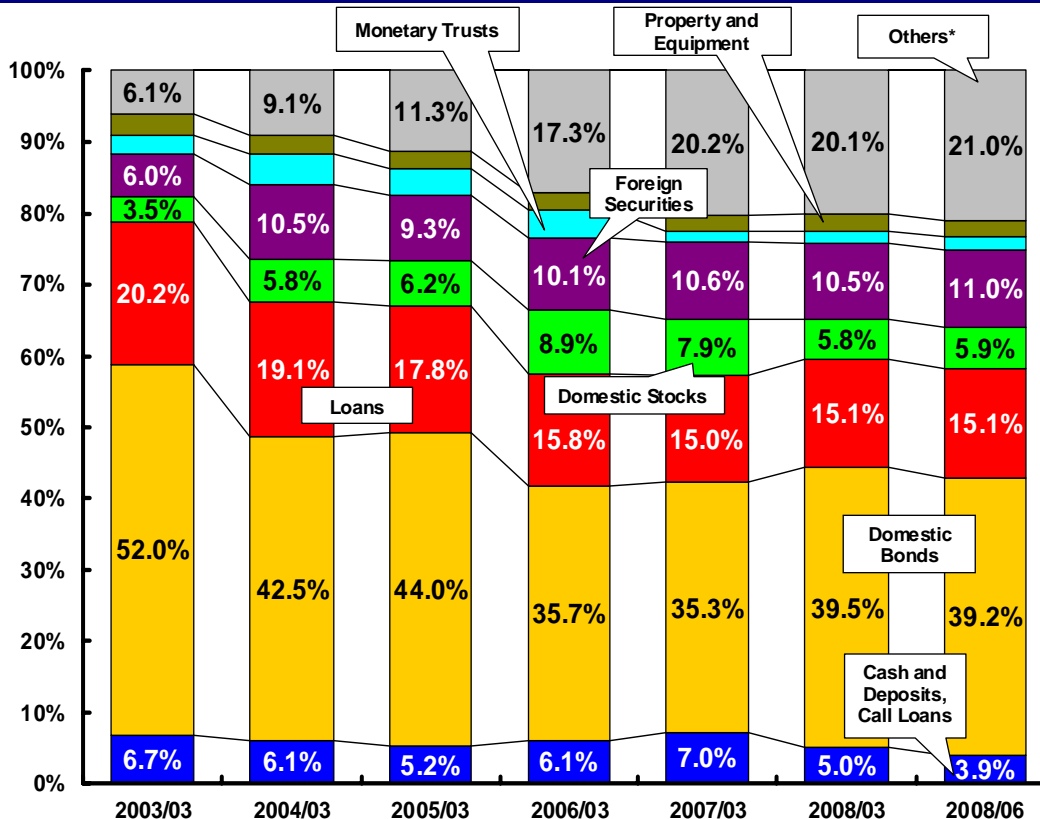
-Domestic bonds: decreased mainly due to a decrease in total balance
 -Domestic stocks: increased mainly due to a rise in fair value
 -Foreign securities: increased mainly due to an increase in hedge funds and equity-indexed products

Non-Consolidated Balance Sheets: T&D Financial Life

(Billions of yen)				(Billions of yen)			
	As of June 30, 2008	As of March 31, 2008	Changes		As of June 30, 2008	As of March 31, 2008	Changes
<u>Assets</u>				<u>Liabilities</u>			
Cash and deposits, call loans	49.1	50.1	(0.9)	Total policy reserves	1,026.2	1,011.5	14.6
Monetary trusts	27.2	30.1	(2.9)	Policy reserve	1,019.7	1,004.1	15.6
Securities	953.0	934.8	18.2	Contingency reserve	14.8	13.5	1.2
Domestic bonds	355.2	360.1	(4.9)	Reserve for price fluctuations	0.4	0.4	0.0
Domestic stocks	1.0	0.9	0.0	Total liabilities	1,036.3	1,022.0	14.3
Foreign securities	2.0	2.0	0.0	<u>Net assets</u>			
Other securities	594.7	571.7	23.0	Total stockholders' equity	26.1	28.1	(1.9)
Loans	7.0	7.2	(0.2)	Common stock	36.0	36.0	-
Tangible fixed assets	0.3	0.3	0.0	Capital surplus	26.0	26.0	-
Intangible fixed assets	3.3	3.3	0.0	Retained earnings	(35.8)	(33.8)	(1.9)
Other assets	5.0	6.5	(1.4)	Total valuation and translation adjustments	(1.3)	(1.1)	(0.1)
Deferred tax assets	8.8	8.7	0.0	Net unrealized gains on securities	(1.3)	(1.1)	(0.1)
Total assets	1,061.2	1,048.9	12.3	Total net assets	24.8	26.9	(2.0)
				Total liabilities and net assets	1,061.2	1,048.9	12.3

Increased mainly due to a rise in fair value of investment trusts

General Account Assets Composition: Daido Life



Net Exposure to Domestic Stocks **
16.2%
 (2008/03 14.5%)
 (2007/03 18.1%)

