

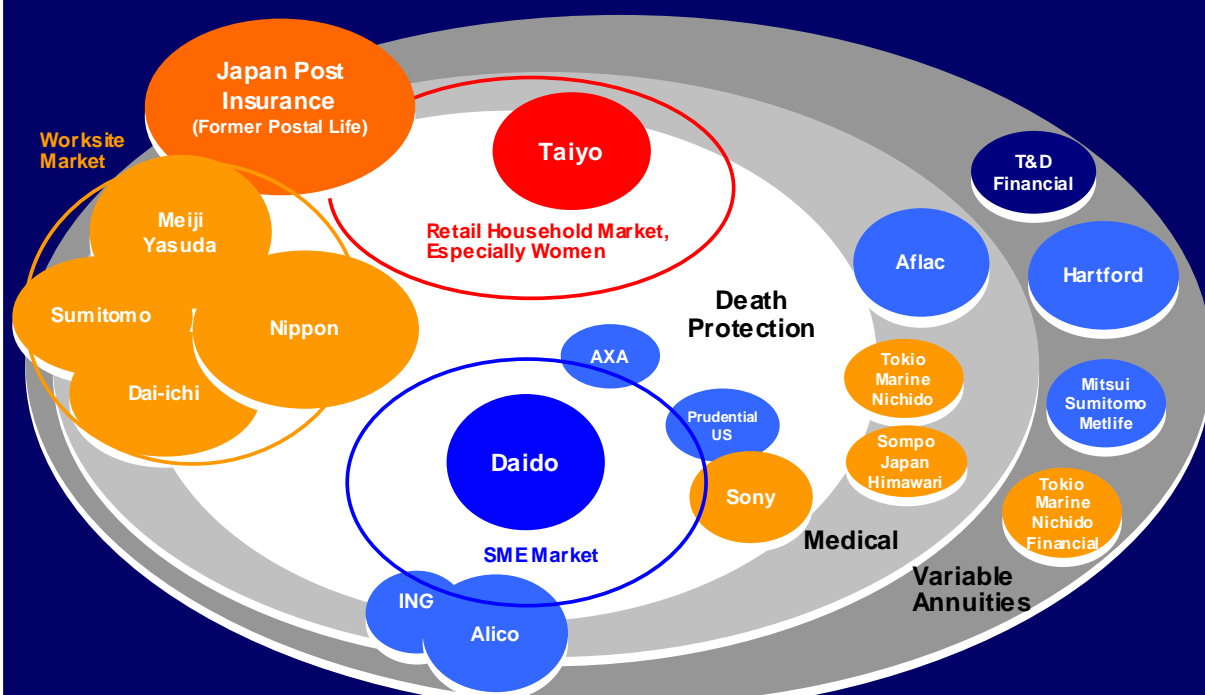
T&D Holdings, Inc.

2008 Merrill Lynch Japan Conference

President
Naoteru Miyato

September 17, 2008

Industry Trends and Group Positioning



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

Distinctive Business Models

	Taiyo Life	Daido Life	T&D Financial Life
Market	■ Households	■ SMEs	■ Upper-middle
Channel	■ In-house Sales Reps.	■ Agents (Tax accountant, etc.) ■ In-house Sales Reps.	■ Agents (Banks, Securities Firms, etc.)
Product	■ Mid-Size Death Protection, Medical & Nursing Care Protection	■ Term Life Insurance	■ Variable Annuities

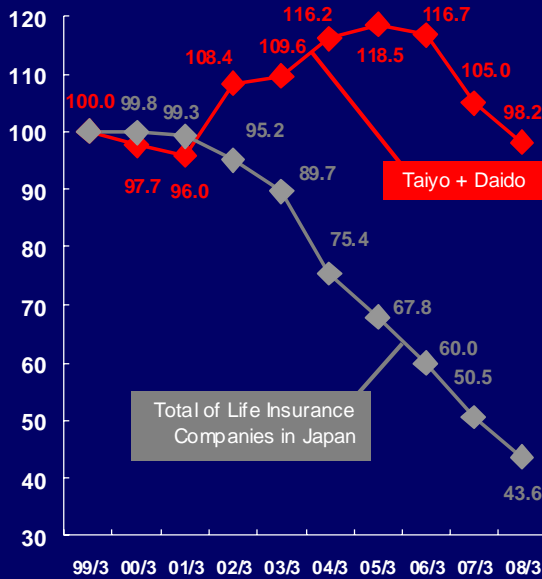
Specialization in Growth Markets

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

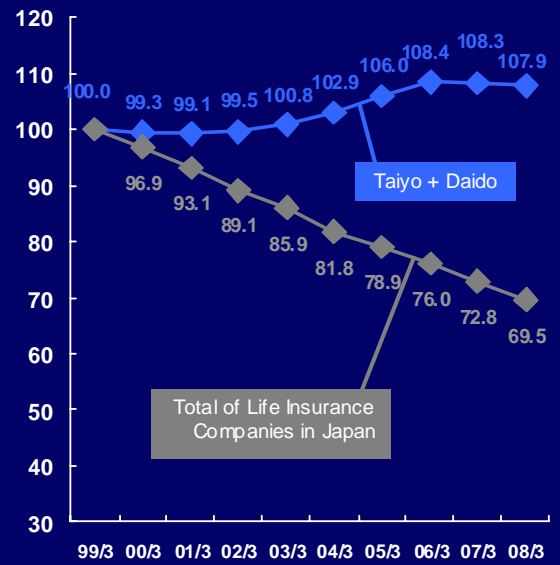
Taiyo Life Household market, especially women	■ The number of over 40's women from 2005 to 2020 + 12.4%
Daido Life SME market	■ Potential customers (estimated) 570 thousand vs. Daido's SME customers 380 thousand Total SMEs in Japan 1,720 thousand
T&D Financial Life Middle and high net-worth market	■ Individual financial assets in Japan 1,490 tr yen ■ The share of over 60's to that assets 56.3%

