

# T&D Holdings, Inc.

**Financial Results for the Six Months  
Ended September 30, 2008**

- Financial Results for the Six Months Ended September 30, 2008

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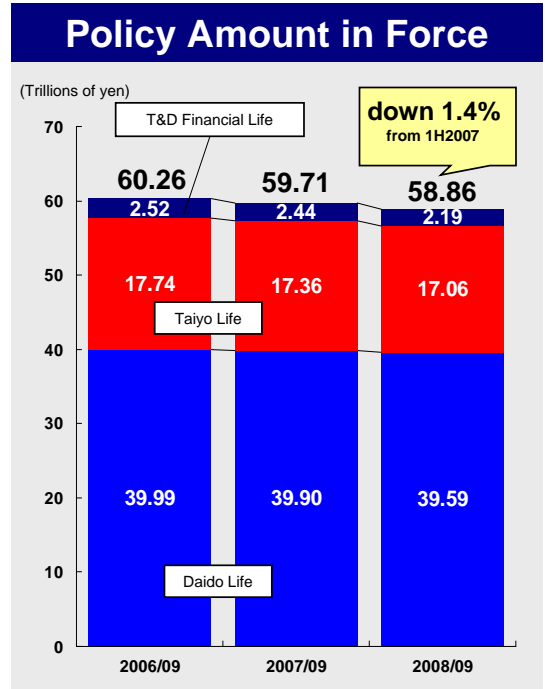
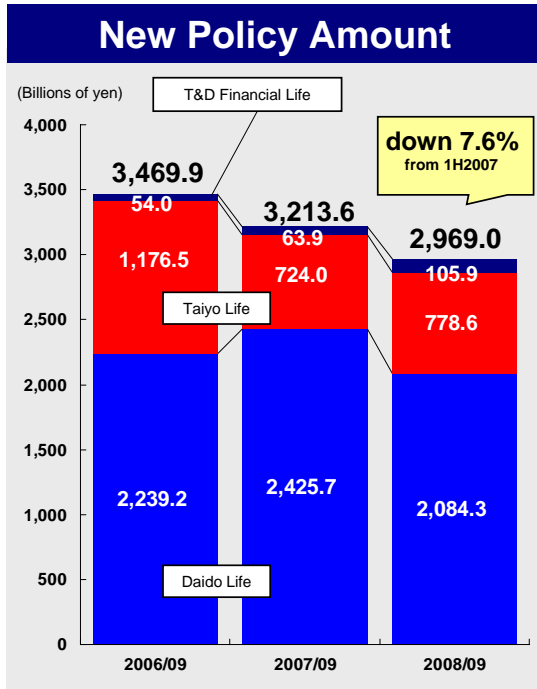
# T&D Holdings 1H2008 Financial Highlights

- T&D Holdings 1H2008 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 resulted in stay the same level. The total policy amount in force decreased from the beginning of fiscal 2008**
- **Core profit decreased from the same term of the previous fiscal year mainly due to a decrease in interest and dividend income**
- **Ordinary profit and net income decreased from the same term of the previous fiscal year mainly due to an increase in devaluation losses on securities reflecting stock price drop**
- **Revised full year forecasts due to the economic conditions and 1H results**

- We have four points that we would like to explain.
- First, 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 resulted in stay the same level . The total policy amount in force decreased from the beginning of fiscal 2008.
- Second, core profit decreased from the same term of the previous fiscal year mainly due to a decrease in interest and dividend income.
- Third, ordinary profit and net income decreased from the same term of the previous fiscal year mainly due to an increase in devaluation losses on securities reflecting stock price drop.
- Fourth, we revised full year forecasts due to the economic conditions and 1H results.

# Sales Results



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

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- As for the total sales results for individual insurance and individual annuities for the three life insurance companies, the new policy amount came to 2,969.0 billion yen, down 7.6% year-on-year.
- The total policy amount in force for the three life insurance companies totaled to 58,865.7 billion yen, down 0.8% from a 59,340.3 billion yen as of the beginning of this fiscal year.
- We would like to go into sales results of the each company in further detail from the following pages.

# Sales Results: Daido Life

(Billions of yen)

	1H2008	1H2007	Changes
<b>New policy amount*</b>			
Individual insurance and annuities total	2,084.3	2,425.7	(14.1%)
Individual term life insurance	2,016.3	2,356.0	(14.4%)
<b>Decrease in policy amount**</b>			
Individual insurance and annuities total	2,385.3	2,251.1	6.0%
Individual term life insurance	2,219.5	2,074.9	7.0%
Surrender and lapse amount	1,896.5	1,783.1	6.4%
Surrender and lapse rate***	9.51%	8.98%	0.53P
Individual term life insurance	1,801.8	1,689.1	6.7%
<b>Policy amount in force</b>			
Individual insurance and annuities total	39,596.1	39,906.6	(0.8%)
Individual term life insurance	35,972.2	36,099.1	(0.4%)
<b>Annualized premiums of new policies*</b>	33.0	37.5	(11.9%)
<b>Annualized premiums of total policies</b>	683.0	691.9	(1.3%)

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, and deteriorating business sentiment

Due to an increase in surrender of products with high cash value such as ultra-long term insurance reflecting deteriorating business sentiment

Decreased by ¥300.9 billion from the beginning of the fiscal year

Decreased by ¥203.1 billion from the beginning of the fiscal year

\* Includes net increase from conversion

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

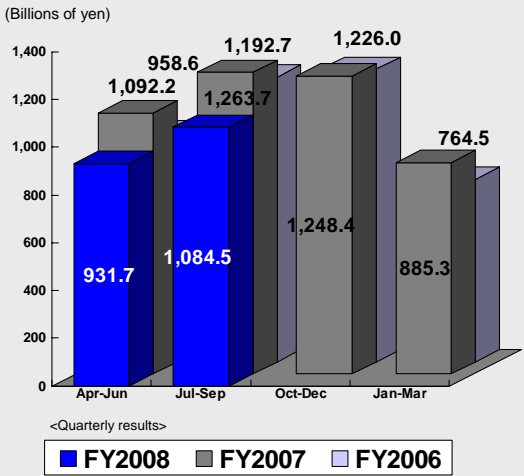
\*\*\* Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 2

- The total new policy amount for individual insurance and individual annuities decreased by 14.1% year-on-year, to 2,084.3 billion yen, and the new policy amount for individual term life insurance decreased by 14.4% year-on-year, to 2,016.3 billion yen. This was 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.
- On the other hand, the surrender and lapse amount increased by 6.4% from the same term of the previous year, to 1,896.5 billion yen. The annualized surrender and lapse rate was 9.51%, rose by 0.53 points from the same term of the previous fiscal year. This was mainly because surrender of products with high cash value such as ultra-long term insurance increased against the backdrop of deteriorating business sentiment.
- As a result, the policy amount in force totaled 39,596.1 billion yen, down from 39,897.1 billion yen at the beginning of fiscal 2008.

# Quarterly Trends: Daido Life Individual Term Life Insurance

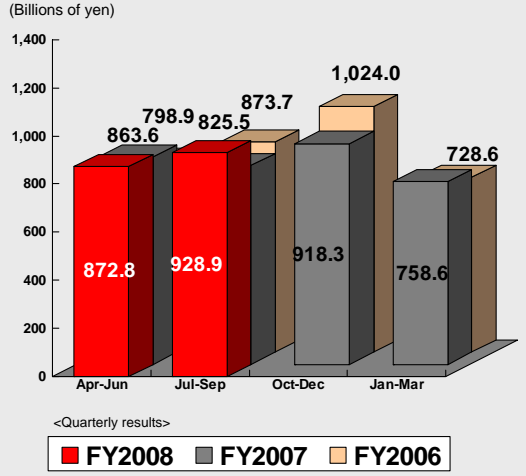


**Trends in New Policy Amount\***



\* New policy amount includes net increase from conversion

**Trends in Surrender and Lapse Amount**



- The graphs above show quarterly trends of the term life insurance's new policy amount, and surrender and lapse amount.

# Sales Results: Taiyo Life

(Billions of yen)

	1H2008	1H2007	Changes
<b>New policy amount*</b>			
Individual insurance and annuities total	778.6	724.0	7.5%
Protection-oriented products	688.1	642.3	7.1%
Net increase from conversion	115.2	119.2	(3.3%)
<b>Decrease in policy amount**</b>			
Individual insurance and annuities total	891.1	1,001.5	(11.0%)
Surrender and lapse amount	597.9	693.5	(13.8%)
Surrender and lapse rate***	6.96%	7.86%	(0.90P)
<b>Policy amount in force</b>			
Individual insurance and annuities total	17,069.8	17,367.0	(1.7%)
Protection-oriented products	12,373.5	12,479.7	(0.9%)
<b>Annualized premiums of new policies*</b>	16.9	16.4	2.9%
<b>Annualized premiums of total policies</b>	625.3	649.3	(3.7%)

\* 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 2

-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 ¥522.0 billion (up 11.0% y-o-y)

Due to a continued focus on the improvement of persistency rate

-Decreased by ¥112.4billion from the beginning of the fiscal year -The proportion of the protection-type products is 72.5%, up 0.4 points from the beginning of FY2008

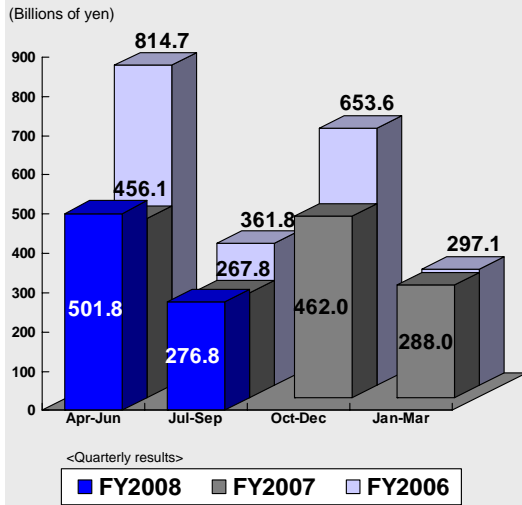
Includes ¥4.2 billion of 3rd sector products (down 9.6% y-o-y)

Includes ¥110.2 billion of 3rd sector products (down 1.0% y-o-y)

- The total new policy amount for individual insurance and individual annuities increased by 7.5% year-on-year, to 778.6 billion yen mainly because the new policies for the main product, "Taiyo Life's Hoken Kumikyoku" increased.
- The surrender and lapse amount improved by 13.8% year-on-year, mainly due to a continued focus on improvement of persistency rate. Surrender and lapse rate improved 0.90 points from the same term of the previous fiscal year.
- Total policy amount in force decreased by 112.4 billion yen from the beginning of fiscal 2008, to 17,069.8 billion yen.

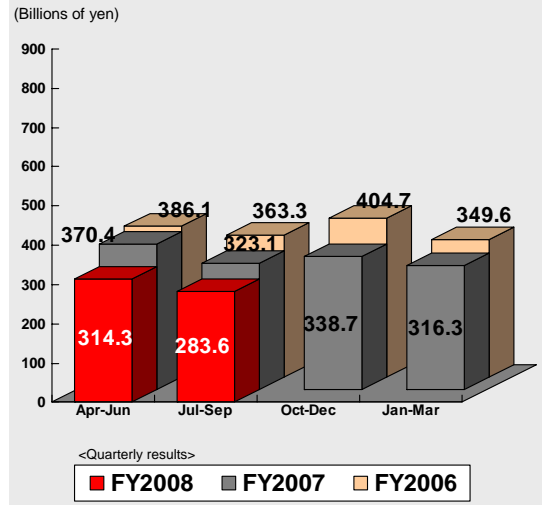
# Quarterly Trends: Taiyo Life Individual Insurance and Annuities

### Trends in New Policy Amount\*



\* New policy amount includes net increase from conversion

### Trends in Surrender and Lapse Amount



- The quarterly trends in individual insurance and individual annuities are shown in the graph.

# Sales Results: T&D Financial Life



## Individual Variable Annuities Sales Update

	1H2008		1H2007	
	Number of Policies	Insurance premiums	Number of Policies	Insurance premiums
Sales results	16,533	107.4 bn yen	8,113	71.6 bn yen
Over-the-counter sales at banks*	16,454	106.5 bn yen	6,912	58.7 bn yen
Number of financial Institution agents*	54 Banks, 3 Security Firms, 2 other agents		52 Banks, 3 Security Firms, 1 other agent	

\* Banks include Shinkin (Credit Association) banks

(Billions of yen)

	1H 2008	1H 2007	Changes
<b>New Policy Amount*</b>			
Individual variable annuities	105.9	63.9	65.9%
<b>Decrease in policy amount**</b>			
Individual insurance and annuities total	167.2	141.7	18.0%
Surrender and lapse amount	71.8	89.2	(19.5%)
Individual variable annuities	10.9	15.8	(30.8%)
Surrender and lapse rate***	3.67%	5.10%	(1.43P)
<b>Policy amount in force</b>			
Individual insurance and annuities total	2,199.7	2,445.5	(10.0%)
Individual variable annuities	649.2	666.9	(2.7%)
<b>Annualized premiums of new policies*</b>	19.6	8.7	125.1%
<b>Annualized premiums of total policies</b>	115.9	98.2	17.9%

\* 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 2

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

Includes an additional ¥1.4 billion insurance premiums paid by existing policyholders on exercise of additional coverage options

Increased by ¥42.0 billion y-o-y, due to the favorable sales of new GMLB-type variable annuity called "Five Ten"

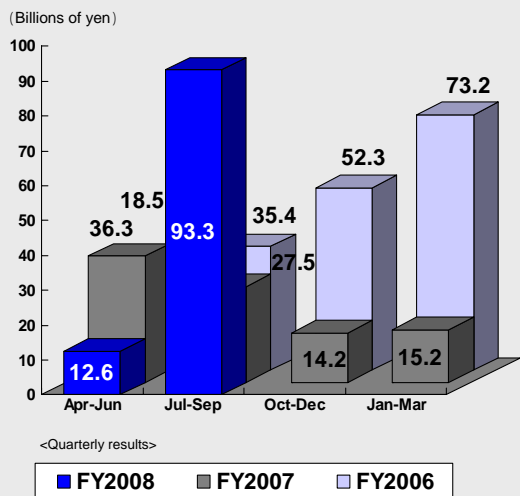
The number of policies and the policy amount in force for the individual variable annuities increased in net by 15,103 policies and ¥52.4 billion from the beginning of this fiscal year

- The new policy amount for individual variable annuities increased by 42 billion yen year-on-year, to 105.9 billion yen, due to the favorable sales of new variable annuity product "Five Ten" launched in the end of June 2008.
- As a result, the total policy amount in force for individual variable annuities increased by 52.4 billion yen from the beginning of this fiscal year of 596.8 billion yen, to 649.2 billion yen.
- In addition, the number of financial institution agents came to 65 as of November 19, 2008, including 5 agents which are in preparation toward selling T&D Financial's products.

