

T&D Holdings, Inc.

**President
Naoteru Miyato**

December 2008

Latest Financial Highlights

1H2008 Financial Highlights

I

Business Model

T&D Life Group Business Model

II

Supplementary Information

III

Embedded Value

European Embedded Value

IV

Appendix (EEV)

V

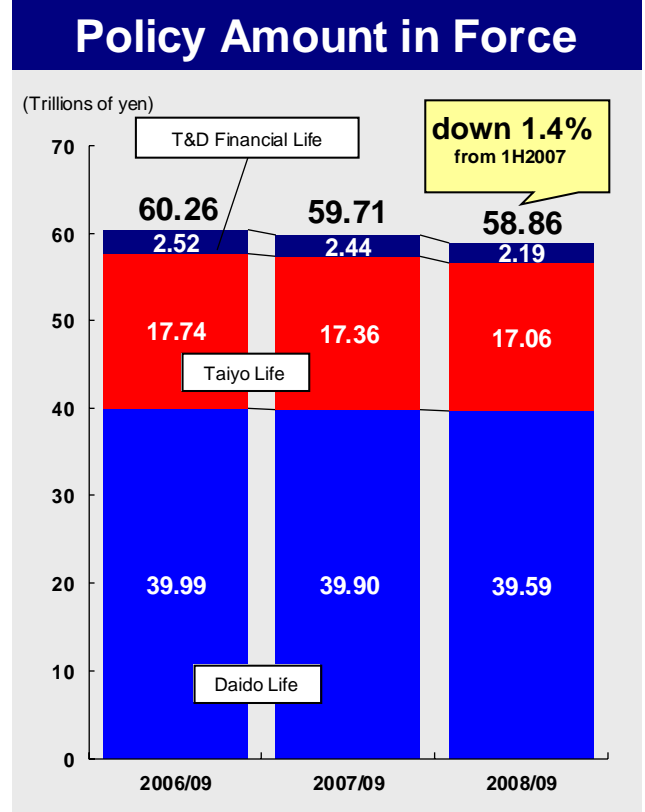
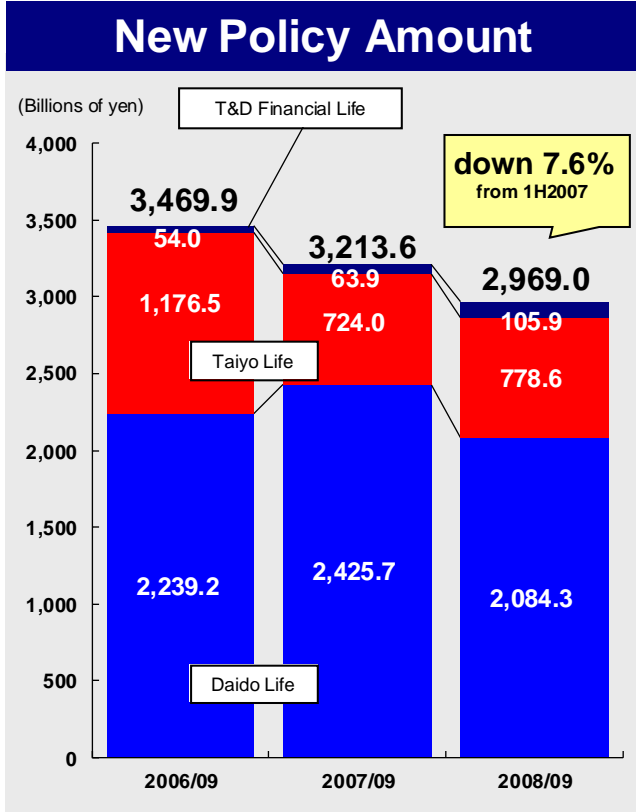
1H2008 Financial Highlights

T&D Holdings Financial Highlights



- **The new policy amount for the three life insurance companies declined from the same term of the previous fiscal year while the surrender and lapse amount 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**

Sales Results



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

Sales Results: Daido Life

(Billions of yen)

	1H2008	1H2007	Changes
New policy amount*			
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%)
Decrease in policy amount**			
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%
Policy amount in force			
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%)
Annualized premiums of new policies*	33.0	37.5	(11.9%)
Annualized premiums of total policies	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