Trends in Sales Performance

New Policy Amount



Policy Amount in Force



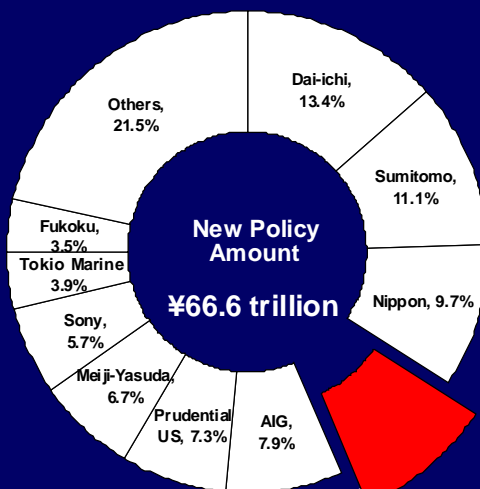
Source: Summary of Life Insurance Business in Japan

* Indices are based on new policy amount and policy amount in force for individual insurance as of FY1998 as 100.
 ** New policy amount. Includes net increase from conversion.

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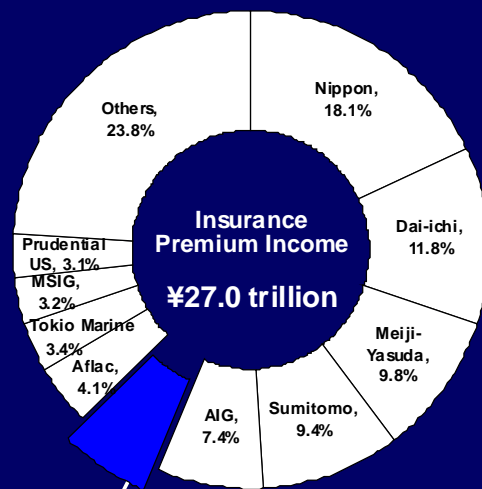
Market Share

New Policy Amount (FY2007)



T&D 9.3%
(4th Largest)

Insurance Premium Income (FY2007)



T&D 6.0%
(6th Largest)

Sources: Company financial reports

* 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, AIJ: ALICO Japan + AIJ Star Life + AIJ 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 MeLife, Fukoku: Fukoku + Fukoku Shinrai

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Refining the Yardstick of Corporate Value: From TEV to EEV

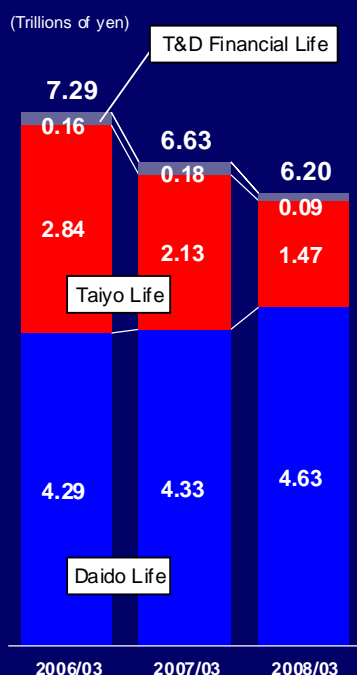
- T&D Life Group has disclosed European Embedded Value (EEV) since March 2008, using market-consistent EV (MCEV) method to improve the transparency of EV disclosure
- EEV has helped us refine the evaluation of our life insurance business in a manner that is closer to reality, particularly in terms of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

New Policy Amount



Issues and Actions

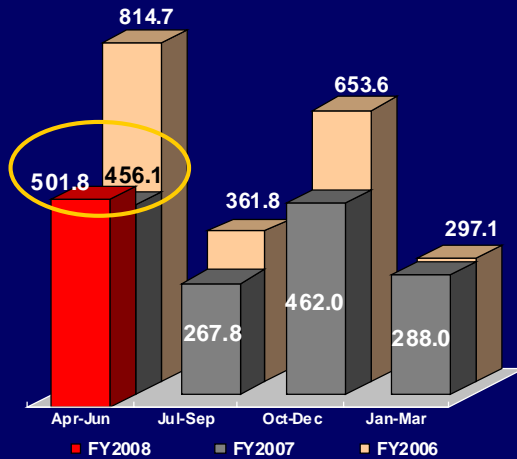
- | | |
|---------------|--|
| Taiyo | <ul style="list-style-type: none"> ■ New policy amount dropped mainly due to the reform of the sales representative channel and the negative impact of payment investigations ■ Aims to recover new sales performance by improving sales quality |
| Daido | <ul style="list-style-type: 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

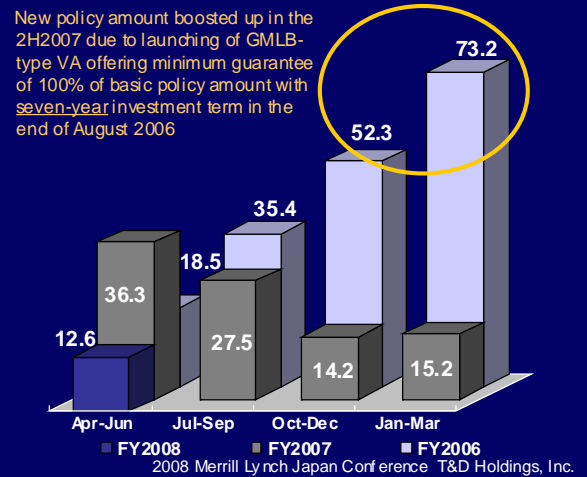
(Billions of yen)