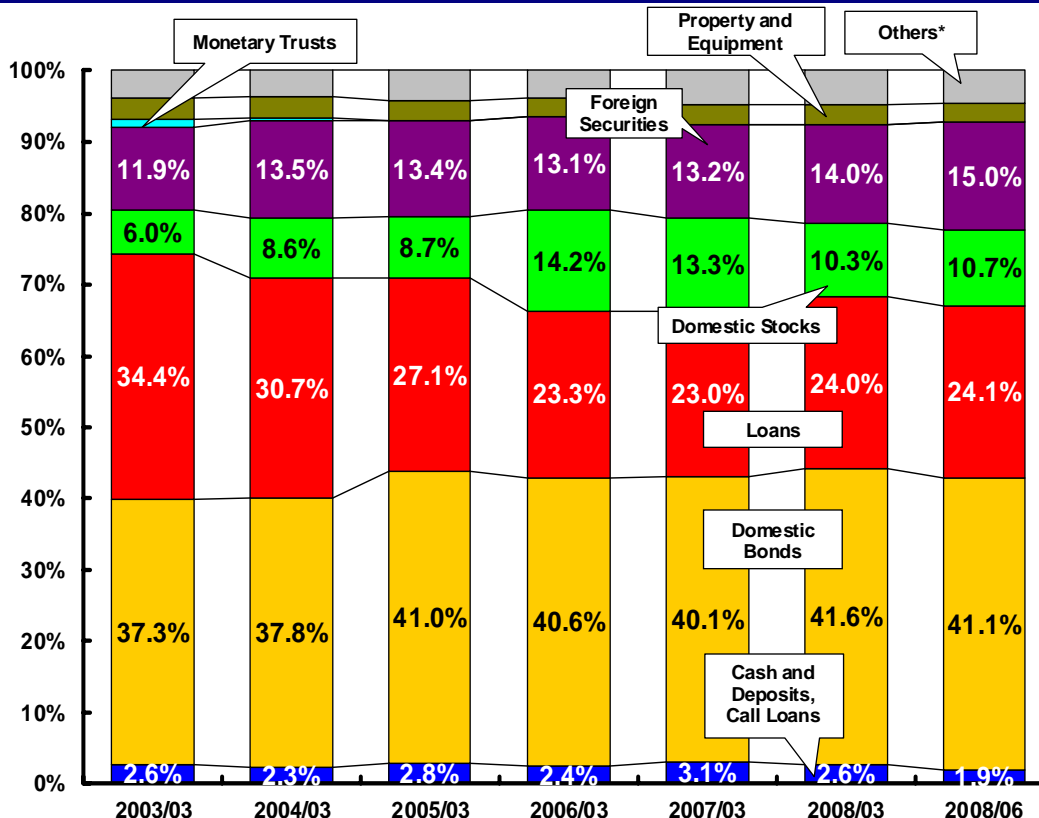
Net Exposure to Foreign Currency ***
4.3%
 (2008/03 3.4%)
 (2007/03 3.4%)

* Others as of June 30, 2008; Other Securities (mainly investment trusts): 13.2%, Monetary Claims Purchased : 6.1%, 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 **

11.9%

(2008/03 10.9%)
(2007/03 14.5%)

Net Exposure to Foreign Currency ***

5.6%

(2008/03 5.2%)
(2007/03 6.1%)

* Others as of June 30, 2008; Monetary Claims Purchased : 2.5%, Other Securities (mainly investment trusts): 1.1%, 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)

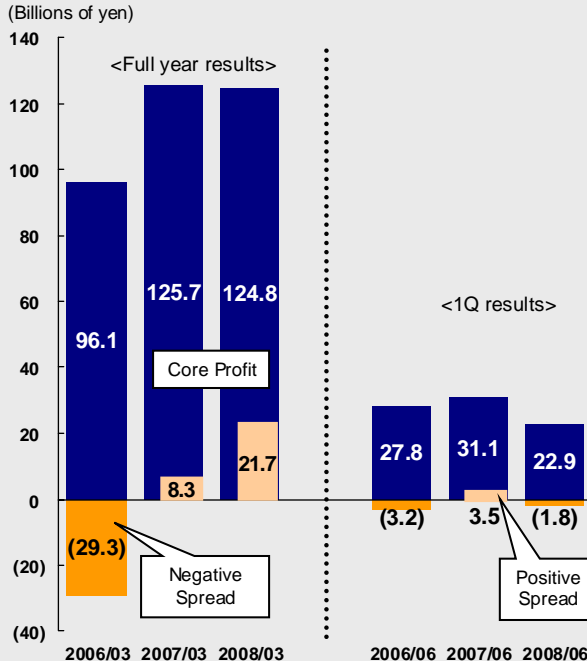
(Billions of yen)

	Daido Life (As of June 30, 2008)		Taiyo Life (As of June 30, 2008)	
Government bonds	62.0	30.0%	482.5	90.7%
BBB and above	62.0	30.0%	482.5	90.7%
Supranational bonds	3.0	1.5%	7.1	1.4%
BBB and above	3.0	1.5%	7.1	1.4%
Government-related organizations' bond and public entities' bond	5.6	2.7%	6.4	1.2%
BBB and above	5.6	2.7%	6.4	1.2%
Municipal bonds	3.0	1.5%	-	-
BBB and above	3.0	1.5%	-	-
Corporate bonds	133.2	64.4%	35.7	6.7%
BBB and above	132.7	64.1%	35.7	6.7%
Total	207.0	100.0%	531.8	100.0%

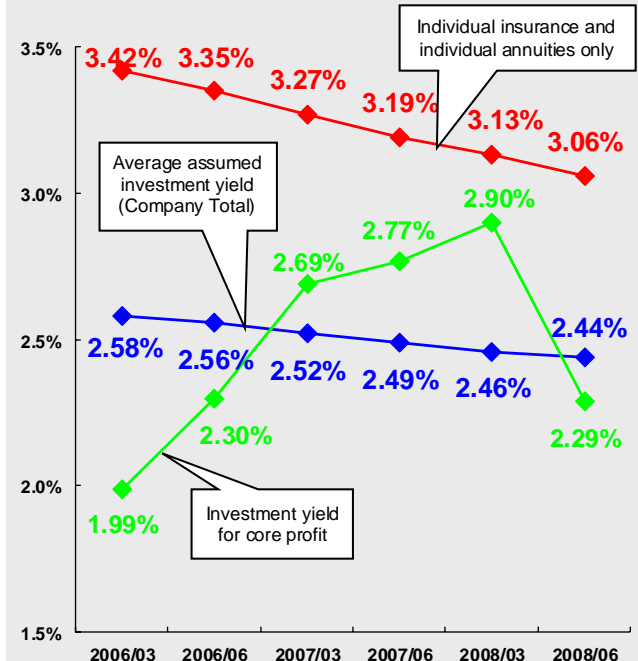
* BBB and above are categorized according to the each company's standard.