# Quarterly trends : T&D Financial Life Individual Variable Annuities

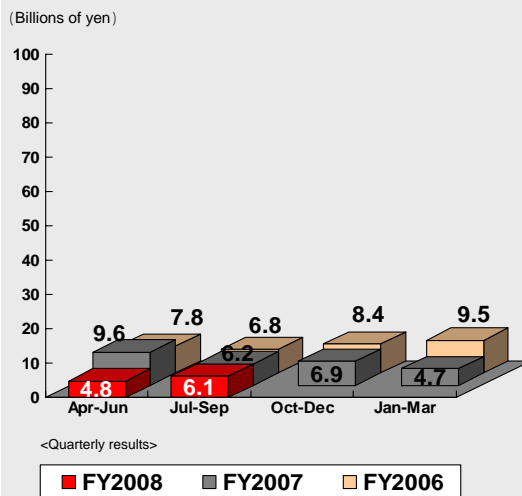


**Trends in New Policy Amount\***



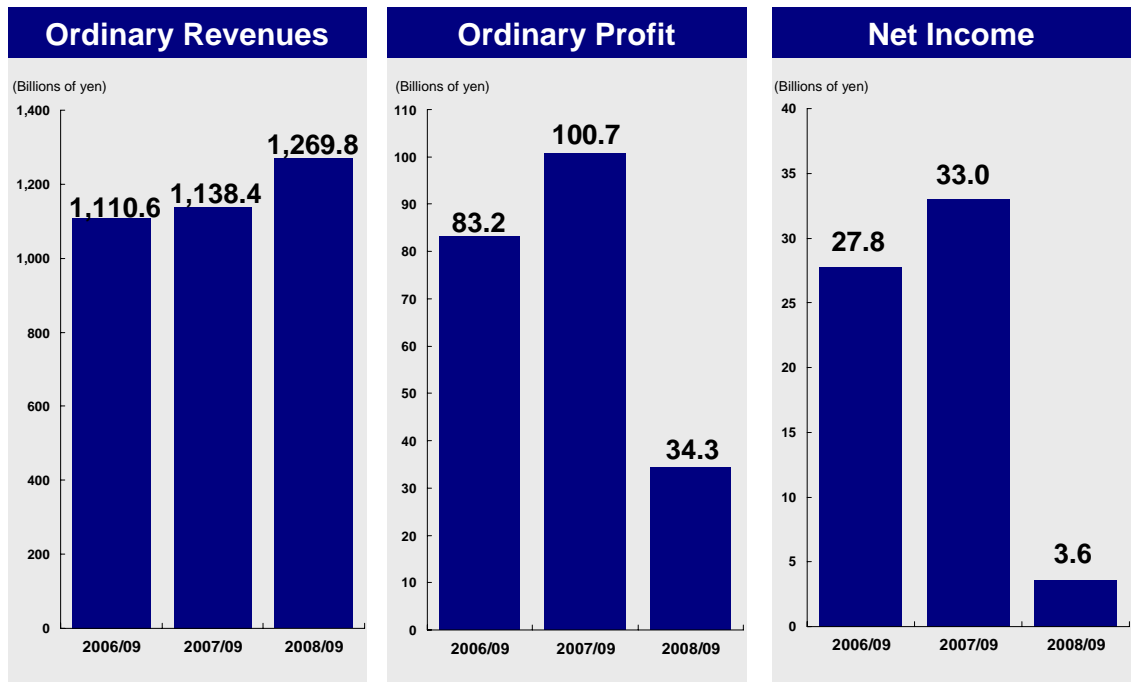
\* New policy amount includes net increase from conversion

**Trends in surrender and Lapse Amount**



- The graphs above show quarterly trends of the individual variable annuities' new policy amount, and surrender and lapse amount.

# Consolidated Operation Results



T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- Consolidated operation results are shown in the graph.
- Ordinary profit and net income decreased from the same term of the previous fiscal year.
- We would like to explain about consolidated statement of operations in further detail in the following page.

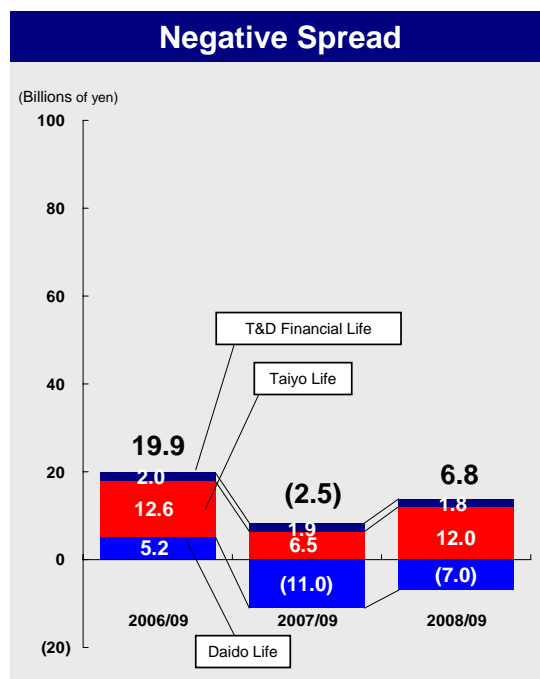
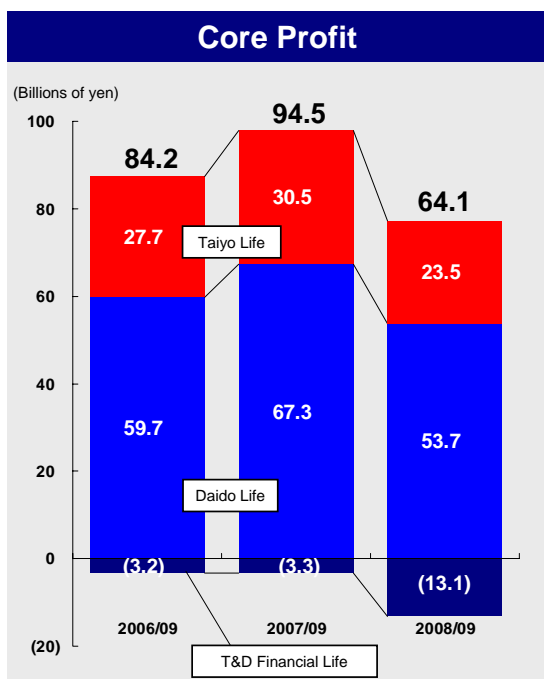
# Consolidated Statements of Operations



	(Billions of yen)			
	1H2008	1H2007	Changes	
<b>Ordinary revenues</b>	<b>1,269.8</b>	<b>1,138.4</b>	<b>131.3</b>	Breakdown; -Daido: down ¥5.1 billion -Taiyo: down ¥14.0 billion -T&D Financial: up ¥33.2 billion
Income from insurance premiums	852.0	837.9	14.0	-Daido: Mainly due to a decrease in dividends from private equity funds -Taiyo: Mainly due to a decrease in interests from foreign currency-denominated bonds and dividends from investment trusts
Investment income	209.2	217.2	(7.9)	
Interest, dividends and income from real estate for rent	140.0	153.8	(13.8)	
Gains on investments in trading securities, net	-	3.5	(3.5)	Due to a decrease in net gains on hedge funds for Daido
Gains on sale of securities	64.4	45.1	19.3	Breakdown; -Daido: up ¥74.0 billion (mainly due to group annuities) -Taiyo: up ¥42.5 billion (mainly due to group annuities) -T&D Financial: down ¥6.6 billion
Other ordinary income	208.5	83.2	125.3	
Reversal of policy reserve	168.9	44.6	124.3	
<b>Ordinary expenses</b>	<b>1,235.5</b>	<b>1,037.7</b>	<b>197.7</b>	Breakdown; -Daido: ¥24.8 billion -Taiyo: ¥16.8 billion
Insurance claims and other payments	944.5	834.6	109.9	Includes foreign exchange forward contracts-related: ¥14.4 billion Breakdown; -Daido: ¥8.2 billion -Taiyo: ¥6.2 billion
Provision for policy and other reserves	0.4	0.4	(0.0)	
Investment expenses	142.9	62.5	80.3	
Losses on investments in trading securities, net	8.0	-	8.0	Mainly due to ¥12.5 billion decrease in provision for reserve for price fluctuations
Losses on sale of securities	28.0	20.6	7.4	
Devaluation losses on securities	41.6	16.2	25.4	
Losses from derivatives, net	14.0	9.1	4.9	
Operating expenses	106.0	103.5	2.5	
Other ordinary expenses	41.5	36.5	4.9	
<b>Ordinary profit</b>	<b>34.3</b>	<b>100.7</b>	<b>(66.3)</b>	
<b>Net extraordinary gains (losses)</b>	<b>(0.2)</b>	<b>(11.6)</b>	<b>11.3</b>	
<b>Provision for reserve for policyholder dividends</b>	<b>17.2</b>	<b>25.6</b>	<b>(8.4)</b>	
<b>Income before income taxes</b>	<b>16.9</b>	<b>63.4</b>	<b>(46.5)</b>	
<b>Income taxes</b>	<b>13.2</b>	<b>30.3</b>	<b>(17.1)</b>	
<b>Net income</b>	<b>3.6</b>	<b>33.0</b>	<b>(29.3)</b>	

- The Consolidated statements of operations is shown in the table. We would like to explain about ordinary profit and net income.
- Ordinary profit was 34.3 billion yen, down 66.3 billion yen year-on-year. This was due to a 25.4 billion yen increase in devaluation losses on securities, a 13.8 billion yen decrease in interest and dividend income, and a 11.6 billion yen decrease in net gains/losses on investment in trading securities.
- As a result, net income decreased by 29.3 billion yen from the same term of the previous fiscal year, to 3.6 billion yen.

# Core Profit/Negative Spread



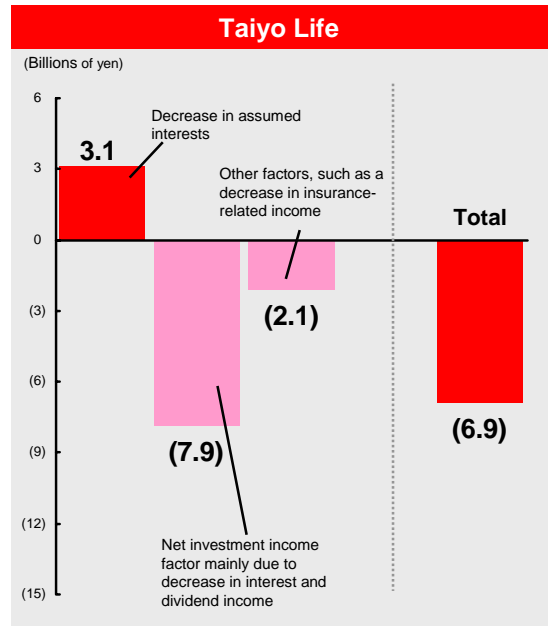
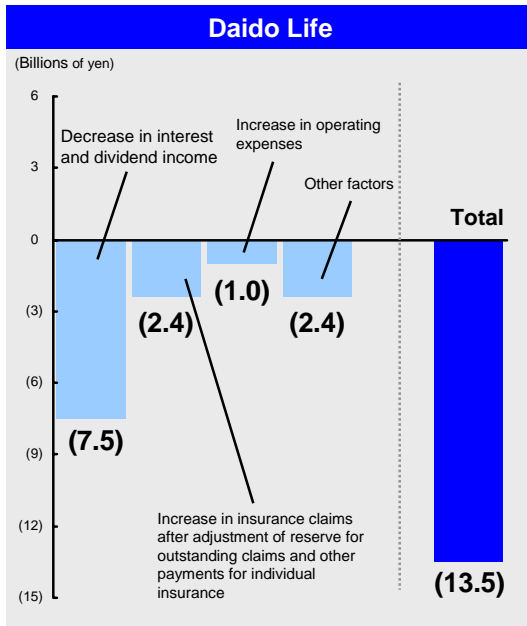
\* Daido Life's spread turned positive (¥11.0 billion for 1H2007, and ¥7.0 billion for 1H2008.)

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- The total core profit decreased 30.3 billion yen from the same term of the previous fiscal year, to 64.1 billion yen. The main factor was a 15.0 billion yen decrease in interest and dividend income, a 10.8 billion yen increase in provision for policy reserves relating to minimum guarantee risks at T&D Financial Life.
- The total negative spread for the three companies increased 9.3 billion yen from the same term of the previous year, to 6.8 billion yen.

# Factors for Increase/Decrease in Core Profit

## Factors for Increase/ Decrease in Core Profit for 1H2008 (vs. 1H2007)



- These graphs show the factors for increase/decrease in core profit for Daido and Taiyo.