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**

Market risk assets, including domestic and foreign stocks, foreign bonds, and alternative investments

Income generating assets, including domestic bonds and loans
 → 60-70% of assets allocated to income generating assets, as determined by the ALM concept

Quantify investment risk

Setting of investment risk buffer

- Build a basic portfolio within acceptable risk levels
- Implement asset allocation for market risk assets based on an integrated market outlook

Investment Risk Tolerance

Market risk

Credit risk, Real estate risk

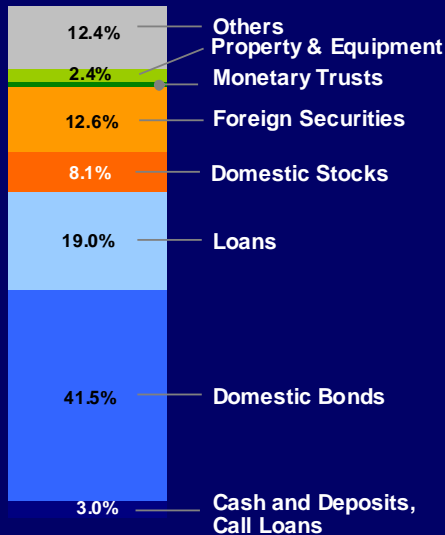
- Underwriting risk
- Assumed interest risk
- Business investment risk

Tolerance for integrated management risk

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)

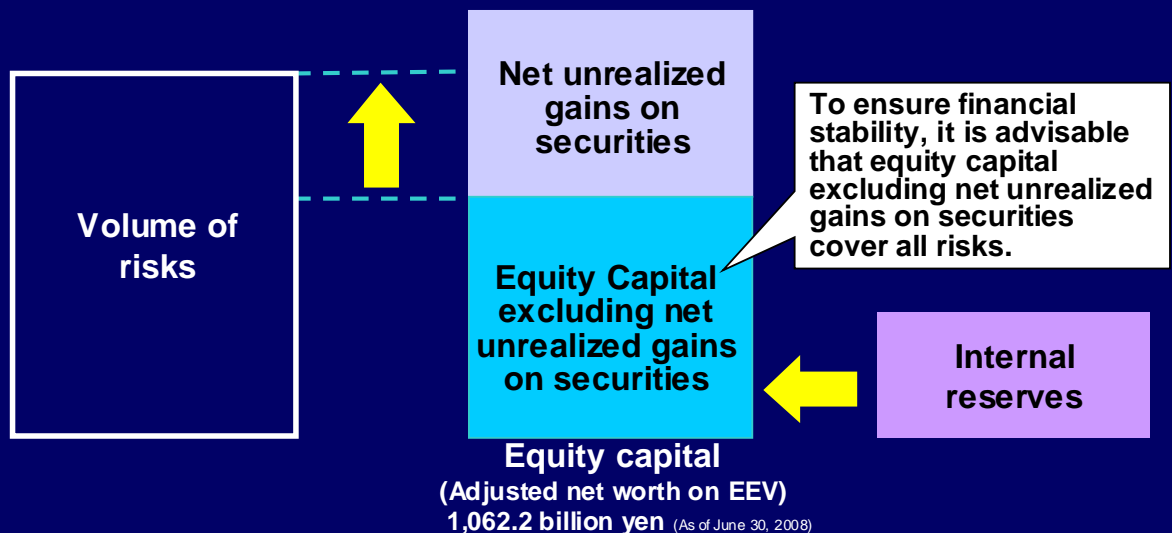
	Daido	Taiyo
Total	361.5	103.7
Private Equities	172.2	17.3
Hedge Funds	169.1	86.4

* As of June 30, 2008

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Capital Management Policy

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



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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

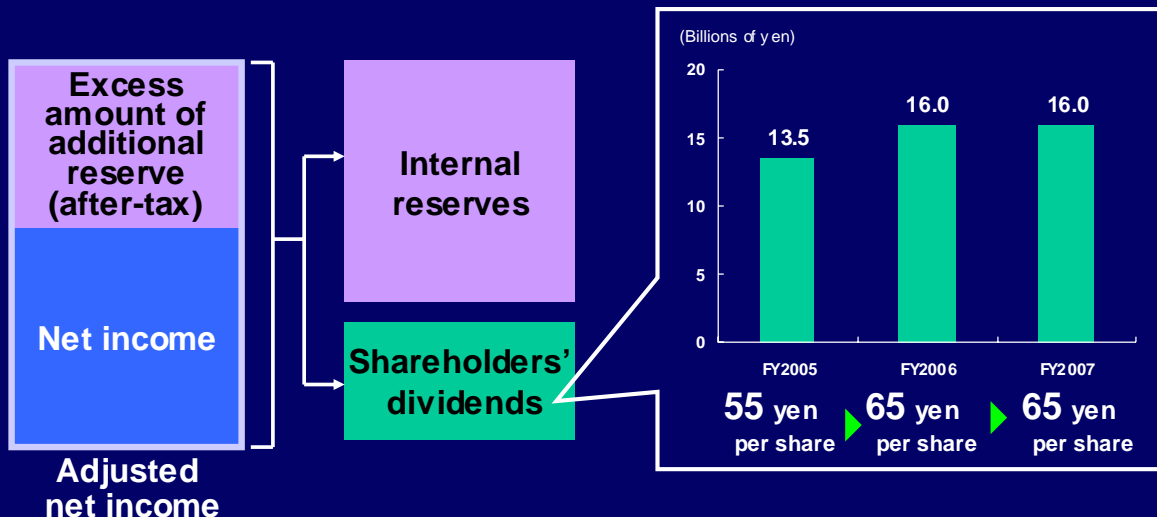
Respond to the introduction of international accounting standard (Mid-term perspective)