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

Amount of Core Profit and Negative Spread

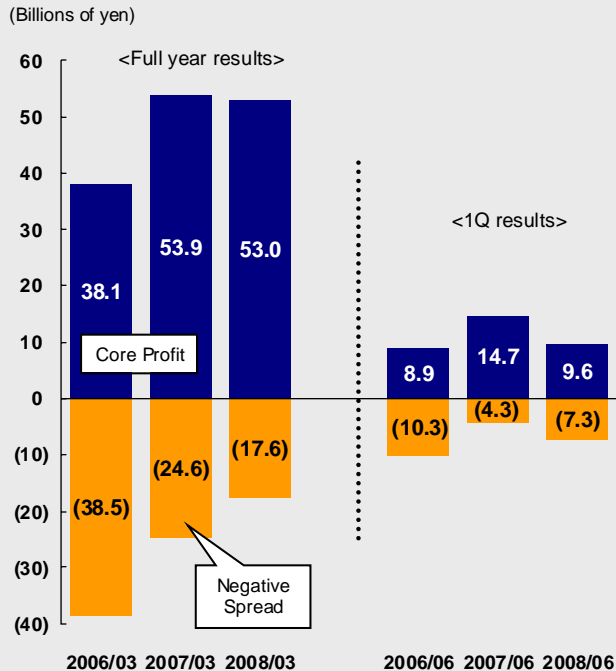


Average Assumed Investment Yield

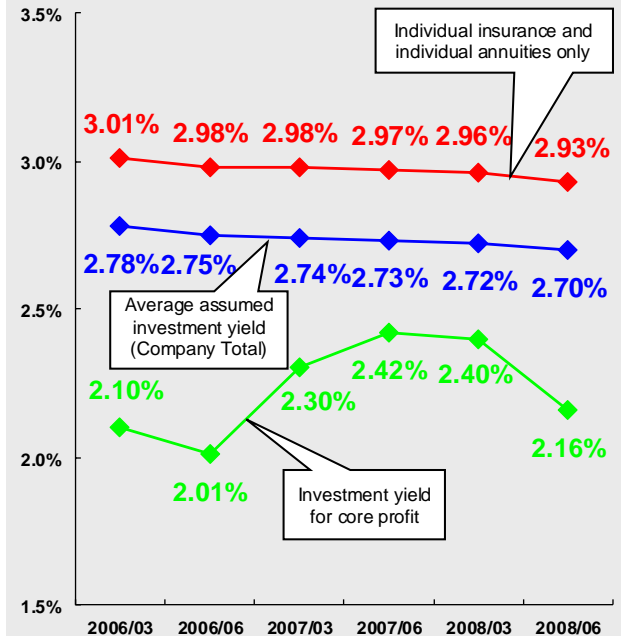


Core Profit/Negative Spread, Average Assumed Investment Yield: Taiyo Life

Amount of Core Profit and Negative Spread

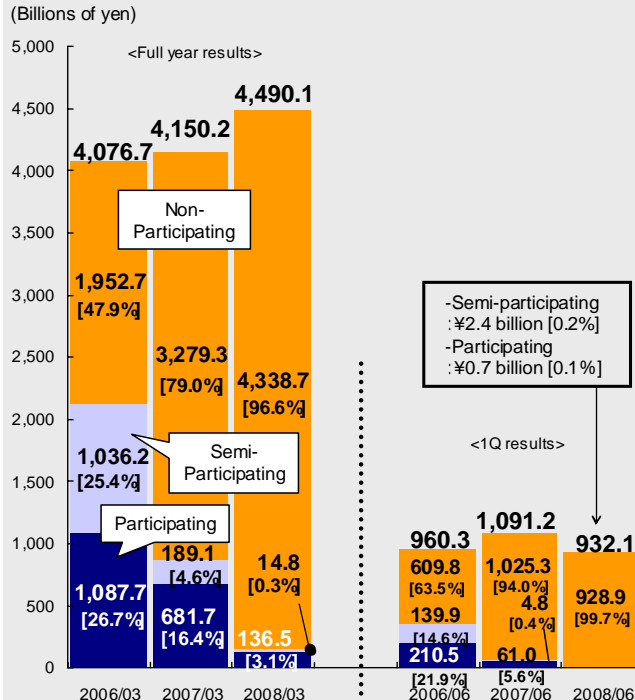


Average Assumed Investment Yield

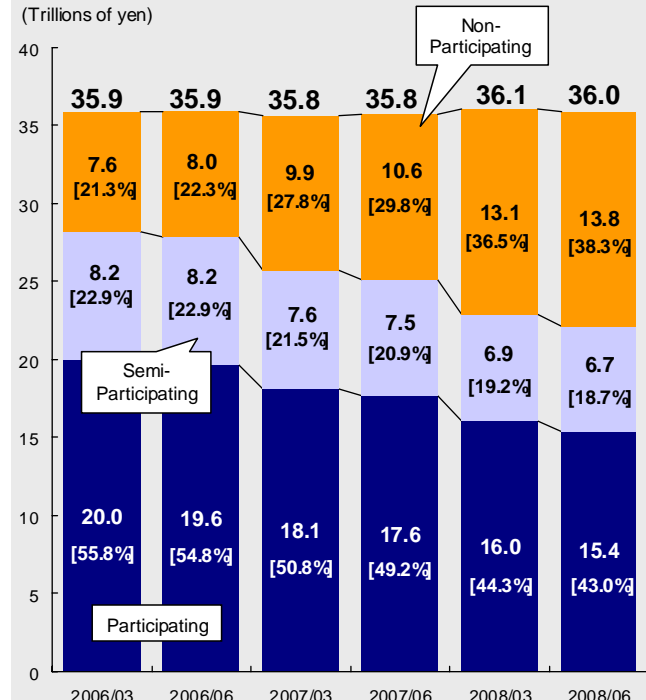


Sales Results by Dividend Type: Daido Life (Individual Term Life Insurance)

New Policy Amount*



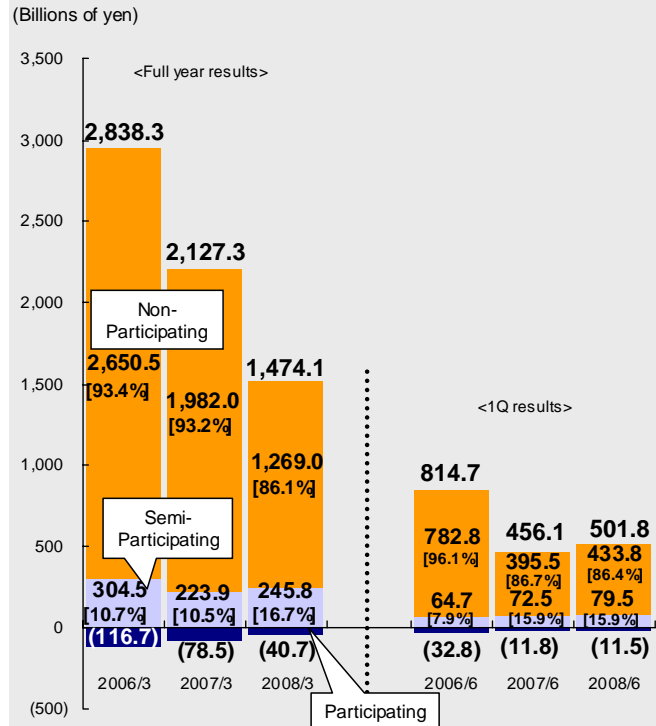
Policy Amount in Force



* Net increase from conversion is not included.

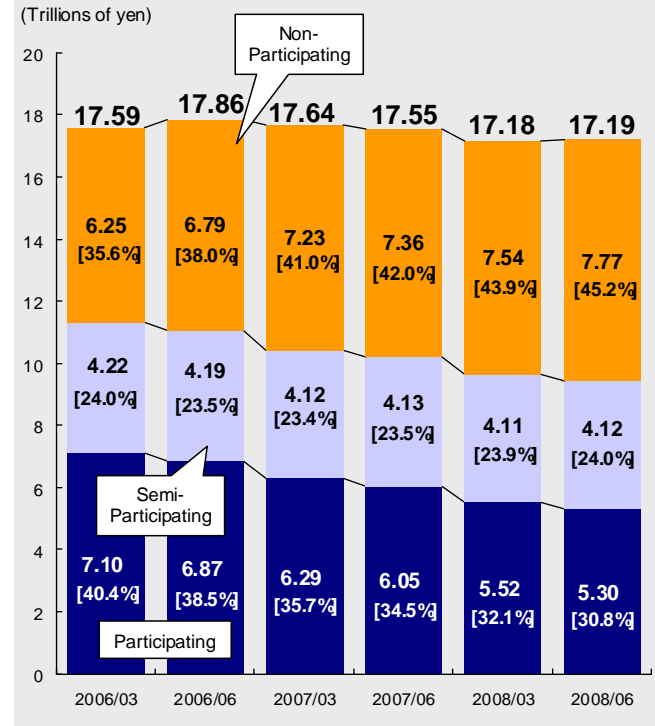
Sales Results by Dividend Type: Taiyo Life (Individual Insurance and Annuities)

New Policy Amount*



* Net increase from conversion is included

Policy Amount in Force



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)	260,615	260,615	260,615	
Reserve for deferred gain on sale of real estate	-	-	(1,559)	
Estimated appropriation paid in cash	-	-	(2,853)	3. Shareholders' dividends
Net unrealized gains (losses) on securities	140,436	219,810	197,829	1. After-tax 2. Before-tax 3. 90% of before-tax
Unrealized gains (losses) on loans	14,384	-	-	1. After-tax
Deferred valuation gains (losses) on hedge	620	620	-	1.2. After-tax
Net unrealized gains (losses) on real estate	22,350	34,982	29,734	1. After-tax 2. Before-tax 3. 85% of before-tax
Reserve for price fluctuations	75,213	75,213	75,213	
Contingency reserve	82,729	82,729	82,729	
Unallotted portion of reserve for policyholder dividends	18,605	18,605	18,605	
Excess amount of policy reserve based on Zillmer method	-	130,758	130,758	
Future profits	-	-	14,486	
Deferred tax assets for quasi-equity liabilities	(63,751)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.11%)
Deferred tax assets	-	-	94,844	
General reserve for possible loan losses	110	-	172	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.	3,909	(94)	-	1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax
Total	555,224	823,241	900,578	