# Consolidated Balance Sheets



(Billions of yen)

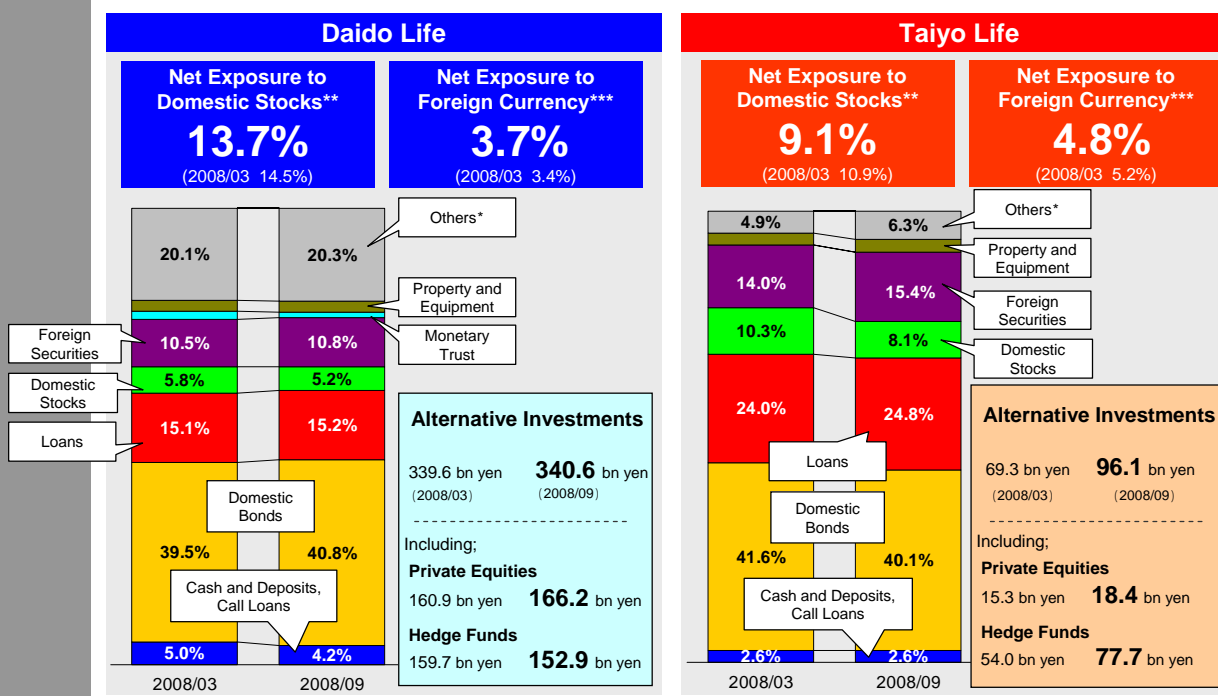
	As of September 30, 2008	As of March 31, 2008	Changes
<b>Assets:</b>			
Cash and deposits, call loans	519.6	588.2	(68.6)
Monetary claims purchased	506.2	430.5	75.6
Monetary trusts	104.4	134.7	(30.3)
Securities	8,751.8	9,244.5	(492.6)
Loans	2,335.1	2,363.4	(28.3)
Tangible fixed assets	306.1	309.2	(3.1)
Other assets	179.4	199.0	(19.6)
Defferd tax assets	183.8	66.4	117.4
Reserve for possible loan losses	(2.7)	(3.9)	1.2
<b>Total assets</b>	<b>12,918.7</b>	<b>13,366.0</b>	<b>(447.3)</b>

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<b>Liabilities:</b>			
Total policy reserves	11,958.0	12,137.7	(179.7)
Policy reserve	11,706.6	11,875.6	(168.9)
Contingency reserve	200.6	198.2	2.4
Reserve for price fluctuations	138.7	137.2	1.4
<b>Total liabilities</b>	<b>12,445.6</b>	<b>12,688.7</b>	<b>(243.1)</b>
<b>Net assets:</b>			
Total stockholders' equity	463.6	475.9	(12.3)
Common stock	118.5	118.5	-
Capital surplus	106.1	106.1	(0.0)
Retained earnings	239.6	251.9	(12.2)
Total valuation and translation adjustment	7.6	199.4	(191.8)
Net unrealized gains on securities	55.3	246.8	(191.5)
Land revaluation	(48.0)	(48.0)	(0.0)
<b>Total net assets</b>	<b>473.0</b>	<b>677.2</b>	<b>(204.2)</b>
<b>Total liabilities and net assets</b>	<b>12,918.7</b>	<b>13,366.0</b>	<b>(447.3)</b>

- The consolidated balance sheets is shown in the table.

# 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.

- The each general assets compositions are shown in the graphs.
- The net exposure to domestic stocks was 13.7% for Daido, 9.1% for Taiyo. The net exposure declined by 0.8 points for Daido and by 1.8 points for Taiyo year on year, mainly due to a decrease in fair value and selling off. The net foreign currency exposure for each company was 3.7% for Daido, 4.8% for Taiyo.
- The alternative investments for each company as of September 30, 2008 was 340.6 billion yen for Daido, 96.1 billion yen for Taiyo.
- In addition, we have not directly invested in sub-prime loans nor sub-prime related securitized products.
- We have no direct exposure to Lehman Brothers' bonds, stocks, loans, etc. Indirect exposure such as bonds and stocks in investment trusts was very slight, and their impact was little.

# Unrealized Gains/Losses (General Account Assets)



(Billions of yen)

	Daido Life		Taiyo Life		T&D Financial Life		Total		
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008	As of March 31, 2008	Changes
<b>Total</b>	<b>30.3</b>	<b>163.8</b>	<b>76.5</b>	<b>266.6</b>	<b>(0.3)</b>	<b>1.4</b>	<b>106.5</b>	<b>432.0</b>	<b>(325.5)</b>
Domestic bonds	11.5	30.7	37.8	63.1	(0.1)	1.5	49.1	95.4	(46.2)
Domestic stocks	95.8	114.7	93.1	210.5	-	-	189.0	325.3	(136.3)
Foreign securities	(10.1)	(3.8)	(45.0)	0.7	0.0	(0.0)	(55.2)	(3.1)	(52.1)
Other securities	(69.1)	16.4	(10.5)	(11.0)	(0.1)	(0.0)	(79.8)	5.3	(85.1)
Monetary claims purchased	2.3	5.4	1.0	3.2	-	-	3.4	8.7	(5.2)
Certificates of deposit	-	-	-	0.0	-	-	-	0.0	(0.0)
Monetary trusts	(0.0)	0.3	-	-	-	-	(0.0)	0.3	(0.4)

\*Securities with market value

<b>Net unrealized gains/losses on real estate</b>	<b>35.0</b>	<b>35.2</b>	<b>36.0</b>	<b>35.8</b>	<b>-</b>	<b>-</b>	<b>71.0</b>	<b>71.0</b>	<b>0.0</b>
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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.

- The total net unrealized gains on securities of the three life insurance companies came to 106.5 billion yen, down 325.5 billion yen from the beginning of this fiscal year. The net unrealized gains on domestic stocks, foreign securities, and other securities decreased mainly due to the stock price drops. The net unrealized gains on domestic bonds declined mainly due to the interest rate rises.

# Financial Soundness, Adjusted Net Worth on EEV

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<b>Daido Life</b>			
Solvency margin ratio	972.9%	1,096.3%	(123.4P)
Adjusted net assets	639.1	777.2	(138.0)
Adjusted net worth on EEV	436.5	532.9	(96.4)
<b>Taiyo Life</b>			
Solvency margin ratio	881.5%	1,000.6%	(119.1P)
Adjusted net assets	467.6	659.7	(192.1)
Adjusted net worth on EEV	357.3	484.7	(127.3)
<b>T&amp;D Financial Life</b>			
Solvency margin ratio	656.2%	912.4%	(256.2P)
Adjusted net assets	53.9	63.7	(9.8)
Adjusted net worth on EEV	30.0	39.5	(9.4)
<b>Total of Three Insurance Companies</b>			
Adjusted net assets	1,160.7	1,500.7	(340.0)
Adjusted net worth on EEV	823.9	1,057.1	(233.2)

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

Mainly due to an increase in provision for policy reserve for minimum guarantee risks

- The solvency margin ratio, adjusted net assets as well as adjusted net worth used for the calculation of the European Embedded Value (EEV) were shown in the table.

# Forecasts for the Year Ending March 31, 2009



## T&D Holdings' Consolidated Forecasts

	Full Year Forecast	Six Months Ended September 30, 2008	Progress Rate
Ordinary revenues	2,340	1,269.8	54.3%
Ordinary profit	56	34.3	61.3%
Net income	2	3.6	180.0%

(Billions of yen)

Previous forecast at May 19, 2008	(Ref.) Year Ended March 31, 2008
2,100	2,330.0
115	155.7
39	36.7

## Total of Three Life Insurance Companies

	Full Year Forecast	Six Months Ended September 30, 2008	Progress Rate
New policy amount	6,260	2,969.0	47.4%
Policy amount in force	58,790	58,865.7	** -
Income from insurance premiums	1,780	851.9	47.9%
Core profit	98	64.1	65.4%
Negative spread	44	6.8	

(Billions of yen)

Previous forecast at May 19, 2008	(Ref.) Year Ended March 31, 2008
6,350	6,201.8
59,300	59,340.3
1,750	1,613.1
149	159.7
29	-

\* New policy amount and policy amount in force include individual insurance and individual annuities. New policy amount includes net increase from conversion.  
 \*\* Decreased 474.6 billion yen from the beginning of fiscal 2008

- The full year forecasts for the year ending March 31, 2009 are shown in the table.
- The full year forecasts were revised due to the economic conditions and 1H results.
- Forecasts for ordinary profit and net income were revised downward because losses on sale of securities and devaluation losses on securities are expected to increase, as well as the provision for reserve for minimum guarantee risks are projected to rise reflecting an increase in policies in force for variable annuities.
- Forecasts for new policies and policies in force for three companies total were revised downward.
- Taiyo Life revised upward the forecast for new policies and policies in force, due to the current favorable sales results. On the other hand, Daido revised downward the forecast for new policies and policies in force, because the sales result for this fiscal year is relatively weak reflecting worsening business sentiment.
- As a result, the full year forecast of new policy amount and policy amount in force for total of three life insurance companies are 90.0 billion yen and 510.0 billion yen, respectively.

# 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	1,120	1,136.3	1,080	1,000.3	320	180.4
Income from insurance premiums	830	843.3	640	635.7	310	134.0
Ordinary profit	37	104.6	41	57.0	(25)	(9.6)
Core profit	78	124.8	41	53.0	(21)	(18.1)
Net income	10	30.4	8	12.0	(17)	(6.9)
New policy amount	4,070	4,634.2	1,920	1,474.1	270	93.3
Core product	3,920	4,489.8	-	-	** 270	93.3
Policy amount in force	39,230	39,897.1	17,240	17,182.2	2,320	2,261.0
Core product	35,680	36,175.3	-	-	810	596.8
Annualized premiums of total policies	670	689.1	620	637.3	130	99.3
Negative spread	16	*** -	25	17.6	3	4.1
Surrender and lapse rate	9.5%	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 ¥280 billion.  
 \*\*\* Daido Life's spread turned positive (¥21.7 billion) for the fiscal year ended March 31, 2008.

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- The full year forecasts for each company are shown in the table.
- Although T&D Financial had no change in 270 billion yen of new sales forecast, the company changed to achieve it by all new variable annuity sales, while including the sales of fixed annuity and protection products in initial forecast.

# FY2008 1H Review and 2H Initiatives

- FY2008 1H Review and 2H Initiatives

# 1H Review: Life Insurance Business

<b>Daido Life</b>	<ul style="list-style-type: none"><li>■ 1H new business decreased 14.1% y-o-y as Daido has no positive factor like premium rate revision and the business sentiment has been deteriorating, while new policy amount for the same term of the previous fiscal year performed well</li><li>■ Worsening business confidence raised 1H surrender and lapse rate* to 9.51%</li></ul>
<b>Taiyo Life</b>	<ul style="list-style-type: none"><li>■ 1H new business increased 7.5% y-o-y as sales of the <i>Taiyo Life's "Hoken Kumikyoku"</i> was well. Surrender and lapse rate was improved to 6.96%* due to the continued focus on the improvement of persistency rate</li><li>■ <i>Taiyo Life's "Hoken Kumikyoku Best"</i> launched in October 2008, and aims to increase in new policy amount</li></ul>
<b>T&amp;D Financial Life</b>	<ul style="list-style-type: none"><li>■ New variable annuity product called "<i>Five Ten</i>" launched in the end of June 2008 has been sold well</li><li>■ The number of financial institutional agents which sell "<i>Five Ten</i>" increased to 14 as of September 2008, and aim to expand agent network by promoting "<i>Five Ten</i>" in 2H2008</li></ul>

\* The figure is annualized.

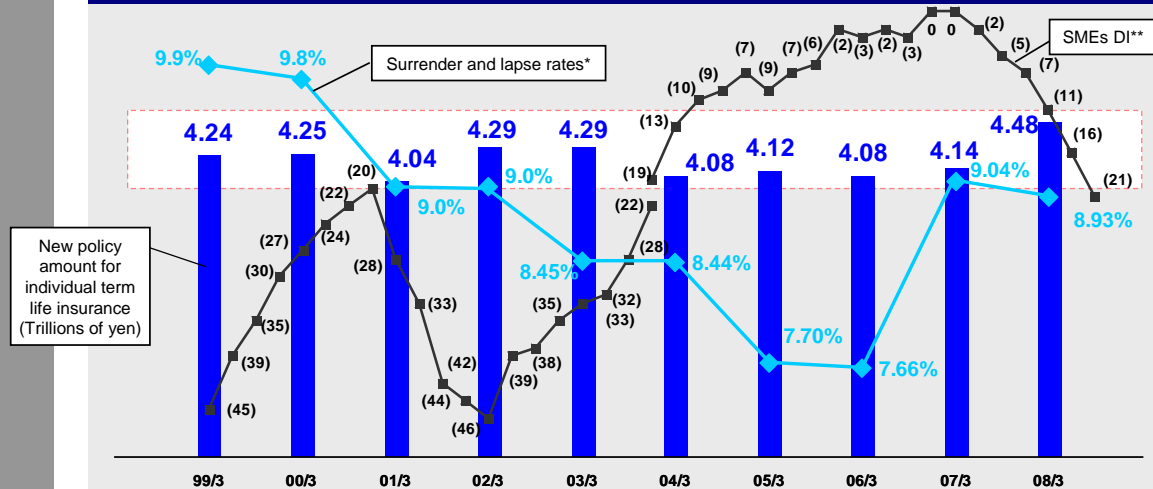
T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- In this section, we explain about 1H review and 2H initiatives.
- Top-line status of each company is shown in the table.
- Daido Life forecasted new policy amount for this fiscal year less than that for the previous fiscal year result. 1H result shows slower progress than our expectation in full year forecast. In addition, the business sentiment among SMEs are expected to worsen and Daido's surrender and lapse rate has been relatively high. As a result, Daido revised the full year forecast for surrender and lapse rate to 9.5%.
- Taiyo' top-line has improved. In October 2008, Taiyo launched the new product, "*Taiyo Life's Hoken Kumikyoku Best*" as a successor of the existing main product, "*Taiyo Life's Hoken Kumikyoku*". In 2H2008, Taiyo will maintain the upward momentum and expand new product sales to achieve the full year forecast.
- T&D Financial launched the new variable annuity, "*Five Ten*" in the end of June 2008, and this sales result was well. On the other hand, there is concern that the turmoil in the financial market will affect the top-line growth in OTC sales market.