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

Shareholders' Dividends

■ Intend to return about 30 percent of adjusted net income* to shareholders in the medium and long term with the dividend policy linked to business performance, while maintaining financial soundness and capital efficiency

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



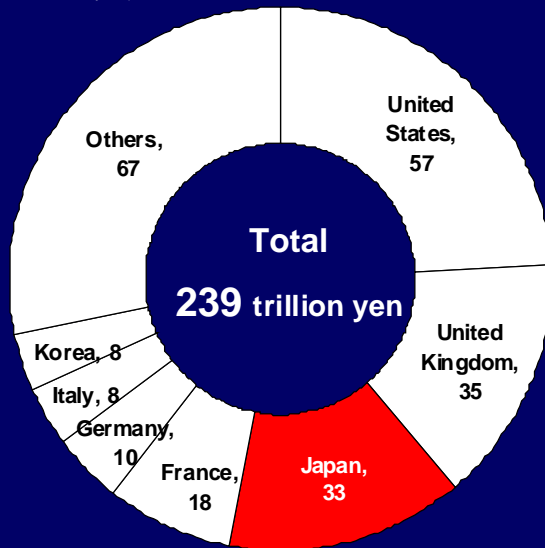
- Pursue unique business models with regard to markets, distribution channels, and products. Markets T&D focuses on have large potential for growth
- Define EEV as the yardstick to measure corporate value, refining it through the response to EEV Principles, and aim to achieve sustainable growth in EEV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

Appendix

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

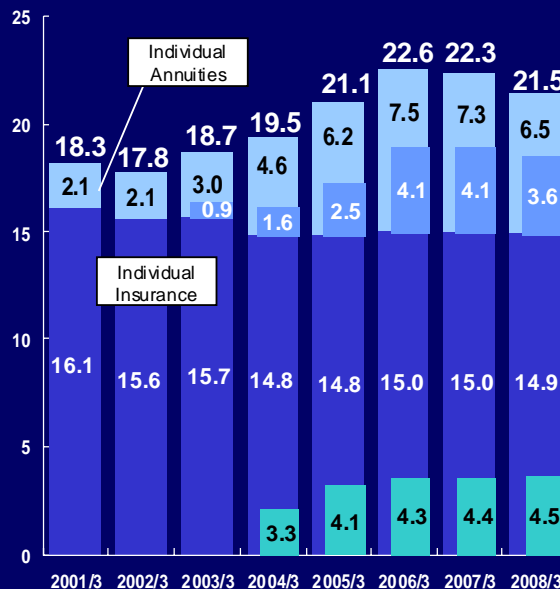
Source: Swiss Re Sigma No.3/2008 "World Insurance in 2007"
All figures converted at 100.19 yen to the U.S. dollar

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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'

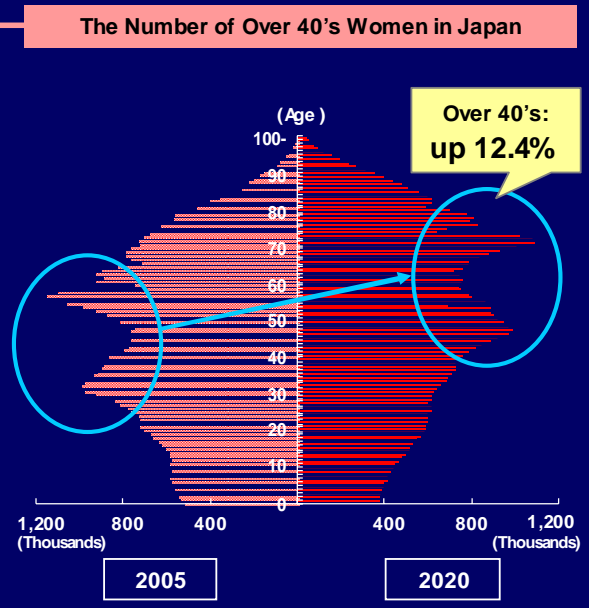
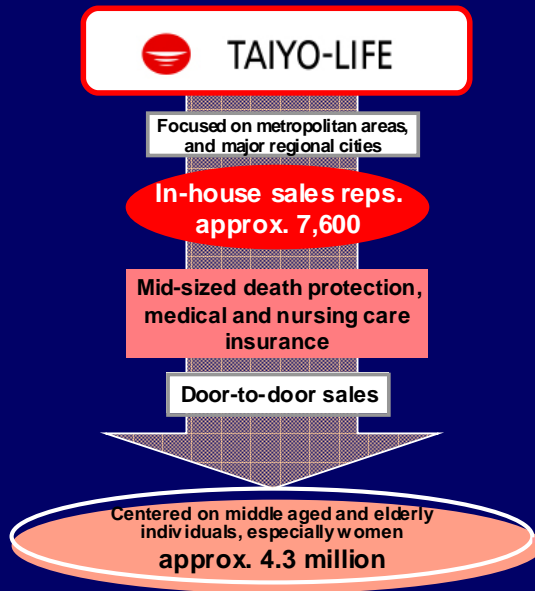
* The figures show the new policy amount for individual variable annuities

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

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Taiyo's Marketing Strategies