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)	162,400	162,400	162,400	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	(1,150)	3. Shareholders' dividends
Net unrealized gains (losses) on securities	162,814	254,795	229,315	1. After-tax 2. Before-tax 3. 90% of before-tax
Net unrealized gains (losses) on loans	16,373	-	-	1. After-tax
Deferred valuation gains (losses) on hedge	(526)	(257)	-	1. After-tax, including net valuation gains/losses on interest rate swaps 2. After-tax
Net unrealized gains (losses) on real estate	(908)	(12,121)	(1,421)	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	63,384	63,384	63,384	
Contingency reserve	102,892	102,892	102,892	
Unallotted portion of reserve for policyholder dividends	22,154	22,154	22,154	
Excess amount of policy reserve based on Zillmer method	-	50,640	50,640	
Future profits	-	-	6,982	
Deferred tax assets for quasi-equity liabilities	(68,023)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policy holder dividends) x (effective tax rate:36.1%)
Deferred tax assets	-	-	48,726	
General reserve for possible loan losses	1,033	-	1,616	1. After-tax 3. Before-tax
Subordinated debt	-	-	55,000	
Net unrealized gains (losses) on subordinated debt	(351)	-	-	1. After-tax
Net unrealized gains (losses) on held-to-maturity securities, etc.	9,223	13,017	-	1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax
Total	470,466	656,906	740,542	

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)	26,185	26,185	26,185	
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	(1,308)	(1,869)	(1,869)	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	489	-	-	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	420	420	420	
Contingency reserve	14,822	14,822	14,822	
Unallotted portion of reserve for policyholder dividends	-	-	-	
Excess amount of policy reserve based on Zillmer method	-	20,197	27,488	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	(4,572)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (corporate tax rate: 30%)
Deferred tax assets	-	-	-	
General reserve for possible loan losses	3	-	4	1. After-tax 3. Before-tax
Subordinated debt	-	-	-	
Net unrealized gains (losses) on subordinated debt	-	-	-	
Net unrealized gains (losses) on held-to-maturity securities	502	718	-	1. After-tax 2. Before-tax
Total	36,541	60,474	67,143	

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)

EEV Highlights

- **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

(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

(Reference) 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

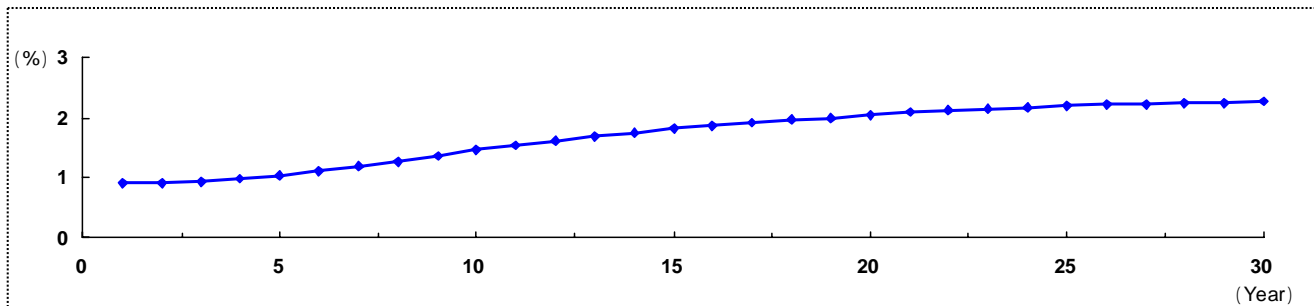
Swap rates

(%)