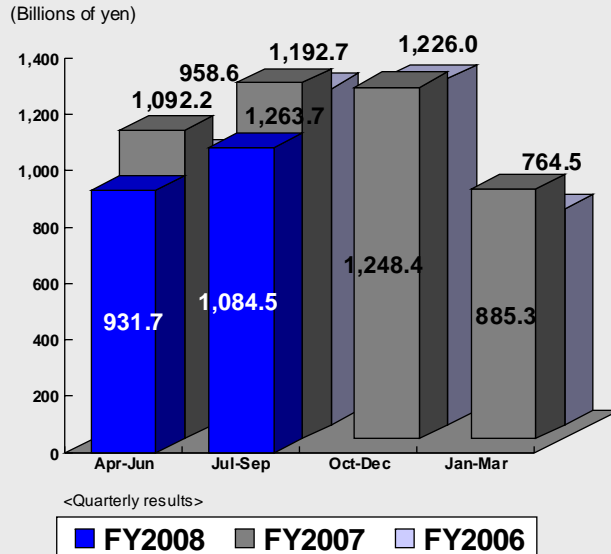
* Includes net increase from conversion

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

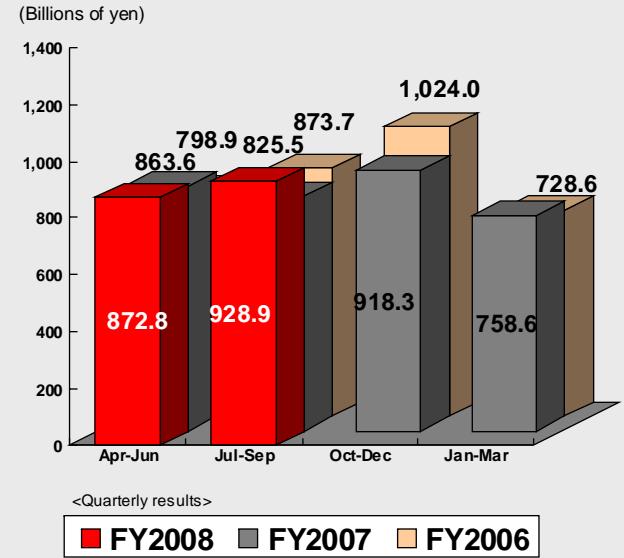
*** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 2

Quarterly Trends: Daido Life Individual Term Life Insurance

Trends in New Policy Amount*



Trends in Surrender and Lapse Amount



* New policy amount includes net increase from conversion

Sales Results: Taiyo Life

(Billions of yen)

	1H2008	1H2007	Changes
New policy amount*			
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%)
Decrease in policy amount**			
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)
Policy amount in force			
Individual insurance and annuities total	17,069.8	17,367.0	(1.7%)
Protection-oriented products	12,373.5	12,479.7	(0.9%)
Annualized premiums of new policies*	16.9	16.4	2.9%
Annualized premiums of total policies	625.3	649.3	(3.7%)

-Due to an increase in new policy amount for the main product, "Taiyo Life's *Hoken Kumikyoku*" -"Taiyo Life's *Hoken Kumikyoku*" including conversions amounted to ¥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)

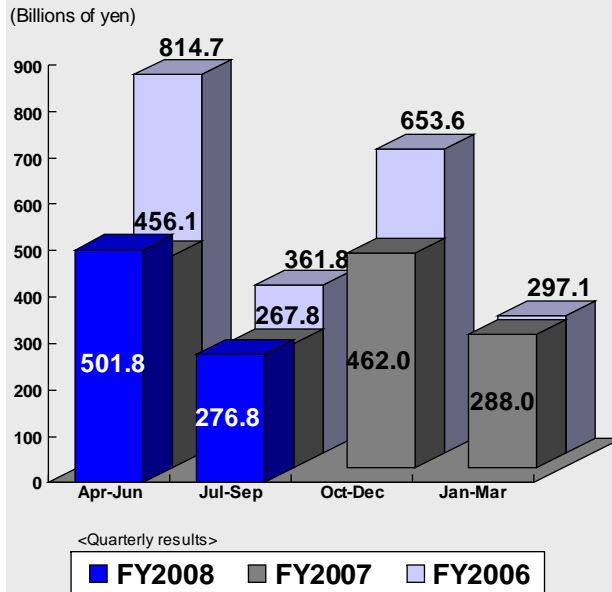
* Includes net increase from conversion

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

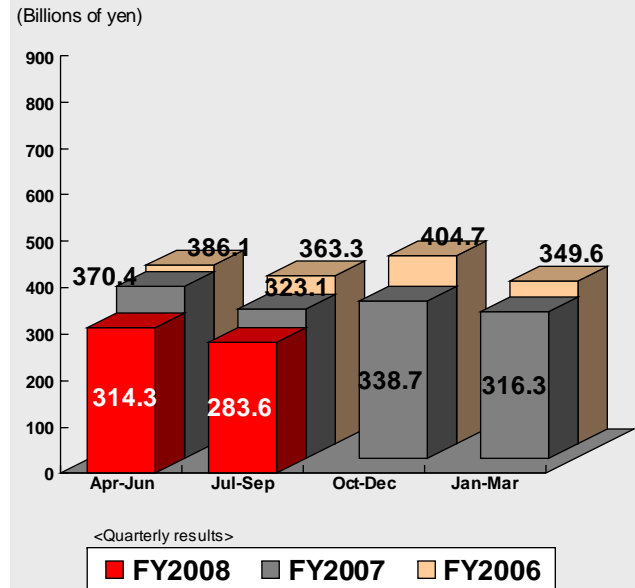
*** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 2