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



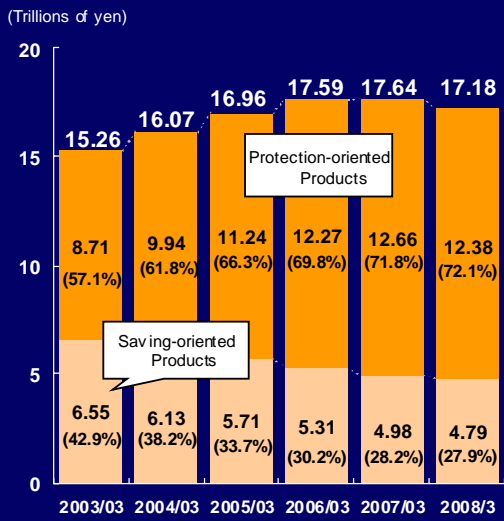
Source: Prepared by T&D Holdings based on Population Predictors by the National Institute of Population and Social Security Research

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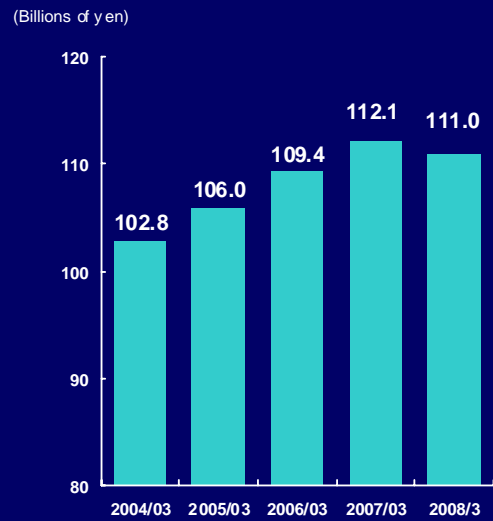
Taiyo's growth in Death Protection and 3rd Sector Products

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

Composition of Policy Amount in Force



Annualized Premiums of Total Policies in 3rd Sector Products

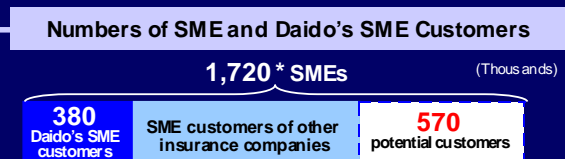
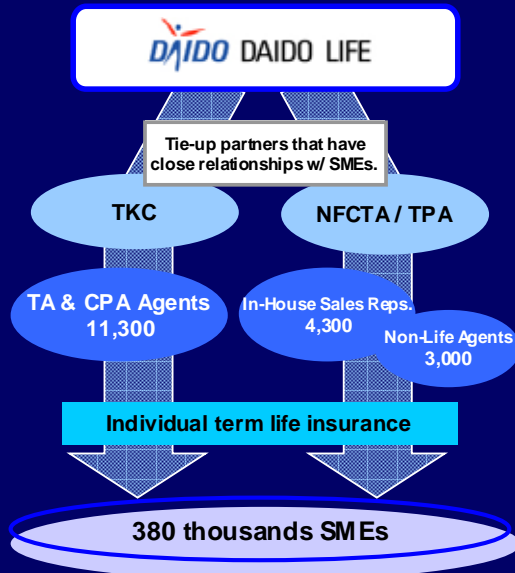


* New policy amount includes individual insurance and individual annuities, including net increase from conversion.

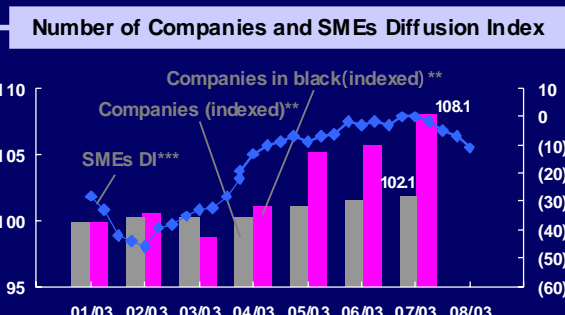
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Daido's Marketing Strategies

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



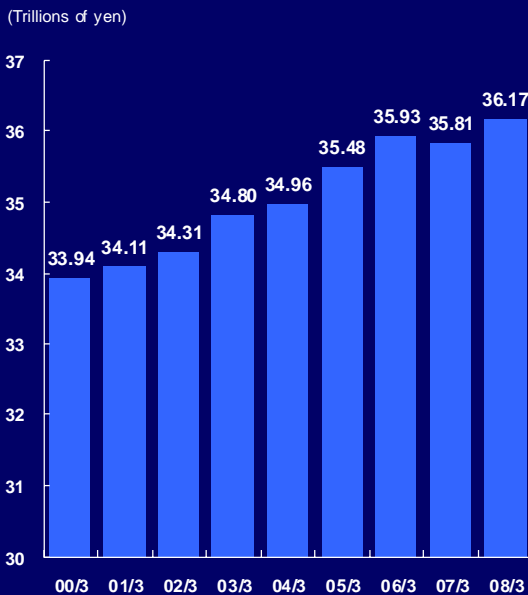
Potential customers
 1,720 thousand SMEs x percentage of companies not covering owners insurance 32.7%*