	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

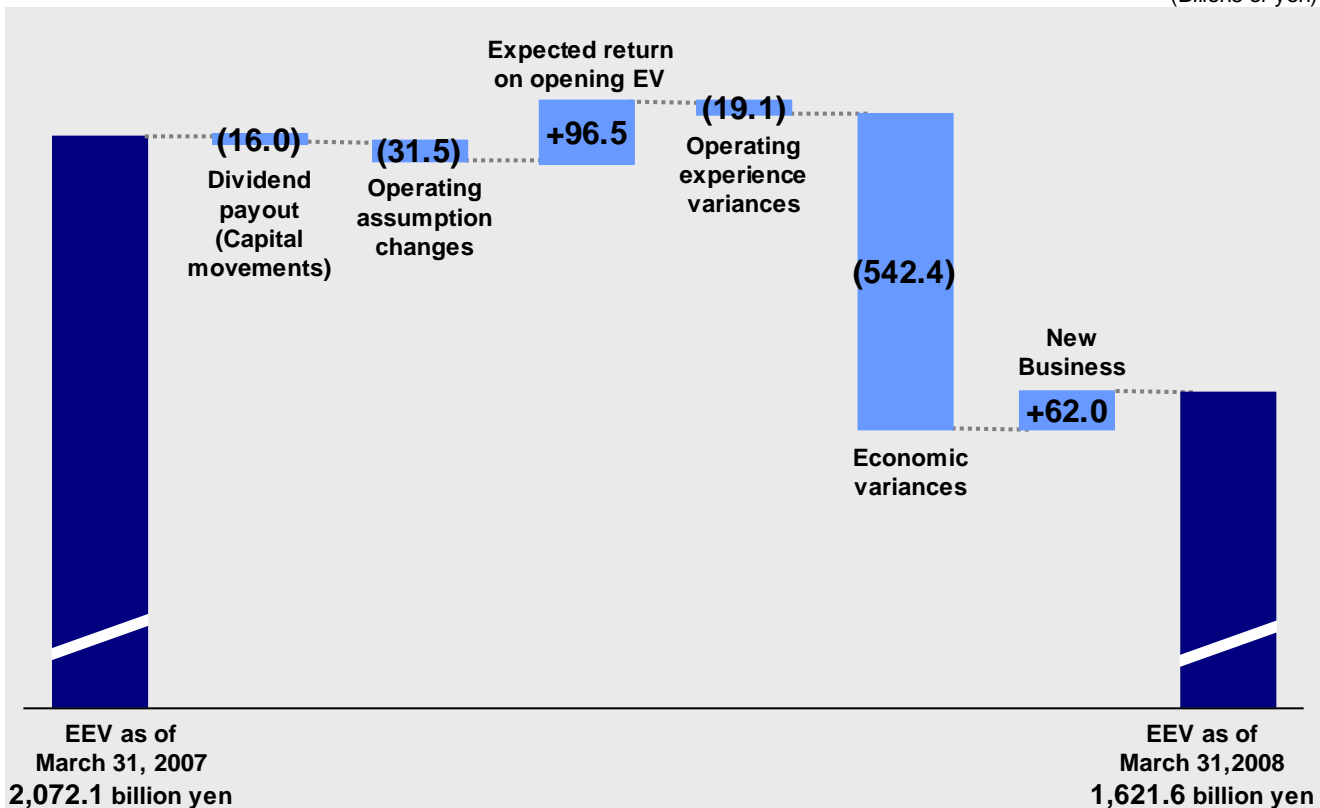
*Source: Bloomberg

<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)

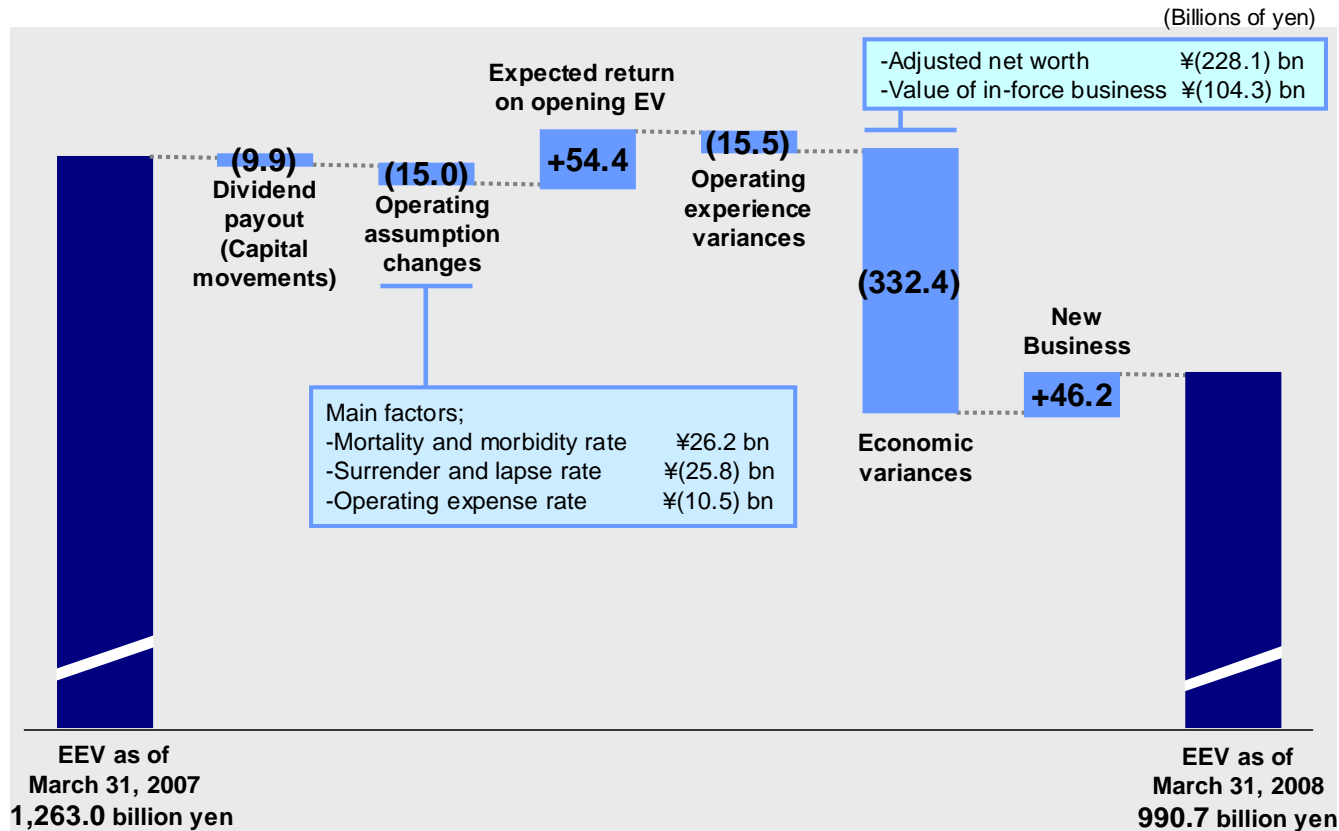
			EEV	Value of new business
EEV as of March 31, 2008 (base scenario)			1,621.6	62.0
Economic factor ^{*2}	Risk-free rate ^{*1}	+0.5%	164.0	13.1
		-0.5%	(203.6)	(15.8)
	Equity and real estate value	-10%	(157.0)	-
Non-economical factor	Surrender and lapse rate	x 0.9	59.4	9.1
	Operating expenses rate	x 0.9	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)