# Daido Life: Business Result & SME Business Sentiment

- In the past 10 years, Daido's new policy amount for individual term life insurance had ranged from ¥4.0 to ¥4.5 trillion, while business sentiment among SMEs had fluctuated
- Surrender and lapse rate had marked between 7% to 9%, while business sentiment relatively affect more than the new policy amount

New policy amount / Surrender and lapse rate and SMEs DI in the past 10 years



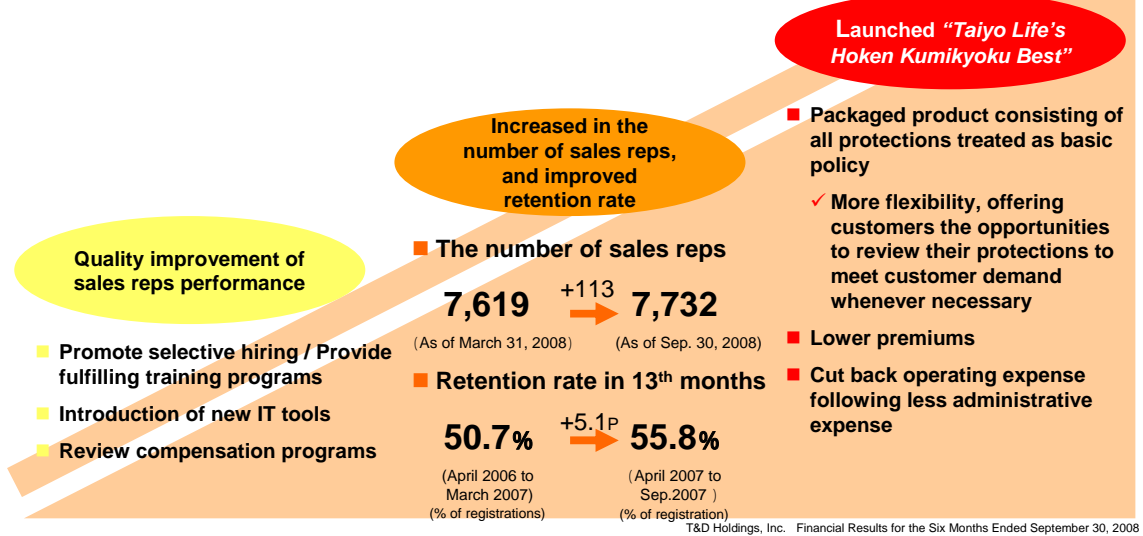
\* Individual insurance and annuities total

\*\* Bank of Japan, Short-Term Economic Survey of Enterprises (SMEs DI)

- The trends in SMEs' business sentiment and Daido's new policy amount for individual term life insurance are shown in the graph.
- In the past 10 years, Daido's new business had ranged from 4.0 trillion yen to 4.5 trillion yen, while SMEs' business sentiment had fluctuated.
- The business sentiment affects the surrender and lapse rate more than the new business result, for example, the reasons for surrenders such as "Operating money is necessary" or "Premium payment is difficult" has increased in current circumstance. Still, the surrender and lapse rate had marked between 7% to 9% for the last ten years.
- Although the SMEs' business sentiment is expected to get worse, the number of Daido's tax accountant agents has increased and Daido aims to have the stable sales result.

# Taiyo Life: Productivity Improvement of Sales Representative Channel

- As a result of quality improvement of sales performance, the number of sales reps increased and its retention rate improved as well. New policy amount in 1H increased by 7.5% y-o-y
- “Taiyo Life’s Hoken Kumikyoku Best” launched in October 2008, and aims to increase in new policy amount



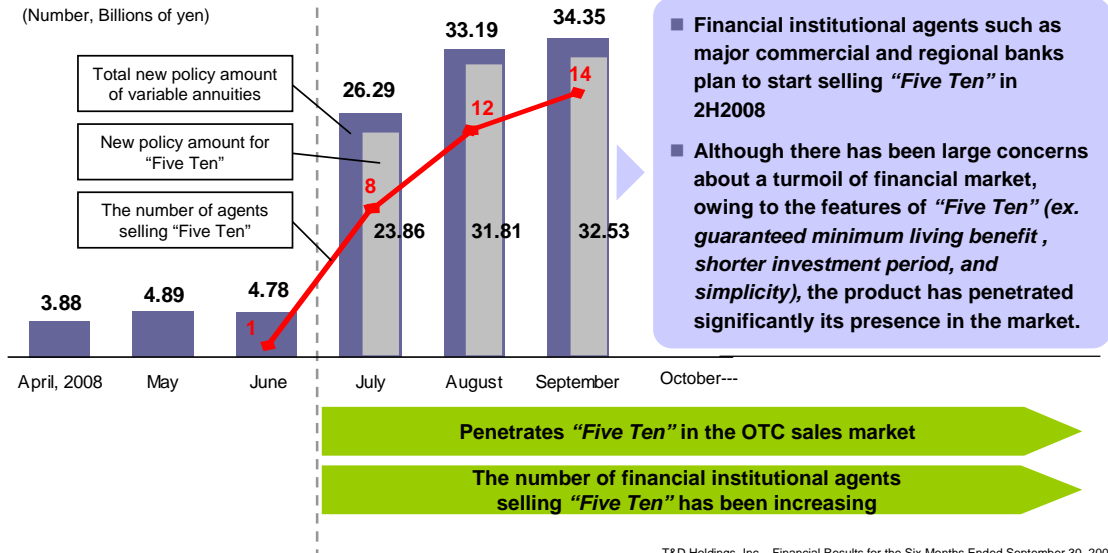
- Taiyo has addressed the quality improvement of sales representative channel by taking such measures; promotion of selective hiring, improvement of training programs, introduction of new IT sales support tools, revision of compensation standards, etc.
- In 1H 2008, Taiyo had gained over 200 hires per month, and the retention rate of sales representatives had improved. As a result, the number of sales representatives as of September 2008 increased by 113 from the beginning of this fiscal year, to 7,732, and the new policy amount increased year on year.
- In 2H2008, Taiyo aim to maintain the upward momentum and expand new product sales to achieve the full year forecast.
- “Taiyo Life’s Hoken Kumikyoku Best” is packaged product consisting of all protections treated as basic policy instead of adding riders, and customers are able to add or drop the protection parts more flexibly. The new product has also such features that the premium is lower than that of the existing products. Taiyo appeals these features and aims to increase the new business.

# T&D Financial Life: Favorable variable annuity sales



- Launched new variable annuity product “Five Ten” at the end of June, 2008, it has been sold well during 2Q period
- By launching a competitive products, financial institutional network has been expanded. As improving efficiency by strengthen sales support, the Company aims to achieve a stable new policy sales

(Number, Billions of yen)



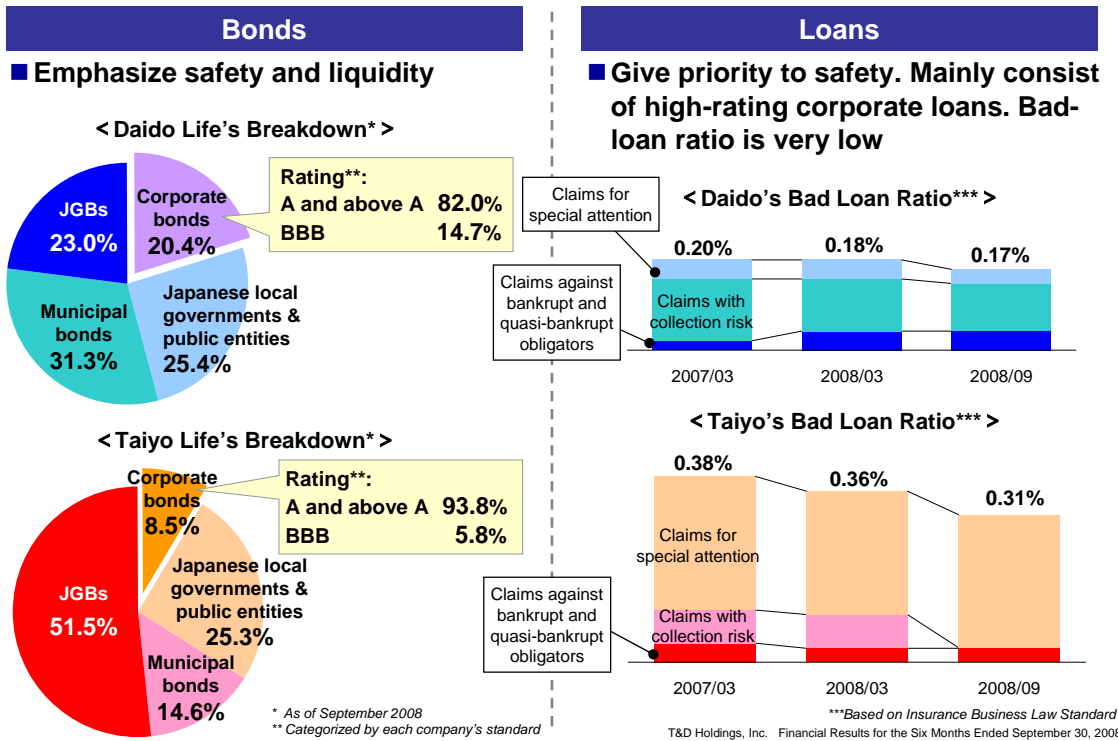
- T&D Financial launched new variable annuity, “Five Ten” in the end of June 2008.
- T&D Financial designed this product to meet the customers’ demand such as “Guaranteed payout of 100% of basic policy amount”, “short investment term”, or “simple and easy to understand” based on the market research. “Five Ten” offers minimum guarantee of 100% of basic policy amount with five-year investment term and has no complex features.
- This competitive product has raised the number of financial institutional agents. In 2H2008, major commercial and regional banks plan to sell “Five Ten”, and T&D Financial expects to increase new policy amount.
- Although there is concern that the turmoil in the financial market will affect the top-line growth in OTC sales market, T&D Financial promotes the features of new product and aims to strengthen its presence in the OTC sales market.

# 1H Review: Asset Management

	Daido Life	Taiyo Life
Investment Actions	<ul style="list-style-type: none"> <li>■ Yen fixed income assets: Maintained the current duration</li> <li>■ Stock exposure: Decreased due to the stock price drop</li> <li>■ Alternative investment: Increased in the amount of private equities* <i>*Commitment base</i></li> </ul>	<ul style="list-style-type: none"> <li>■ Yen fixed income assets: Extended the duration according to the interest rises in April - May 2008</li> <li>■ Stock exposure: Cut down due to the unpredictable financial market</li> <li>■ Alternative investment: Invested in new funds which would become the core fund of Taiyo's hedge fund portfolio</li> </ul>
Performance	<ul style="list-style-type: none"> <li>■ Interest and dividend income: Declined ¥7.5 billion y-o-y due to a decrease in the dividends from private equities</li> <li>■ Capital gains/losses: a loss of ¥28.1 billion in 1H due to a worsen hedge funds performance</li> <li>■ Net unrealized gains/losses: Decreased ¥133.5 billion** from the end of FY2007 due to sliding stock market <i>** Securities with market value</i></li> </ul>	<ul style="list-style-type: none"> <li>■ Interest and dividend income: Declined ¥7.4 billion y-o-y mainly due to a decrease in the interest from foreign-currency denominated bonds</li> <li>■ Capital gains/losses: a loss of ¥2.5 billion in 1H due to the expanding devaluation losses of securities</li> <li>■ Net unrealized gains/losses: Decreased ¥190.1 billion** from the end of FY2007 due to the fall of domestic and foreign stock prices <i>** Securities with market value</i></li> </ul>

- Next, I'd like to review 1H asset management.
- As for investment actions, Daido's net exposure to domestic stocks declined due to the stock price drops, although the company basically didn't change the portfolio. Taiyo cut down the exposure the market-risk assets such as stocks according to the increasing economic uncertainty.
- As for investment performance, the devaluation losses on securities expanded and net unrealized gains sharply declined.

# Bonds & Loans



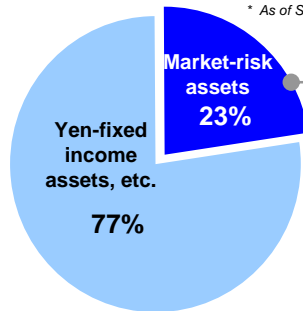
- First, Daido and Taiyo allocate 60-70% of assets to bonds and loans to acquire the stable income gains.
- They invest in bonds with safety and liquidity. The percentage of JGBs, Municipal bonds, and Japanese local governments and public entities bonds total is 79.6% for Daido, and 91.5% for Taiyo. In addition, most corporate bonds have A and above A rating.
- For loans, safety has a first priority. Large part of them are corporate loans, and bad-loan ratio is very low; bad-loan ratio was 0.17% for Daido, and 0.31% for Taiyo as of September 2008.

# Market-Risk Assets

## Invest to market-risk assets within each company's tolerable risk level

### Daido Life\*

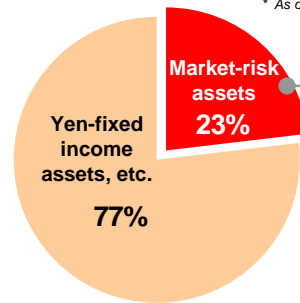
\* As of September 2008



- Domestic stocks [5.1%]
- Foreign bonds [1.1%]:  
Mainly foreign government bonds
- Foreign stocks, etc. [5.6%]:  
including hedge funds and private equities
- Other securities [10.8%]:  
mainly domestic investment trusts
- Monetary trusts [0.2%]

### Taiyo Life\*

\* As of September 2008



- Domestic stocks [7.9%]
- Foreign bonds [9.0%]:  
Mainly foreign government bonds
- Foreign stocks, etc. [5.1%]:  
including hedge funds, private equities, and domestic stock-indexed products issued overseas
- Other securities [1.0%]

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

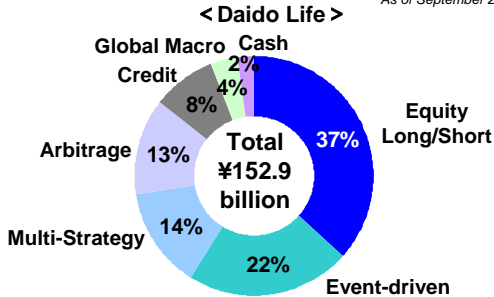
- Next, market-risk assets including domestic stocks, foreign bonds, and foreign stocks are allocated within the acceptable risk level of each company.
- Daido's market-risk assets are described as below; domestic stocks, 5.1%; foreign bonds, 1.1%; foreign stocks, etc, 5.6%, other securities, 10.8%. Foreign stocks include hedge funds and private equities. Other securities are mostly comprised of domestic investment trusts.
- Taiyo's market-risk assets are described as below; domestic stocks, 7.9%; foreign bonds, 9.0%; foreign stocks, etc, 5.1%, other securities, 1.0%. Most foreign bonds are foreign government bonds. Foreign stocks include hedge funds, private equities, and domestic stock-indexed product issued overseas.