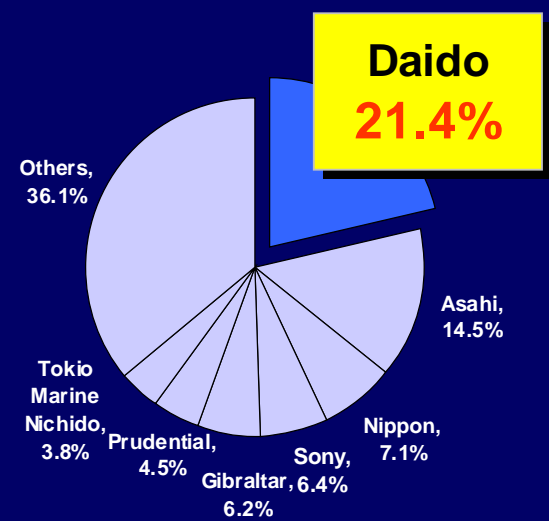
* Number of SMEs: Establishment and Enterprise Census of Japan (The Ministry of Internal Affairs and Communications), the percentage of companies not insure against company owners: Survey on Companies' Welfare Systems (JILI)
 ** Source: Results of the Corporation Sample Survey (The National Tax Agency). 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)
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Daido is #1 Term Life Provider

Trends in Policy Amount in Force of Term Life Insurance



Top Market Share in Term Life Insurance

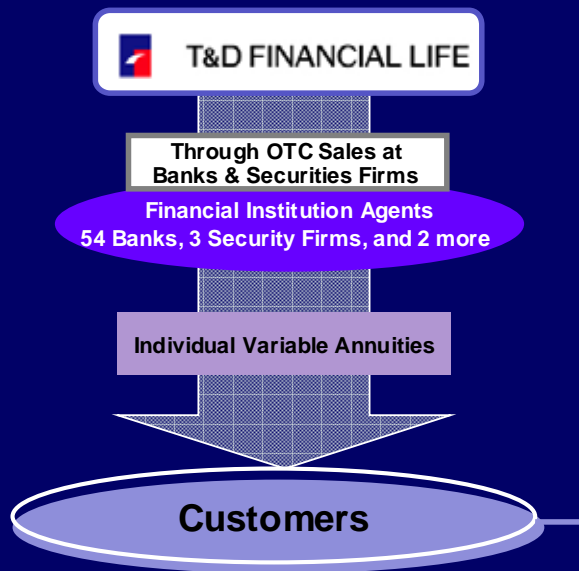


Sources: Company financial reports (FY2006)

T&D Financial's Marketing Strategies

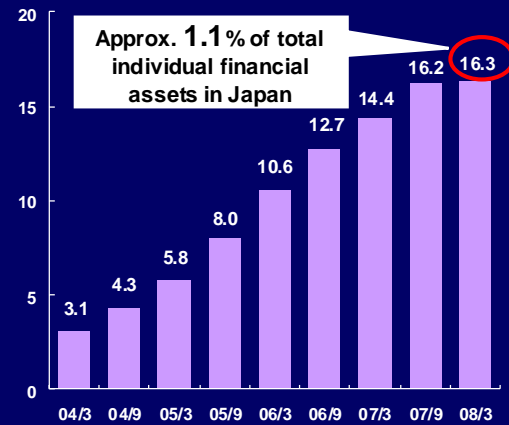


- T&D Financial was reorganized as a company specializing on OTC sales at banks, and now selling VA which market is fastest-growing in Japan



Total policies for variable annuities in Japan

(Trillions of yen)



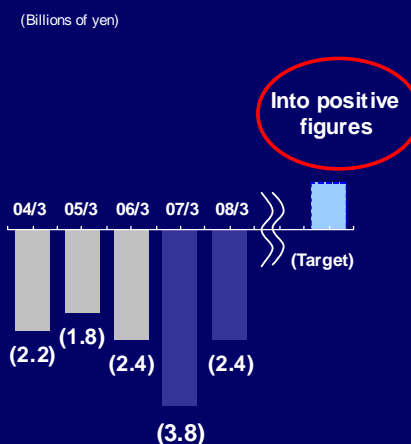
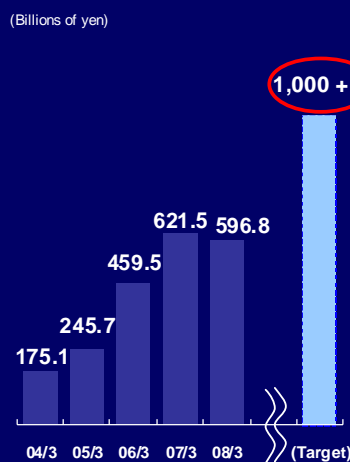
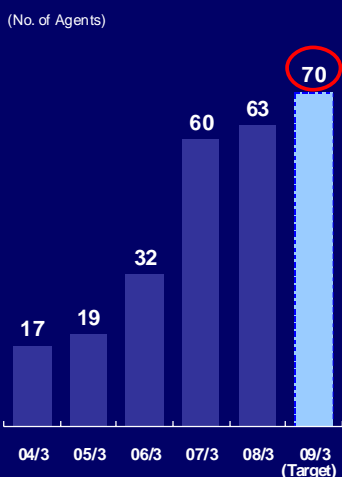
If the share of variable annuities in Japan was the same level as that in the U.S., its market would be; **Approx. 50 trillion yen**

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

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 MitsuiSumitomo 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 EEV 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