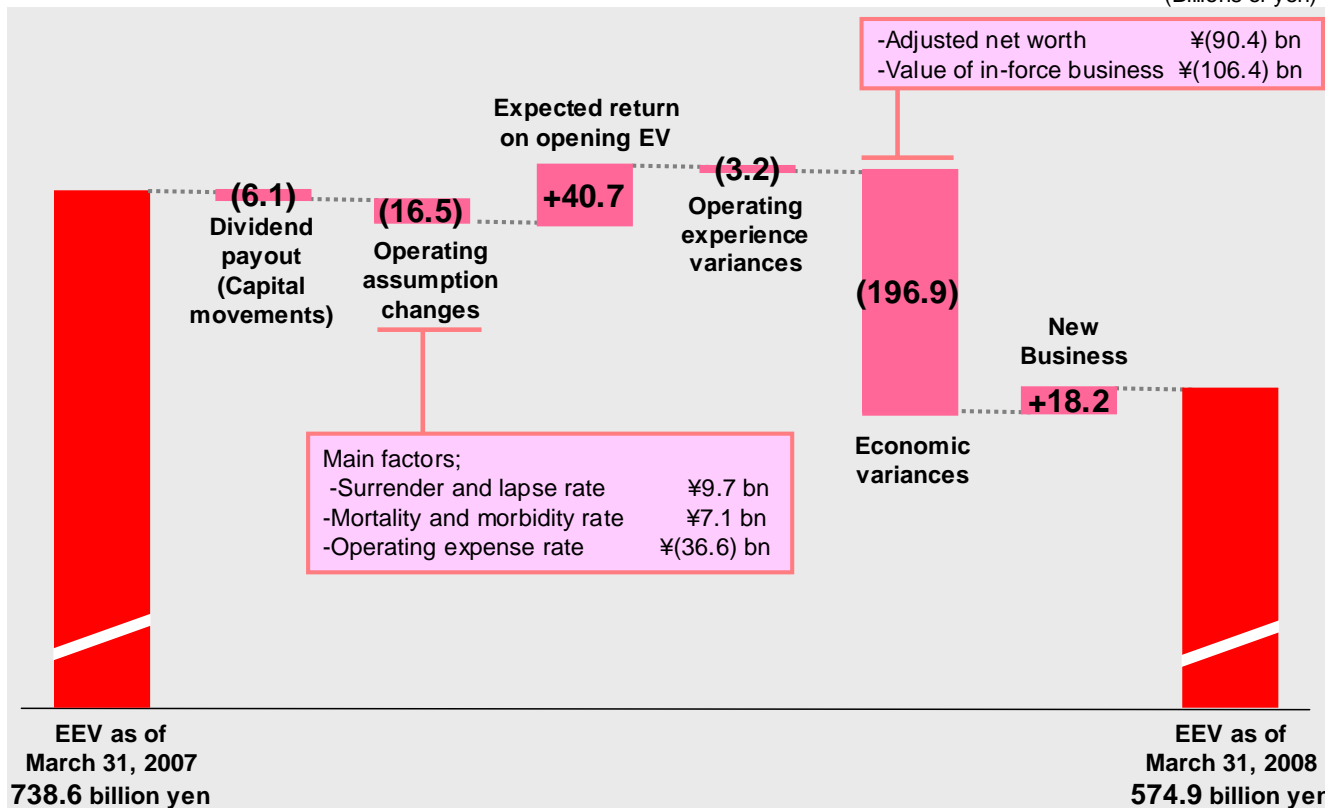
Movement Analysis: Daido Life



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

Movement Analysis: Taiyo Life

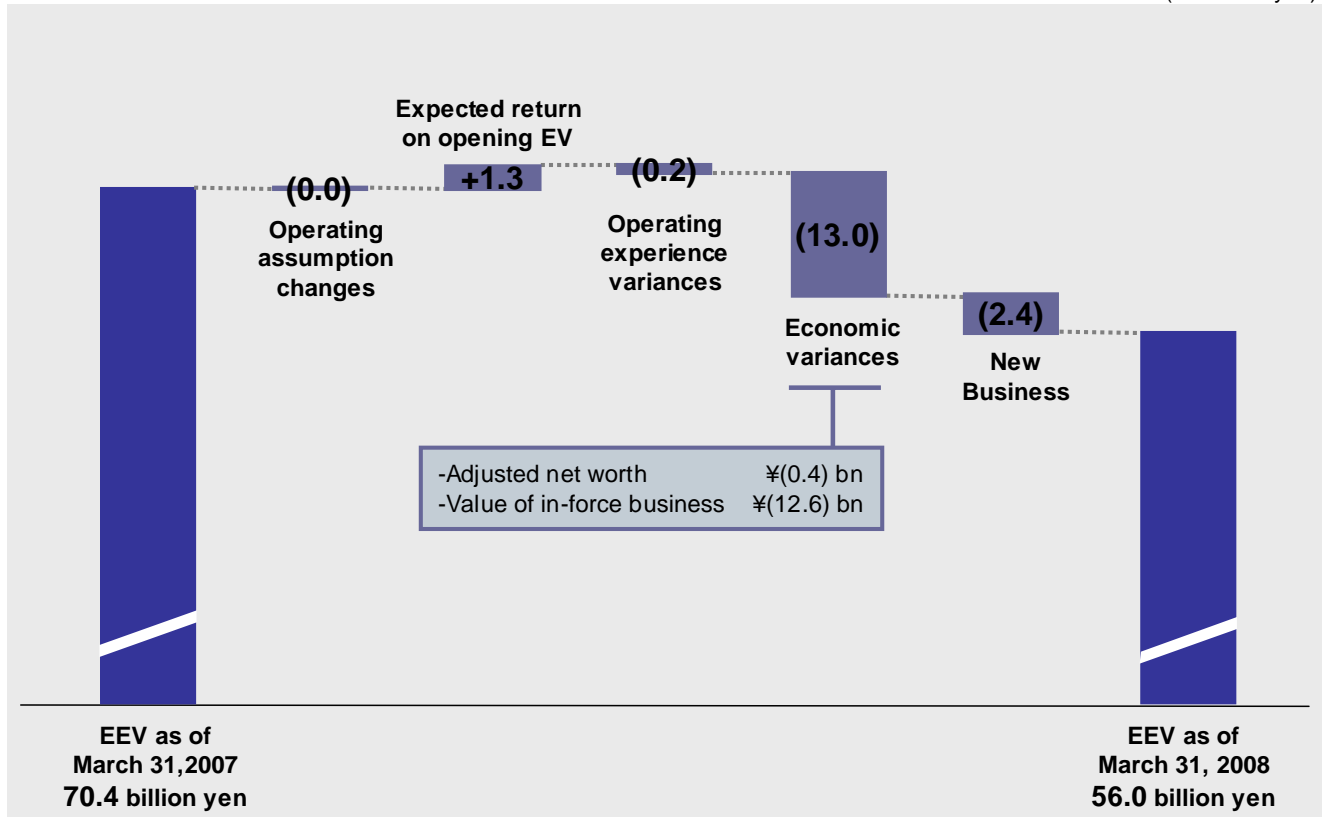
(Billions of yen)