# Alternative Investment

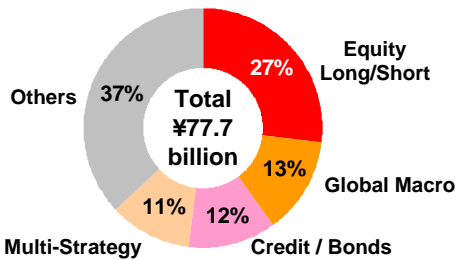
## ■ Diversify in terms of geography or strategy to reduce the risk

### Hedge Funds by Strategies\*

\* As of September 2008

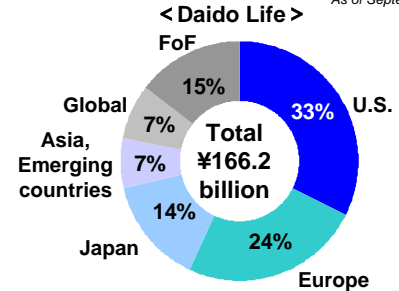


### < Taiyo Life >

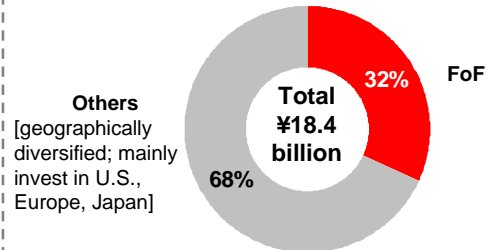


### Private Equities by Geography\*

\* As of September 2008



### < Taiyo Life >



T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- T&D manages the risks of alternative investments through diversity in geography, strategy, and investment timings, etc.
- As for hedge funds, Daido invests in 9 funds which are mostly fund of funds, and these funds are finally diversified about into 200 funds. Taiyo invests in 11 funds which are also mostly fund of funds. Their funds are wide-ranged investment strategies; equity long/short, global macro, multi-strategy, arbitrage, credit/bonds.
- As for private equities, Daido invests in about 140 funds and Taiyo invests in 23 funds. Investment strategies are mainly buy-out and they include other strategies such as venture and special situation. In addition, they have well-balanced investment area, for example, Japan, Europe, U.S., etc.

# Investment in Securitized Products

- There is no direct investment in sub-prime loan related products, therefore no investment losses by sub-prime loan issues

The state of Investment in Securitized Products and Others (As of September 30, 2008)

(Billions of yen)

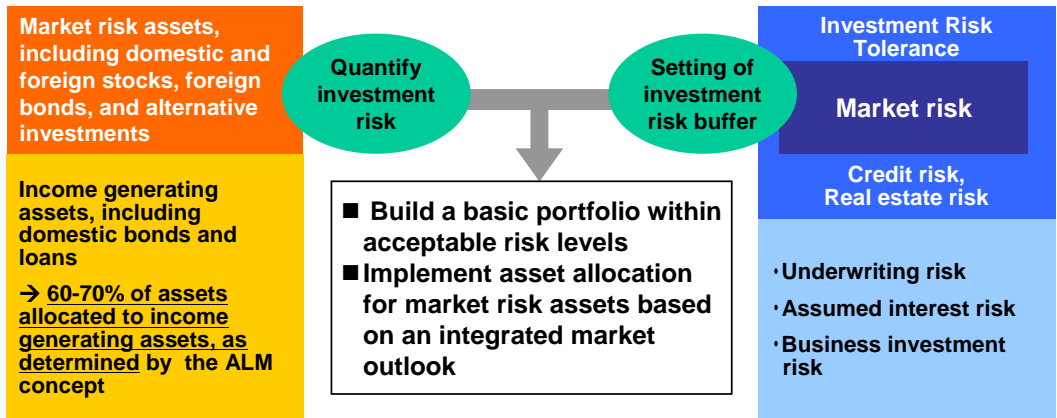
	Daido Life			Taiyo Life		
	Fair Value	Net Unralized Gains/ Losse	Realized Gains/Losses	Fair Value	Net Unralized Gains/ Losse	Realized Gains/Losses
Overseas	* 2.4	(0.3)	(1.5)	-	-	-
CDO	2.4	(0.3)	(1.5)	-	-	-
Domestic **	472.3	0.6	5.4	307.6	0.6	3.0
RMBS	331.2	2.0	3.5	193.8	0.7	1.9

\* All CLO equity which backed assets are all foreign corporate loans  
 \*\*Backed assets are all domestic loans, etc.

- I'd like to explain about investment in securitized products and others.
- As for overseas investment, Daido has 2.4 billion yen of CDO which backed assets are all foreign corporate loans. Taiyo has no overseas exposure.
- Backed assets of domestic investment of two companies are all domestic loans, mainly RMBS (Residential Mortgage-Backed Securities).
- It is important that both Daido and Taiyo have no direct exposure to sub-prime related securitized products, and no loss from them. Although some overseas hedge funds include funds which invest in sub-prime related products, these indirect exposure was very slight, and the impact was little.

# 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**



- Our basic investment policy is first, a disciplined investment strategy based on liability-driven ALM and asset allocation within acceptable risk levels.
- The second policy is appropriate risk management in order to secure financial soundness.
- To manage investment risks, we quantify each management risk and maintain an optimum asset portfolio within acceptable risk levels.
- Particularly, to ensure a stable income as first priority, 60-70% of assets are allocated to income generating assets.
- We also invest in market-risk assets, including domestic and foreign stocks, foreign bonds, and alternative investment. However, these assets have large risks for price fluctuations. Therefore, the assets are held within acceptable risk levels and they invest very carefully based on an integrated market outlook.

# 2H2008 Investment Initiatives

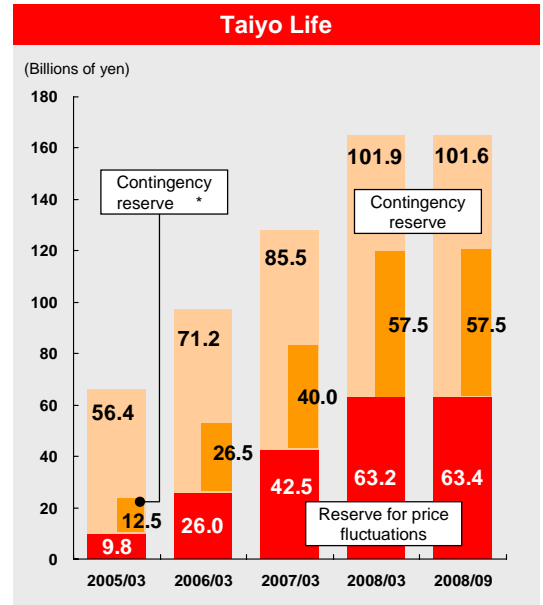
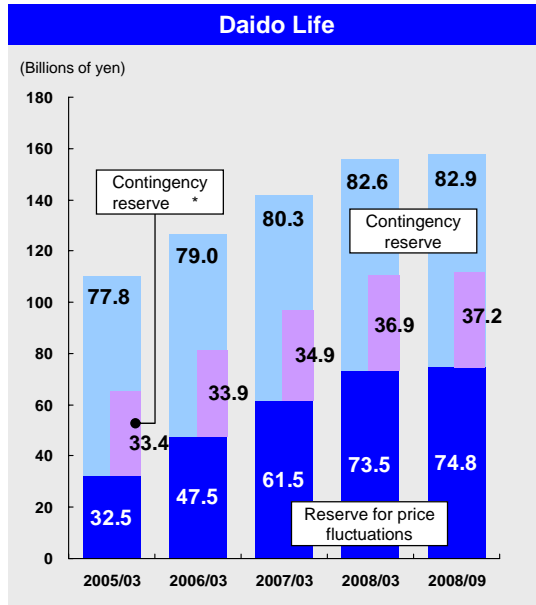
- Take cautious investment stance for assets with price fluctuations under the turmoil in financial markets

	Daido Life	Taiyo Life
Domestic Bonds	Maintain the current duration under the present interest rate levels, and extend the duration according to interest rate rises	Maintain the current duration under the present interest rate levels, selling or buying back for a while
Domestic Stocks	Basically maintain status quo, might change accordingly	-Hold down the exposure -Consider buy backs if stock market turns to rise
Foreign Bonds	Basically maintain status quo, might change accordingly	Basically maintain status quo, might change accordingly
Foreign Stocks	Basically maintain status quo, might change accordingly	Cut down the exposure
Alternative Investments	-Carefully watch the financial market, and aim to increase private equities -Basically maintain current exposure for hedge funds	Take cautious investment stance

- Under the Group's investment policy, Daido and Taiyo allocate their assets according to the market outlook.
- In 2H2008, we take cautious investment stance for assets with price fluctuations as the market is largely volatile.
- As for domestic bonds, Daido aims to extend the duration according to the interest rate rises. Taiyo maintains the current duration with selling or buying back for a while as the company extended its duration at the time when the interest rate rose in April to May 2008.
- As for domestic stocks, Daido basically maintains status quo until the financial markets will settle. Taiyo holds down the exposure and would consider buy back if stock market turns to rise.
- As for foreign bonds, both companies basically maintain status quo, and might change according to interest and exchange rate level.
- As for foreign stocks, Daido basically maintains status quo, and Taiyo cut down the exposure.
- As alternative investments, Daido aims to increase private equities on commitment base carefully watching the market conditions. Taiyo takes cautious investment stance.

# Accumulated Amount of Internal reserves as quasi-equity liabilities

- Both Daido Life and Taiyo Life accumulate sufficient amount of contingency reserves and reserves for price fluctuations



\*Contingency reserve : Contingency reserve for assumed investment yield risk

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- This page shows status of each company's accumulated amount of internal reserves as quasi-equity liabilities.
- Both Daido and Taiyo have been accumulated sufficient amount of internal reserves, preparing for contingency situations such as worsen investment environment. As a result, contingency reserves and reserve for price fluctuations as of end of September 2008 were 82.9 billion yen and 74.8 billion yen for Daido, 101.6 billion yen and 63.4 billion yen for Taiyo, respectively. The level of accumulated amount has been sufficient.
- Reflecting the sufficient amount of internal reserves, the solvency margin ratio was 972.9% for Daido, 881.5% for Taiyo, maintaining at higher levels in the industry.

# Measures to Strengthen Financial Soundness

## Strengthen Equity Capital

- T&D Financial Life plans 40 billion yen of capital raising, to increase in policy amount in force, maintaining financial soundness
- Both Daido and Taiyo Life have sufficient amount of equity capital to maintain financial soundness. Considering financial and economic conditions, they would raise their equity capitals if it is necessary

## Control Market-Risk Assets

- Under the group investment management policy, manage under disciplined investment strategy based on liability-driven ALM and asset allocation within tolerable risk levels

## Strengthen Risk Management

- Improve risk management method, for example, calculating a level of required capital on the basis of economic capital
- Introduce ERM (Enterprise Risk Management), and control overall business operation risks

- Finally, I would like to explain the measures to strengthen financial soundness.
- First, as for strengthening equity capital, T&D Financial plans to 40 billion yen of capital raising, to increase in policy amount in force, maintaining financial soundness.
- Both Daido and Taiyo have sufficient amount of equity capital to maintain financial soundness. Considering financial and economic conditions, they would raise their equity capitals if it is necessary.
- Second, as for controlling market-risk assets, each company manages under disciplined investment strategy based on liability-driven ALM and asset allocation within tolerable risk levels under the group investment management policy.
- Finally, as for strengthening risk management, each company aims to improve risk management method, for example, calculating a level of required capital on the basis of economic capital, and also introduce ERM to control overall business operation risks. We plan to explain the details in the next fiscal year.
- We anticipate to continue a flagging financial market, however, by taking the measures above, T&D Life group will strengthen financial soundness more and aims to enhance a competitiveness.