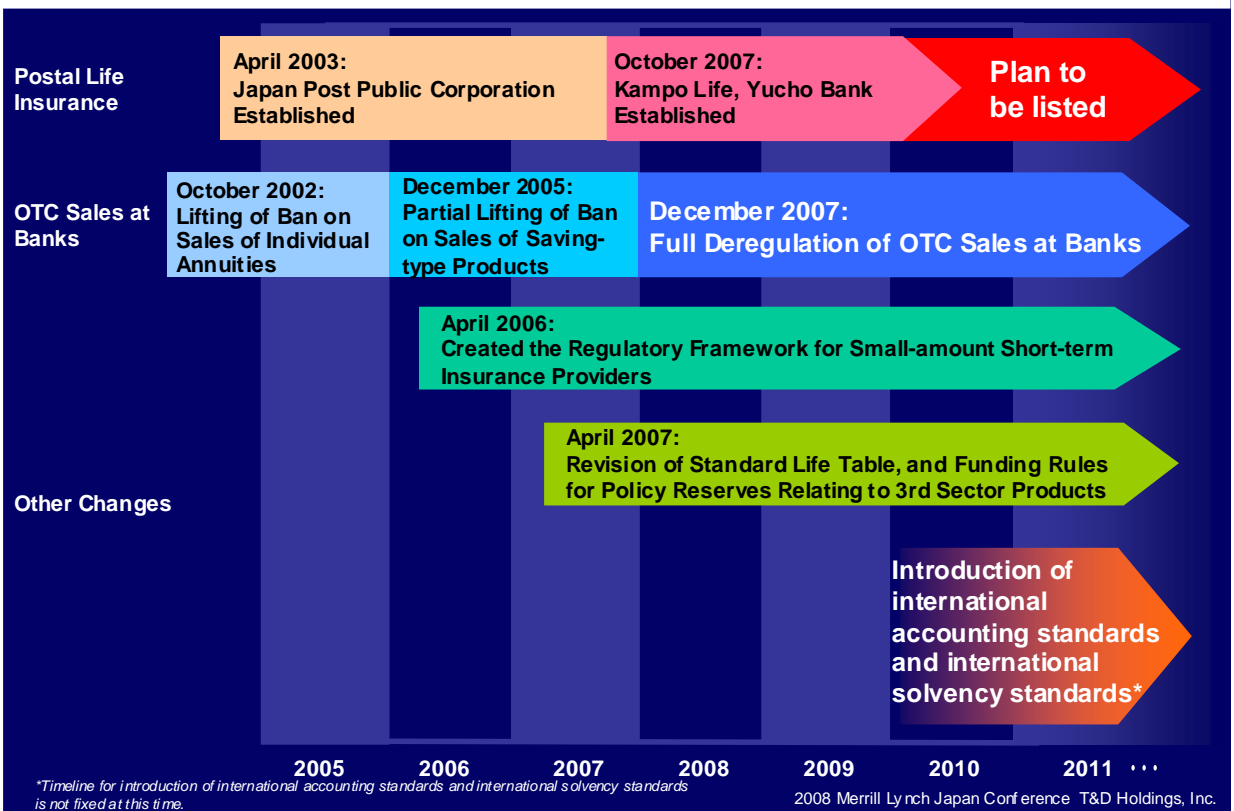
Profitability and Growth Potential by Product Market

		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

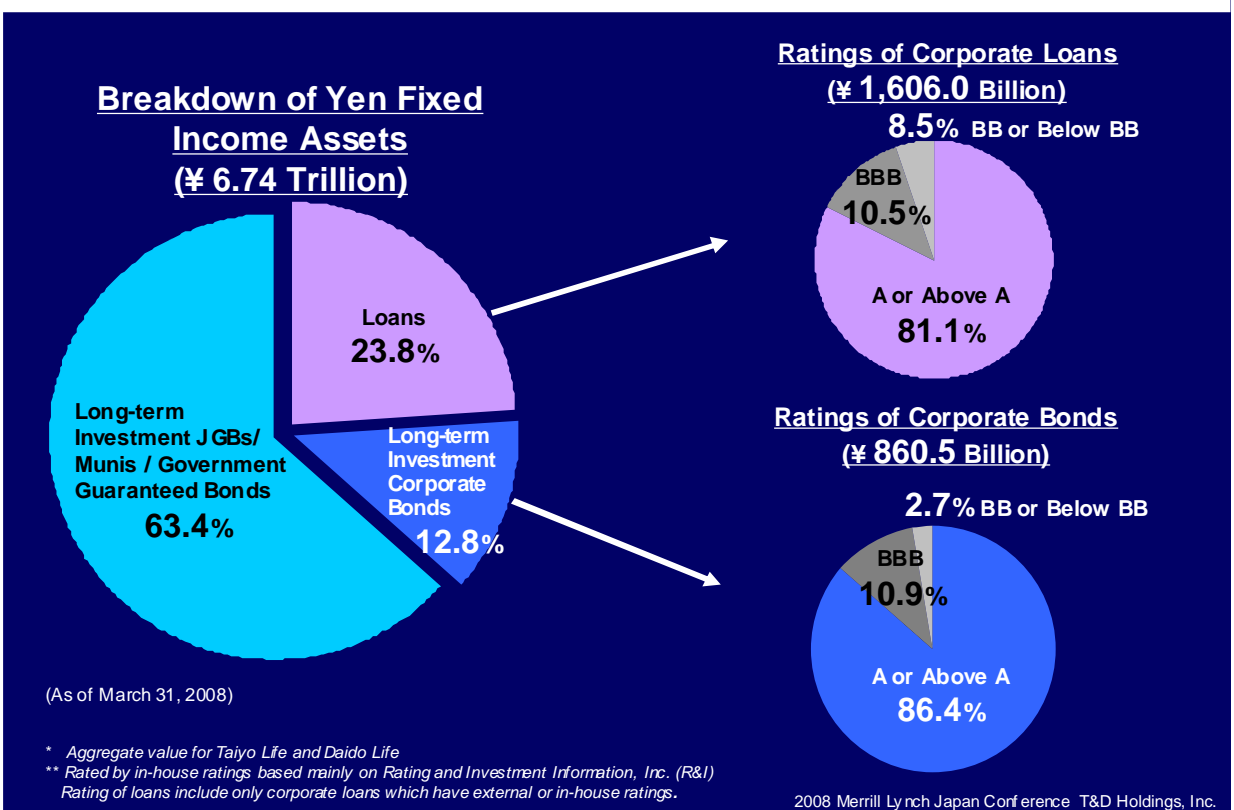
* Current classification without considering future risks