* 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		EEV		EEV	
				VNB		VNB		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

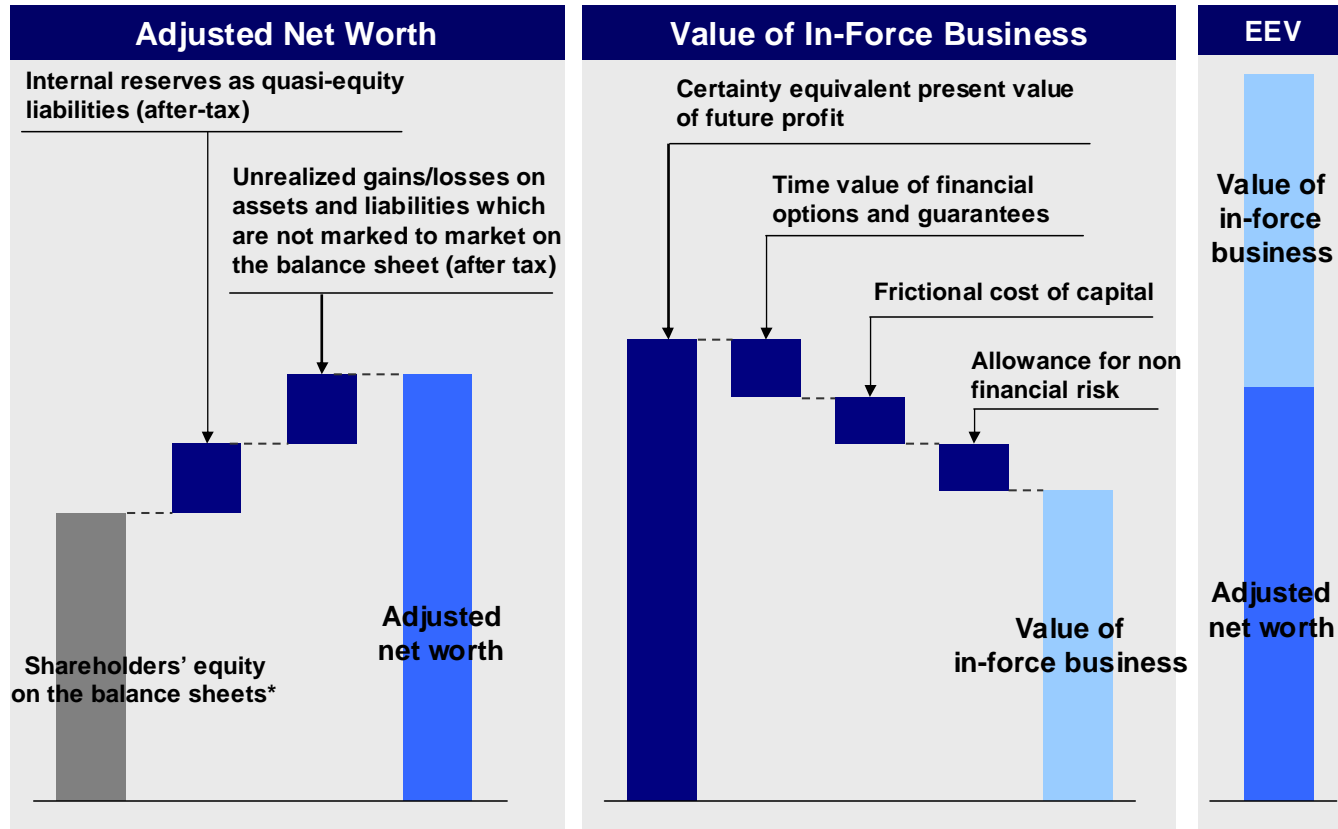
Other Assumptions

- 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	<p>The latest 3 years' experience</p> <p>*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</p>
Operating expense rate	<p>The latest year's experience</p> <p>*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</p>
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 set consistently with financial markets</p>
<p><u>Applies a single risk discount rate to the cash flows of the entire company. The risk discount rate may be set taking into account in aggregate the various risks the company is exposed to, but deriving a single rate to be applied is subjective</u></p>	<p>Discount Rate</p>	<p>Both investment return assumptions and discount rates are set consistently with financial markets, thus improve subjectivity</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>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</p>
<p><u>Subjectivities may be introduced through the risk discount rate and investment yield assumptions</u></p>	<p>Cost of Capital</p>	<p>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.</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.