# Appendix

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- Appendix

# Non-Consolidated Statements of Operations: Daido Life



	(Billions of yen)			
	1H2008	1H2007	Changes	
<b>Ordinary revenues</b>	<b>629.7</b>	<b>570.7</b>	<b>59.0</b>	Premiums for individual term life insurance, a main product line, rose by ¥0.5 billion y-o-y
Income from insurance premiums	414.3	419.5	(5.1)	Includes; -Dividends from investment trusts: up ¥6.4 billion -Dividends from private equity funds: down ¥10.2 billion -Dividends from domestic stocks: down ¥1.7 billion
Individual insurance and annuities	331.5	335.0	(3.4)	
Investment income	91.5	106.8	(15.2)	Down ¥11.6 billion due to a decrease in net gains/losses on hedge funds
Interest, dividends and income from real estate for rent	72.9	80.5	(7.5)	
Gains from monetary trusts, net	0.1	8.7	(8.5)	Includes; -Insurance claims for group annuities: up ¥32.0 billion -Other payments for group annuities: up ¥29.7 billion -Surrender payments for group annuities: up ¥18.3 billion
Gains on investments in trading securities, net	-	3.5	(3.5)	
Gains on sales of securities	17.1	9.4	7.6	
Gains from derivatives, net	-	1.2	(1.2)	Includes (y-o-y increase/decrease); -Foreign exchange forward contracts-related: ¥8.2 billion (up ¥7.0 billion)
Other ordinary income	123.7	44.3	79.4	
Reversal of policy reserve	120.2	34.8	85.4	Includes provision for reserve for price fluctuations of ¥(1.2) billion *No excess amount of internal reserves Previous 1H: ¥(3.5) billion, of which ¥(2.3) billion was an excess amount of internal reserves
<b>Ordinary expenses</b>	<b>604.4</b>	<b>501.2</b>	<b>103.1</b>	
Insurance claims and other payments	481.9	407.8	74.0	Includes; -Domestic stocks: ¥5.1 billion -Foreign securities: ¥3.2 billion -Other securities : ¥15.2 billion (Investment trust: ¥7.7 billion, private equities: ¥7.5 billion)
Provision for policy and other reserves	0.3	0.4	(0.0)	
Investment expenses	55.6	27.9	27.6	Includes (y-o-y increase/decrease); -Foreign exchange forward contracts-related: ¥8.2 billion (up ¥7.0 billion)
Losses on investments in trading securities, net	8.0	-	8.0	
Losses on sales of securities	1.7	3.6	(1.8)	Includes provision for reserve for price fluctuations of ¥(1.2) billion *No excess amount of internal reserves Previous 1H: ¥(3.5) billion, of which ¥(2.3) billion was an excess amount of internal reserves
Devaluation losses on securities	24.8	11.7	13.0	
Losses from derivatives, net	7.3	-	7.3	
Operating expenses	58.4	57.3	1.0	
Other ordinary expenses	8.0	7.6	0.3	
<b>Ordinary profit</b>	<b>25.3</b>	<b>69.4</b>	<b>(44.1)</b>	
<b>Net extraordinary gains (losses)</b>	<b>(1.0)</b>	<b>(1.1)</b>	<b>0.0</b>	
Provision for reserve for policyholder dividends	10.6	18.5	(7.9)	
<b>Income before income taxes</b>	<b>13.5</b>	<b>49.7</b>	<b>(36.1)</b>	
<b>Income taxes</b>	<b>9.4</b>	<b>22.7</b>	<b>(13.2)</b>	
<b>Net income</b>	<b>4.1</b>	<b>27.0</b>	<b>(22.8)</b>	

- Non-consolidated statements of operations: Daido Life

# Non-Consolidated Statements of Operations: Taiyo Life



	(Billions of yen)		
	1H2008	1H2007	Changes
<b>Ordinary revenues</b>	<b>557.4</b>	<b>505.1</b>	<b>52.5</b>
Income from insurance premiums	316.2	330.3	(14.0)
Investment income	113.2	108.9	4.3
Interest, dividends and income from real estate for rent	65.7	73.1	(7.4)
Gains on sales of securities	47.3	35.4	11.9
Other ordinary income	127.9	65.9	62.0
Reversal of policy reserve	108.4	52.0	56.3
<b>Ordinary expenses</b>	<b>536.0</b>	<b>469.9</b>	<b>66.0</b>
Insurance claims and other payments	419.3	376.7	42.5
Provision for policy and other reserves	0.0	0.0	0.0
Investment expenses	54.3	35.6	18.6
Losses on sales of securities	26.2	16.8	9.4
Devaluation losses on securities	16.8	4.4	12.3
Losses from derivatives, net	6.6	10.3	(3.6)
Operating expenses	38.4	38.2	0.1
Other ordinary expenses	23.8	19.2	4.6
<b>Ordinary profit</b>	<b>21.4</b>	<b>35.2</b>	<b>(13.7)</b>
<b>Net extraordinary gains (losses)</b>	<b>0.7</b>	<b>(10.4)</b>	<b>11.2</b>
<b>Provision for reserve for policyholder dividends</b>	<b>6.5</b>	<b>6.9</b>	<b>(0.4)</b>
<b>Income before income taxes</b>	<b>15.6</b>	<b>17.7</b>	<b>(2.1)</b>
<b>Income taxes</b>	<b>7.0</b>	<b>7.9</b>	<b>(0.8)</b>
<b>Net income</b>	<b>8.5</b>	<b>9.8</b>	<b>(1.2)</b>

Includes;  
 -Individual insurance and annuities: down ¥6.8 billion  
 -Group annuities: down ¥6.1 billion

Includes;  
 -Interests from domestic bonds: up ¥1.8 billion  
 -Interests from foreign bonds: down ¥5.0 billion  
 -Dividends from investment trusts: down ¥2.9 billion  
 -Dividends from stocks: down ¥1.0 billion

Includes (y-o-y increase/decrease);  
 -Domestic stocks: ¥28.9 billion (up ¥8.5 billion)  
 -Foreign securities: ¥13.0 billion (down ¥1.8 billion)  
 -Domestic bonds: ¥5.4 billion (up ¥5.2 billion)

Includes;  
 -Individual annuities: up ¥9.9 billion  
 -Group annuities: up ¥37.7 billion

Includes (y-o-y increase/decrease);  
 -Domestic stocks: ¥11.1 billion (up ¥6.1 billion)  
 -Foreign securities: ¥13.3 billion (up ¥8.1 billion)  
 -Domestic bonds: ¥1.7 billion (down ¥4.8 billion)

Includes;  
 -Domestic stocks: ¥2.0 billion  
 -Foreign securities: ¥8.2 billion  
 -Other securities: ¥6.5 billion (Investment trust)

Includes (y-o-y increase/decrease);  
 -Foreign exchange forward contracts-related: ¥6.2 billion (down ¥3.8 billion)

Includes provision for reserve for price fluctuations of ¥(0.1) billion  
 \*No excess amount of internal reserves  
 Previous 1H: ¥(10.3) billion, of which ¥(9.2) billion was an excess amount of internal reserves

- Non-consolidated statements of operations: Taiyo Life

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



(Billions of yen)

	1H2008	1H2007	Changes
<b>Ordinary revenues</b>	<b>131.8</b>	<b>97.7</b>	<b>34.1</b>
Income from insurance premiums	121.3	88.0	33.2
Individual variable annuities	107.4	71.6	35.7
Investment income	5.3	4.9	0.3
Interest, dividends and income from real estate for rent	2.0	2.2	(0.1)
Gains from monetary trusts, net	3.2	1.0	2.1
Gains on separate accounts, net	-	1.4	(1.4)
Other ordinary income	5.1	4.7	0.4
<b>Ordinary expenses</b>	<b>146.0</b>	<b>102.7</b>	<b>43.2</b>
Insurance claims and other payments	43.3	50.0	(6.6)
Provision for policy and other reserves	60.3	43.1	17.2
Provision for policy reserve relating to minimum guarantee risks	16.6	4.2	12.4
Investment expenses	32.9	0.2	32.6
Losses on separate accounts, net	32.7	-	32.7
Operating expenses	8.0	7.5	0.5
Other ordinary expenses	1.3	1.8	(0.4)
<b>Ordinary profit (losses)</b>	<b>(14.1)</b>	<b>(5.0)</b>	<b>(9.0)</b>
<b>Net extraordinary gains (losses)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>
Provision for reserve for policyholder dividends	0.0	0.1	(0.1)
<b>Income before income taxes</b>	<b>(14.1)</b>	<b>(5.1)</b>	<b>(8.9)</b>
Income taxes	(4.2)	(1.5)	(2.6)
<b>Net income (loss)</b>	<b>(9.9)</b>	<b>(3.6)</b>	<b>(6.2)</b>

-Hedge against stock price drop has worked, and this hedging gains were ¥3.2 billion recorded in "gains from monetary trusts, net"  
 -The difference between a ¥12.1 billion of provision arising from worsen investment performance and ¥3.2 billion above mentioned was mainly due to a worsen investment performance of unhedged funds of short-term domestic and foreign bonds

Breakdown by causes;  
 -Worsen investment performance: ¥12.1billion  
 -Gained new policies: ¥4.5billion

- Non-consolidated statements of operations: T&D Financial Life

# Non-Consolidated Statements of Operations: T&D Asset Management



(Millions of yen)

	1H2008	1H2007	Changes
<b>Operating income</b>	<b>3,300</b>	<b>3,598</b>	<b>(298)</b>
Trustee fees	2,135	2,253	(118)
Investment management fees	1,164	1,344	(179)
<b>Operating expenses</b>	<b>1,407</b>	<b>1,326</b>	<b>80</b>
Commissions paid	764	729	35
Other operating expenses	642	597	45
<b>General and administrative expenses</b>	<b>1,460</b>	<b>1,213</b>	<b>246</b>
<b>Operating profit</b>	<b>432</b>	<b>1,057</b>	<b>(625)</b>
<b>Non-operating income</b>	<b>12</b>	<b>3</b>	<b>8</b>
<b>Non-operating expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ordinary profit</b>	<b>444</b>	<b>1,061</b>	<b>(616)</b>
<b>Net extraordinary gains (losses)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>
<b>Income before income taxes</b>	<b>444</b>	<b>1,060</b>	<b>(615)</b>
<b>Income taxes</b>	<b>188</b>	<b>440</b>	<b>(251)</b>
<b>Net income</b>	<b>255</b>	<b>620</b>	<b>(364)</b>

- Non-consolidated statements of operations: T & D Asset Management

# Non-Consolidated Balance Sheets: Daido Life



(Billions of yen)				(Billions of yen)			
	As of September 30, 2008	As of March 31, 2008	Changes		As of September 30, 2008	As of March 31, 2008	Changes
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits, call loans	240.3	297.2	(56.8)	Total policy reserves	5,264.4	5,392.1	(127.7)
Monetary claims purchased	347.8	270.0	77.7	Policy reserve	5,096.2	5,216.5	(120.2)
Monetary trusts	66.2	104.6	(38.3)	Contingency reserve	82.9	82.6	0.3
Securities	3,929.5	4,159.6	(230.0)	Other liabilities	43.4	101.8	(58.3)
Domestic bonds	2,345.0	2,394.0	(49.0)	Reserve for price fluctuations	74.8	73.5	1.2
Domestic stocks	319.1	375.6	(56.4)	<b>Total liabilities</b>	<b>5,480.6</b>	<b>5,673.4</b>	<b>(192.8)</b>
Foreign securities	630.9	653.4	(22.5)	<b>Net assets</b>			
Other securities	634.3	736.3	(101.9)	Total stockholders' equity	257.8	261.8	(4.0)
Loans	864.1	890.3	(26.2)	Common stock	75.0	75.0	-
Tangible fixed assets	139.0	140.4	(1.4)	Capital surplus	0.0	0.0	-
Other assets	69.0	131.5	(62.5)	Retained earnings	182.7	186.7	(4.0)
Deferred tax assets	98.0	44.1	53.8	Total valuation and translation adjustments	24.4	112.5	(88.1)
<b>Total assets</b>	<b>5,762.8</b>	<b>6,047.8</b>	<b>(284.9)</b>	Net unrealized gains on securities	23.9	111.8	(87.9)
				<b>Total net assets</b>	<b>282.2</b>	<b>374.4</b>	<b>(92.1)</b>
				<b>Total liabilities and net assets</b>	<b>5,762.8</b>	<b>6,047.8</b>	<b>(284.9)</b>

-Domestic bonds: due to a decline in fair value reflecting interest rate raise  
 -Domestic stocks: due to a decline in fair value and sell off  
 -Foreign Securities: due to a decline in fair value and appreciation of the Yen  
 -Other securities: due to a decline in fair value

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- Non-consolidated balance sheets: Daido Life

# Non-Consolidated Balance Sheets: Taiyo Life



(Billions of yen)				(Billions of yen)			
	As of September 30, 2008	As of March 31, 2008	Changes		As of September 30, 2008	As of March 31, 2008	Changes
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits, call loans	152.6	159.8	(7.2)	Total policy reserves	5,620.3	5,731.1	(110.7)
Monetary claims purchased	158.3	160.5	(2.1)	Policy reserve	5,543.5	5,652.0	(108.4)
Securities	3,853.4	4,152.4	(299.0)	Contingency reserve	101.6	101.9	(0.3)
Domestic bonds	2,394.5	2,575.1	(180.5)	Reserve for price fluctuations	63.4	63.2	1.0
Domestic stocks	483.1	638.5	(155.4)	<b>Total liabilities</b>	<b>5,816.9</b>	<b>5,931.2</b>	<b>(114.2)</b>
Foreign securities	918.2	867.2	51.0	<b>Net assets</b>			
Other securities	57.5	71.5	(14.0)	Total stockholders' equity	167.0	166.3	0.7
Loans	1,480.0	1,481.8	(1.8)	Common stock	37.5	37.5	-
Tangible fixed assets	161.2	162.2	(0.9)	Capital surplus	37.5	37.5	-
Deferred tax assets	73.6	11.2	62.3	Retained earnings	92.0	91.3	0.7
Reserve for possible loan losses	(1.5)	(2.5)	1.0	Total valuation and translation adjustments	(15.3)	87.9	(103.3)
<b>Total assets</b>	<b>5,968.6</b>	<b>6,185.5</b>	<b>(216.9)</b>	Net unrealized gains on securities	32.8	136.1	(103.2)
				Land revaluation	(48.0)	(48.0)	(0.0)
				<b>Total net assets</b>	<b>151.7</b>	<b>254.3</b>	<b>(102.6)</b>
				<b>Total liabilities and net assets</b>	<b>5,968.6</b>	<b>6,185.5</b>	<b>(216.9)</b>

-Domestic bonds: due to a decrease in total funds  
 -Domestic stocks: due to decline in fair value and sell off  
 -Foreign Securities: due to an increase in alternative investments  
 -Other securities: due to decline in fair value

- Non-consolidated balance sheets: Taiyo Life

# Non-Consolidated Balance Sheets: T&D Financial Life



(Billions of yen)				(Billions of yen)			
	As of September 30, 2008	As of March 31, 2008	Changes		As of September 30, 2008	As of March 31, 2008	Changes
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits, call loans	54.3	50.1	4.1	Total policy reserves	1,070.9	1,011.5	59.4
Monetary trusts	38.1	30.1	8.0	Policy reserve	1,064.4	1,004.1	60.3
Securities	971.1	934.8	36.3	Contingency reserve	16.0	13.5	2.5
Domestic bonds	352.1	360.1	(8.0)	Reserve for price fluctuations	0.4	0.4	0.0
Domestic stocks	0.8	0.9	(0.1)	<b>Total liabilities</b>	<b>1,084.1</b>	<b>1,022.0</b>	<b>62.0</b>
Foreign securities	1.9	2.0	(0.0)	<b>Net assets</b>			
Other securities	616.2	571.7	44.5	Total stockholders' equity	18.2	28.1	(9.9)
Loans	6.9	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	(43.7)	(33.8)	(9.9)
Other assets	7.3	6.5	0.8	Total valuation and translation adjustments	(1.4)	(1.1)	(0.2)
Deferred tax assets	10.1	8.7	1.4	Net unrealized gains on securities	(1.4)	(1.1)	(0.2)
<b>Total assets</b>	<b>1,100.8</b>	<b>1,048.9</b>	<b>51.8</b>	<b>Total net assets</b>	<b>16.7</b>	<b>26.9</b>	<b>(10.2)</b>
				<b>Total liabilities and net assets</b>	<b>1,100.8</b>	<b>1,048.9</b>	<b>51.8</b>