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

Changing Regulatory Environment

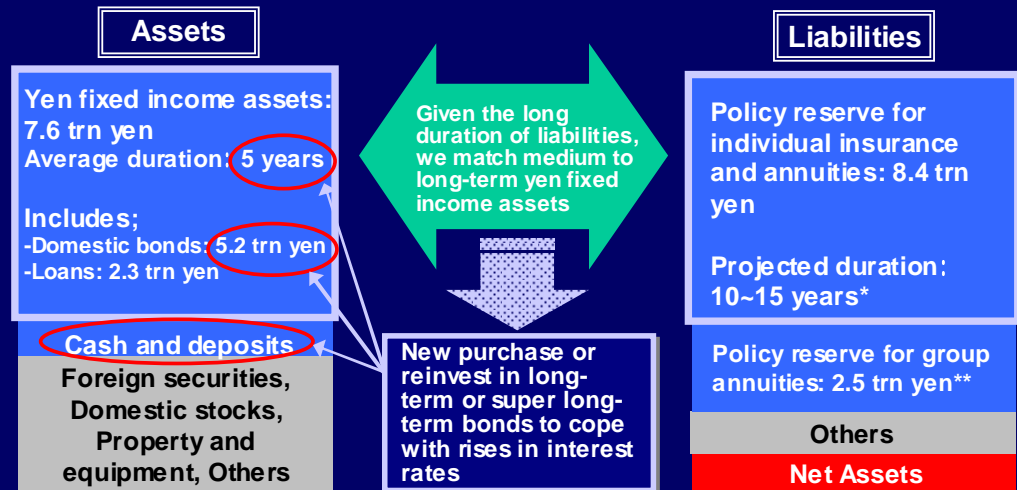


Status of Yen Fixed Income Assets



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

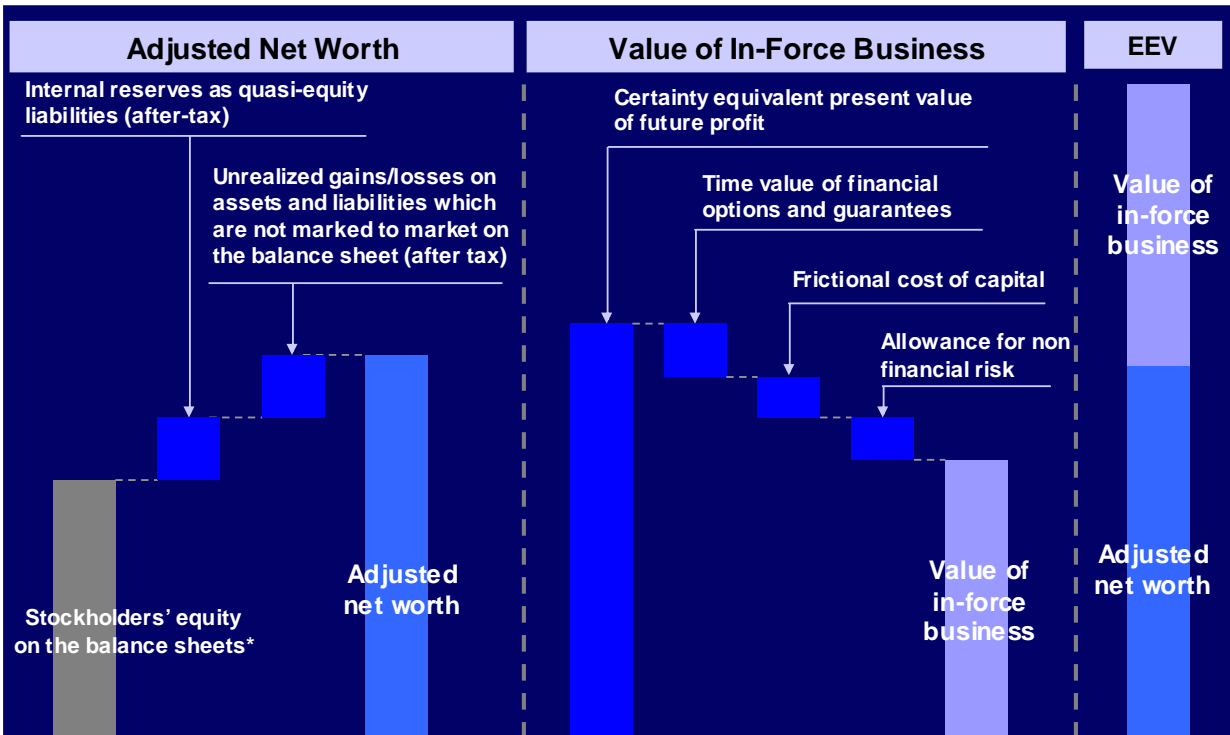


* The Company- projected duration varies significantly due to the change in assumed policy cancellation rates.
 ** The projected duration for group annuities is assumed shorter than that for individual insurance and annuities, although influenced by interest-rate fluctuations.

As of March 31, 2008

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EEV Components



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

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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.

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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

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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-economic 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.

For inquires, please contact;

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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.