Due to an increase in investment trusts reflecting a growth of policies for individual variable annuities

- Non-consolidated balance sheets: T&D Financial Life

# Non-Consolidated Balance Sheets: T&D Asset Management



(Millions of yen)

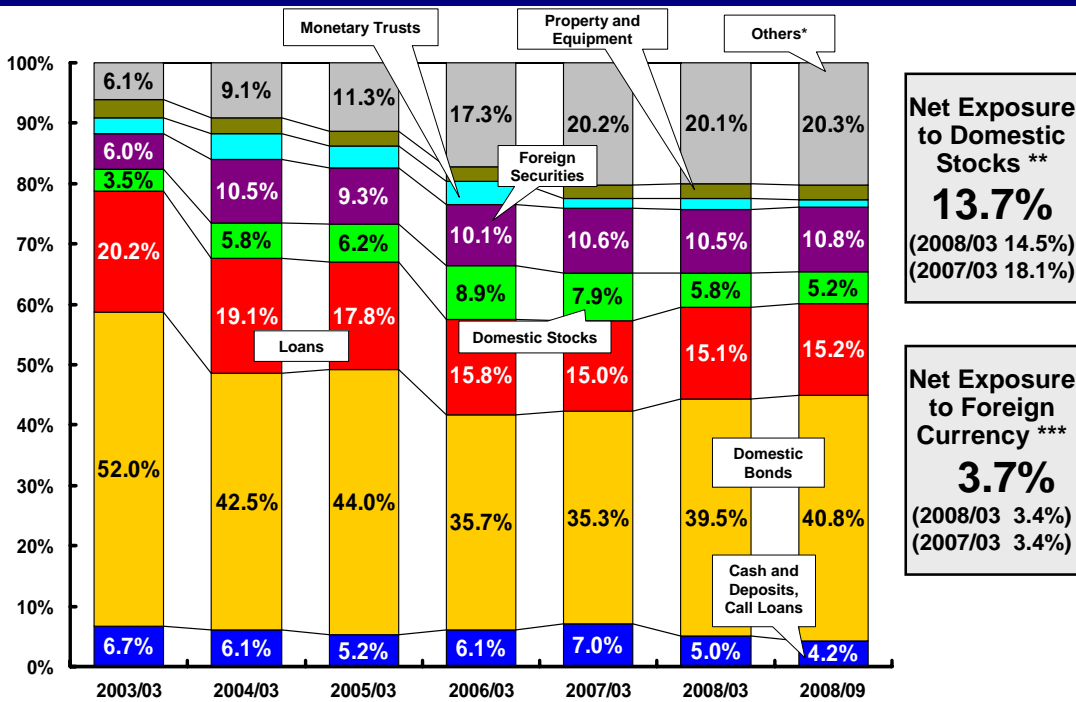
	As of September 30, 2008	As of March 31, 2008	Changes
<b>Assets</b>			
Current assets	7,542	8,461	(918)
Deposits	5,871	6,725	(853)
Accrued trustee fee	765	736	28
Accrued investment management fees	678	697	(19)
Other current assets	228	302	(74)
Fixed assets	913	874	39
Tangible fixed assets	206	169	37
Intangible fixed assets	53	33	19
Investments and other assets	653	671	(17)
<b>Total assets</b>	<b>8,456</b>	<b>9,335</b>	<b>(878)</b>

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<b>Liabilities</b>			
Current liabilities	902	1,572	(670)
Accounts payable	440	673	(232)
Accrued expenses	218	230	(11)
Other current liabilities	242	669	(426)
Fixed liabilities	228	207	20
Reserve for retirement benefits	228	207	20
<b>Total liabilities</b>	<b>1,130</b>	<b>1,780</b>	<b>(649)</b>
<b>Net assets</b>			
Total shareholders' equity	7,325	7,555	(229)
Common stock	1,100	1,100	0
Capital surplus	277	277	0
Retained earnings	5,948	6,177	(229)
Total valuation and translation adjustment	(0)	-	(0)
<b>Total net assets</b>	<b>7,325</b>	<b>7,555</b>	<b>(229)</b>
<b>Total liabilities and net assets</b>	<b>8,456</b>	<b>9,335</b>	<b>(878)</b>

- Non-consolidated balance sheets: T&D Asset Management

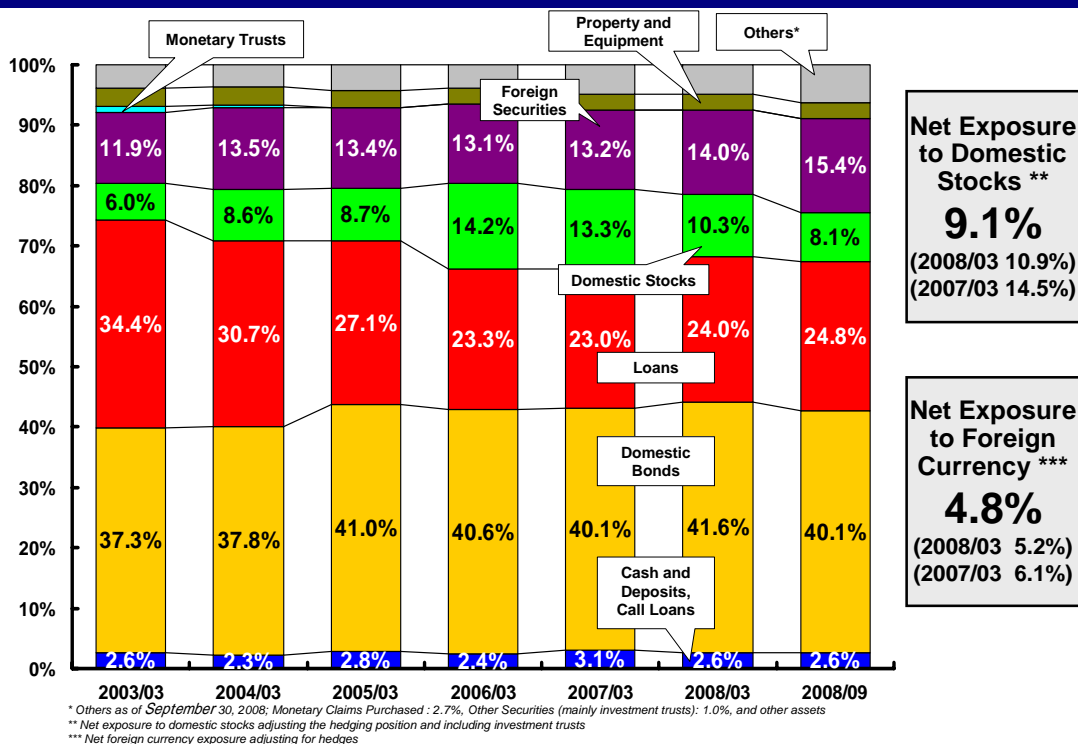
# General Account Assets Composition: Daido Life



\* Others as of September 30, 2008; Other Securities (mainly investment trusts): 11.1%, 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: Daido Life

# General Account Assets Composition: Taiyo Life



- General account assets composition: Taiyo Life

# Breakdown of Foreign Securities and Other Securities

(Billions of yen)

	Daido Life			Taiyo Life		
	As of Sep 30, 2008	As of March 31, 2008	Changes	As of Sep 30, 2008	As of March 31, 2008	Changes
Foreign securities	612.9	621.3	(8.3)	916.4	865.2	51.1
Foreign bonds	183.6	205.0	(21.4)	570.3	560.6	9.7
Foreign stocks and others*	429.2	416.2	13.0	346.1	304.6	41.4
Hedge funds	152.9	159.7	(6.8)	74.9	49.0	25.9
Private Equities	148.9	138.1	10.7	15.4	12.3	3.0
Other securities	629.4	731.7	(102.2)	57.5	71.5	(14.0)
Domestic investment trusts	600.1	697.6	(97.4)	52.6	66.4	(13.8)
REIT	4.0	5.0	(1.0)	1.1	3.5	(2.4)
Others	29.2	34.1	(4.8)	4.8	5.1	(0.2)
Private Equities	16.9	22.4	(5.4)	3.0	2.9	0.0

\* Foreign stocks and others excluding hedge funds and private equities are mainly described as below. Daido Life: The domestic bank's preferred securities issued by overseas SPC, Taiyo Life: Foreign stocks, investment trusts issued overseas, and the domestic bank's preferred securities issued by overseas SPC

## - Breakdown of Foreign Securities and Other Securities

# Breakdown of Foreign Securities (Foreign Bonds)

(Billions of yen)

	Daido Life (As of September 30, 2008)		Taiyo Life (As of September 30, 2008)	
Government bonds	58.8	32.1%	525.0	92.1%
BBB and above	58.8	32.1%	525.0	92.1%
Supranational bonds	3.0	1.7%	6.6	1.2%
BBB and above	3.0	1.7%	6.6	1.2%
Government-related organizations' bond and public entities' bond	5.1	2.8%	5.8	1.0%
BBB and above	5.1	2.8%	5.8	1.0%
Municipal bonds	3.0	1.7%	-	-
BBB and above	3.0	1.7%	-	-
Corporate bonds	113.5	61.8%	32.8	5.8%
BBB and above	113.0	61.5%	32.8	5.8%
<b>Total</b>	<b>183.6</b>	<b>100.0%</b>	<b>570.3</b>	<b>100.0%</b>

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

- Breakdown of Foreign Securities (Foreign Bonds)

# Breakdown of Devaluation Losses on Securities



(Billions of yen)

	Daido Life 1H 2008	Taiyo Life 1H 2008
Domestic bonds	-	-
Domestic stocks	5.1	2.0
Foreign securities	3.2	8.2
Foreign bonds	1.0	1.0
Foreign stocks and others	2.1	7.1
Private Equities	-	-
Other securities	15.2	6.5
Domestic investment trusts	7.7	6.5
REIT	-	-
Others	7.5	-
Private Equities	7.5	-
Monetary trusts	1.2	-
<b>Total</b>	<b>24.8</b>	<b>16.8</b>

\* Includes 5.8 billion yen of domestic stock-indexed product issued overseas

- Breakdown of Devaluation Losses on Securities

# Unrealized Gains/Losses (General Account): Daido Life



(Billions of yen)

	Net Unrealized gains/losses on Held-to-maturity securities		Net Unrealized gains/losses on Available-for-sale securities		Total		
	As of Sep 30, 2008	As of March 31, 2008	As of Sep 30, 2008	As of March 31, 2008	As of Sep 30, 2008	As of March 31, 2008	Changes
<b>Total</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>30.3</b>	<b>163.9</b>	<b>30.3</b>	<b>163.8</b>	<b>(133.5)</b>
Domestic Bonds	(0.0)	(0.0)	11.5	30.7	11.5	30.7	(19.2)
Domestic Stocks	-	-	95.8	114.7	95.8	114.7	(18.9)
Foreign Securities	-	-	(10.1)	(3.8)	(10.1)	(3.8)	(6.3)
Other Securities	-	-	(69.1)	16.4	(69.1)	16.4	(85.5)
Monetary Claims Purchased	-	-	2.3	5.4	2.3	5.4	(3.1)
Certificates of Deposit	-	-	-	-	-	-	-
Monetary Trusts	-	-	(0.0)	0.3	(0.0)	0.3	(0.4)

\*Securities with market value

<b>Net Unrealized Gains/Losses on Real Estate</b>					<b>35.0</b>	<b>35.2</b>	<b>(0.2)</b>
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\*Net unrealized gains/ losses on real estate is basically calculated based on the appraisal price.

\*\*Less important properties are calculated based on the posted price.

- Unrealized gains/ losses (general account): Daido Life

# Unrealized Gains/Losses (General Account): Taiyo Life



(Billions of yen)

	Net Unrealized gains/losses on Held-to-maturity securities		Net Unrealized gains/losses on Policy-reserve-matching bonds		Net Unrealized gains/losses on Available-for-sale securities		Total		
	As of Sep 30, 2008	As of March 31, 2008	As of Sep 30, 2008	As of March 31, 2008	As of Sep 30, 2008	As of March 31, 2008	As of Sep 30, 2008	As of March 31, 2008	Changes
<b>Total</b>	<b>0.4</b>	<b>4.4</b>	<b>24.3</b>	<b>49.2</b>	<b>51.6</b>	<b>212.9</b>	<b>76.5</b>	<b>266.6</b>	<b>(190.1)</b>
Domestic Bonds	(0.7)	1.4	24.3	49.2	14.2	12.4	37.8	63.1	(25.3)
Domestic Stocks	-	-	-	-	93.1	210.5	93.1	210.5	(117.3)
Foreign Securities	-	-	-	-	(45.0)	0.7	(45.0)	0.7	(45.8)
Other Securities	-	-	-	-	(10.5)	(11.0)	(10.5)	(11.0)	0.5
Monetary Claims Purchased	1.1	3.0	-	-	(0.1)	0.2	1.0	3.2	(2.1)
Certificates of Deposit	-	0.0	-	-	-	-	-	0.0	(0.0)
Monetary Trusts	-	-	-	-	-	-	-	-	-

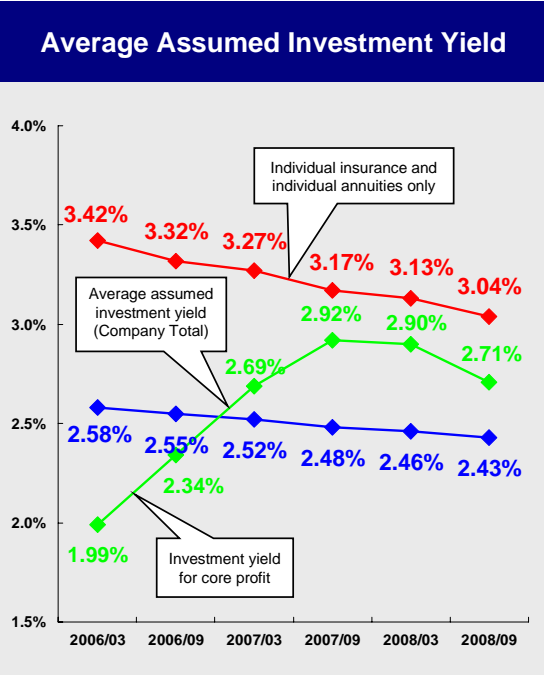
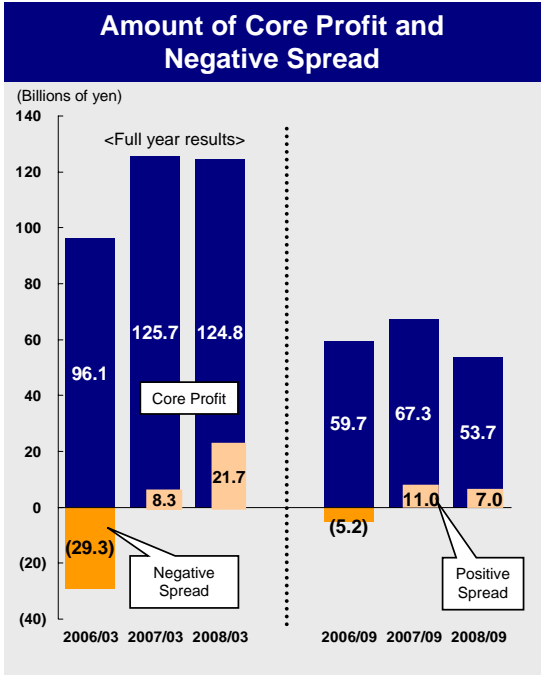
\*Securities with market value

<b>Net Unrealized Gains/Losses on Real Estate</b>							<b>36.0</b>	<b>35.8</b>	<b>0.2</b>
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\* Net unrealized gains/ losses on real estate are calculated based on the appraisal or posted price.

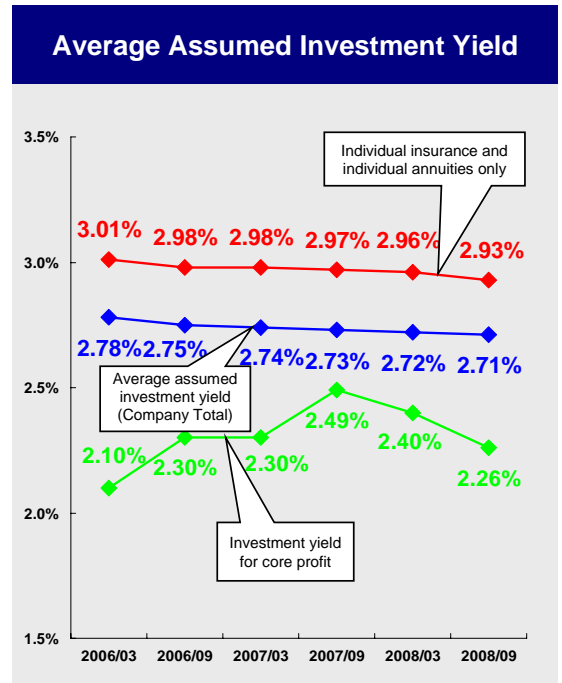
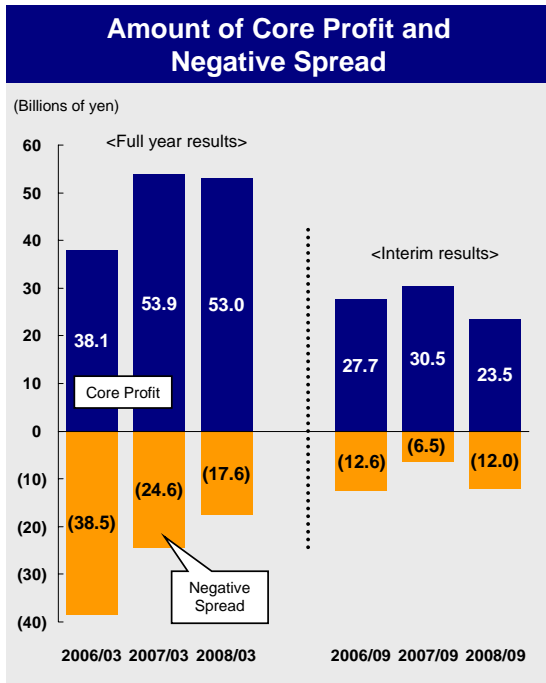
- Unrealized gains/losses (general account): Taiyo Life

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



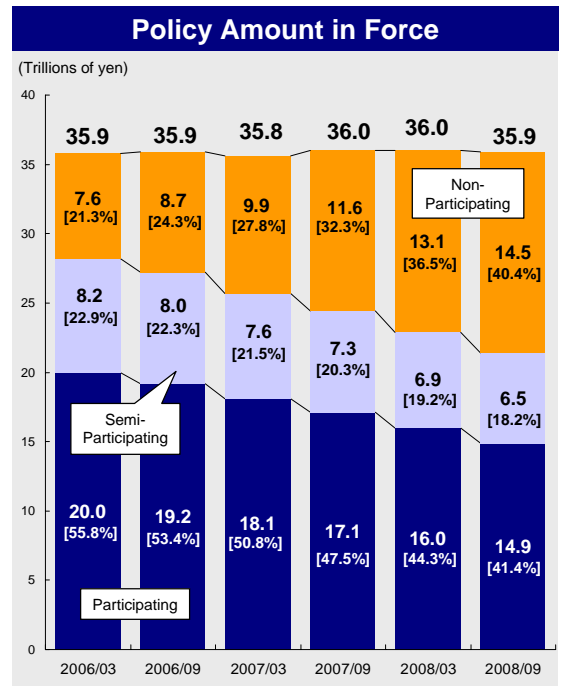
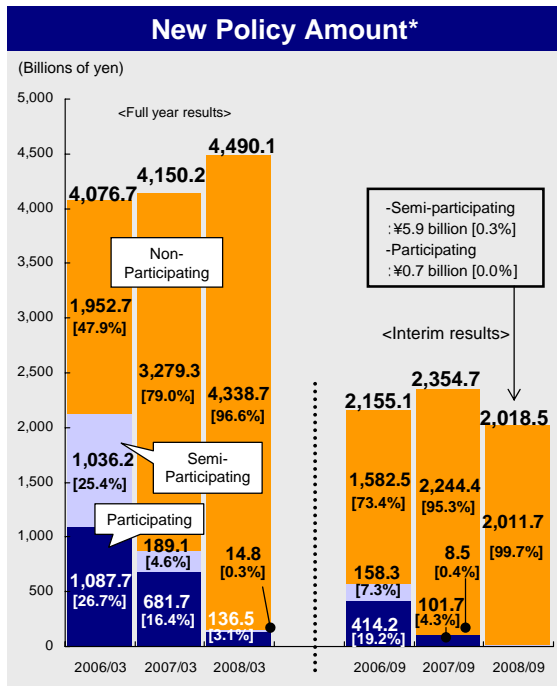
- Core profit/ negative spread, average assumed investment yield: Daido Life

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



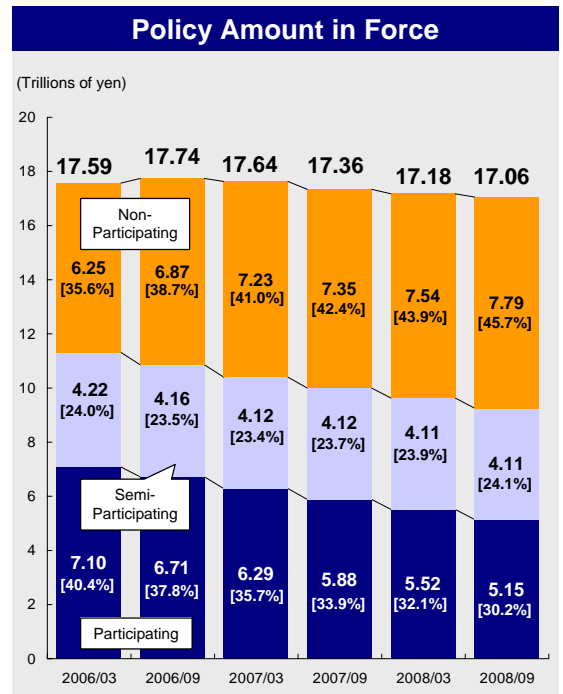
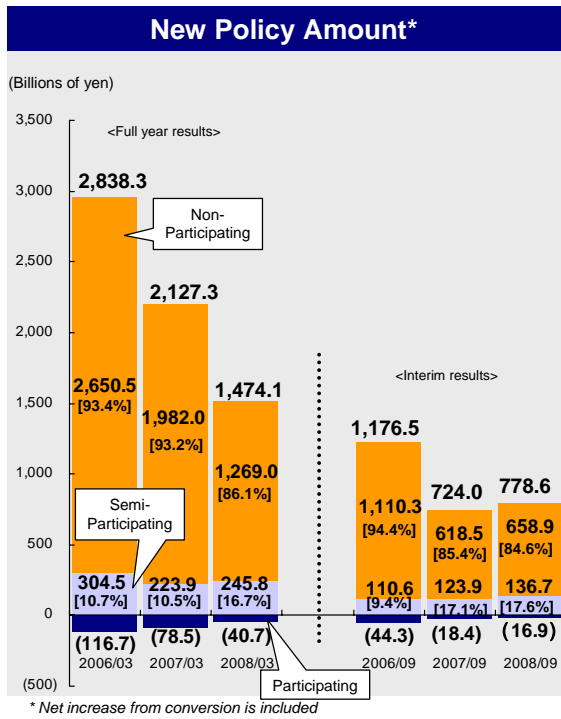
- Core profit/ negative spread, average assumed investment yield: Taiyo Life

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



- Sales results by dividend type: Daido Life (individual term life insurance)

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



- Sales results by dividend type: Taiyo Life (individual insurance and annuities)

# 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)	257,804	257,804	257,804	
Reserve for deferred gain on sale of real estate	-	-	(1,559)	
Estimated appropriation paid in cash	-	-	(5,707)	3. Shareholders' dividends
Net unrealized gains (losses) on securities	23,901	37,410	33,669	1. After-tax 2. Before-tax 3. 90% of before-tax
Unrealized gains (losses) on loans	15,806	-	-	1. After-tax
Deferred gains (losses) on hedging instruments	548	548	-	1.2. After-tax
Net unrealized gains (losses) on real estate	22,386	35,039	29,783	1. After-tax 2. Before-tax 3. 85% of before-tax
Reserve for price fluctuations	74,853	74,853	74,853	
Contingency reserve	82,993	82,993	82,993	
Unallotted portion of reserve for policyholder dividends	17,244	17,244	17,244	
Excess amount of policy reserve based on Zillmer method	-	133,372	133,372	
Future profits	-	-	10,678	
Deferred tax assets for quasi-equity liabilities	(63,225)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.11%)
Deferred tax assets	-	-	91,319	
General reserve for possible loan losses	76	-	120	1. After-tax 3. Before-tax
Subordinated debt	-	-	-	
Net unrealized gains (losses) on subordinated debt	-	-	-	
Net unrealized gains (losses) on held-to-maturity securities, etc.	4,115	(73)	-	1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax
<b>Total</b>	<b>436,506</b>	<b>639,193</b>	<b>724,573</b>	

- Breakdown of Financial Indicator: Daido Life

# 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)	167,066	167,066	167,066	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	(2,299)	3. Shareholders' dividends
Net unrealized gains (losses) on securities	32,832	51,381	46,243	1. After-tax 2. Before-tax 3. 90% of before-tax
Net unrealized gains (losses) on loans	20,872	-	-	1. After-tax
Deferred gains (losses) on hedging instruments	(29)	(179)	-	1. After-tax, including net valuation gains/losses on interest rate swaps 2. After-tax
Net unrealized gains (losses) on real estate	(815)	(11,976)	(1,276)	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	63,451	63,451	63,451	
Contingency reserve	101,607	101,607	101,607	
Unallotted portion of reserve for policyholder dividends	22,285	22,285	22,285	
Excess amount of policy reserve based on Zillmer method	-	49,152	49,152	
Future profits	-	-	6,982	
Deferred tax assets for quasi-equity liabilities	(67,631)	-	-	1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policy holder dividends) x (effective tax rate:36.1%)
Deferred tax assets	-	-	50,713	
General reserve for possible loan losses	937	-	1,467	1. After-tax 3. Before-tax
Subordinated debt	-	-	55,000	
Net unrealized gains (losses) on subordinated debt	(167)	-	-	1. After-tax
Net unrealized gains (losses) on held-to-maturity securities, etc.	16,975	24,814	-	1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax
<b>Total</b>	<b>357,387</b>	<b>467,605</b>	<b>560,396</b>	

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T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- Breakdown of Financial Indicator: Taiyo Life

# 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)	18,204	18,204	18,204	
Reserve for deferred gain on sale of real estate	-	-	-	
Estimated appropriation paid in cash	-	-	-	3. Shareholders' dividend
Net unrealized gains (losses) on securities	(1,485)	(2,122)	(2,122)	1. Net unrealized gains/losses on securities x (1 - corporate tax rate: 30%) 2.3. Before-tax
Net unrealized gains (losses) on loans	511	-	-	1. After-tax
Deferred gains (losses) on hedging instruments	-	-	-	1. After-tax
Net unrealized gains (losses) on real estate	-	-	-	1. After-tax 2.3. Before-tax
Reserve for price fluctuations	424	424	424	
Contingency reserve	16,093	16,093	16,093	
Unallotted portion of reserve for policyholder dividends	-	-	-	
Excess amount of policy reserve based on Zillmer method	-	19,511	28,456	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	(4,955)	-	-	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	1,270	1,815	-	1. After-tax 2. Before-tax
<b>Total</b>	<b>30,066</b>	<b>53,926</b>	<b>61,151</b>	

- Breakdown of Financial Indicator: T&D Financial Life

# 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	-	-	-	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: Aggregate values for the Three Life Insurance Companies

# 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	-	-	-	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.

T&D Holdings, Inc. Financial Results for the Six Months Ended September 30, 2008

- Business Results: Daido Life

# 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: Taiyo Life

# 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.

- Business Results: T&D Financial Life

For inquiries, please

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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.

- Inquiries