Quarterly Trends: Taiyo Life Individual Insurance and Annuities

Trends in New Policy Amount*



Trends in Surrender and Lapse Amount



* New policy amount includes net increase from conversion

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	

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

* Banks include Shinkin (Credit Association) banks

(Billions of yen)

	1H2008	1H 2007	Changes
New Policy Amount*			
Individual variable annuities	105.9	63.9	65.9%
Decrease in policy amount**			
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)
Policy amount in force			
Individual insurance and annuities total	2,199.7	2,445.5	(10.0%)
Individual variable annuities	649.2	666.9	(2.7%)
Annualized premiums of new policies*	19.6	8.7	125.1%
Annualized premiums of total policies	115.9	98.2	17.9%

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 ¥52.4billion from the beginning of this fiscal year

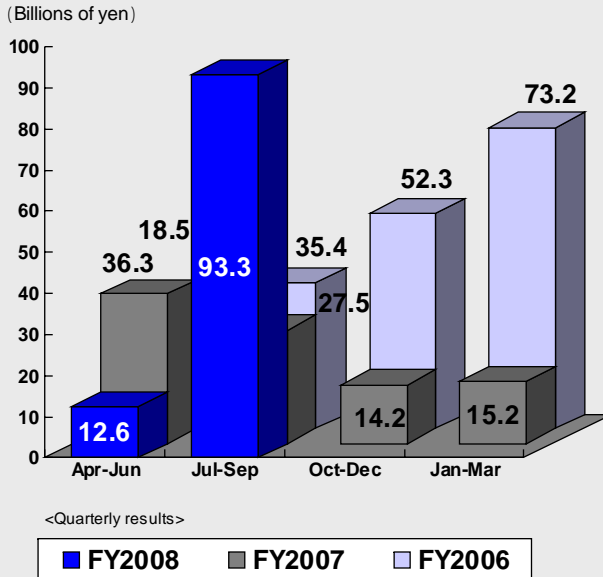
* Includes net increase from conversion

** 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

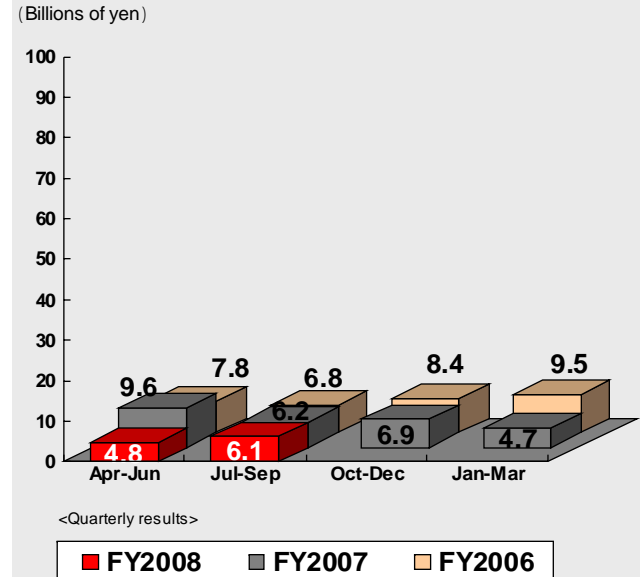
Quarterly trends : T&D Financial Life Individual Variable Annuities

Trends in New Policy Amount*



* New policy amount includes net increase from conversion

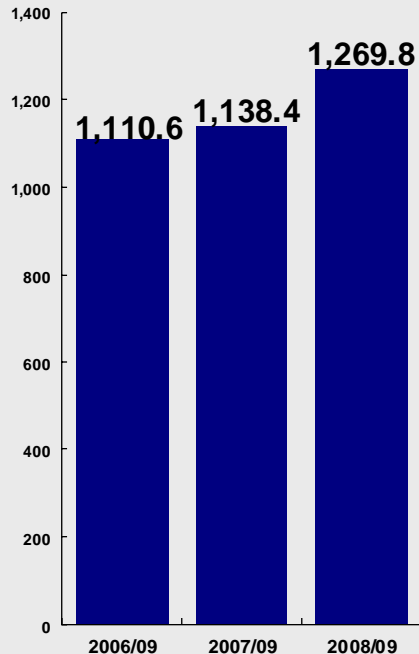
Trends in surrender and Lapse Amount



Consolidated Operation Results

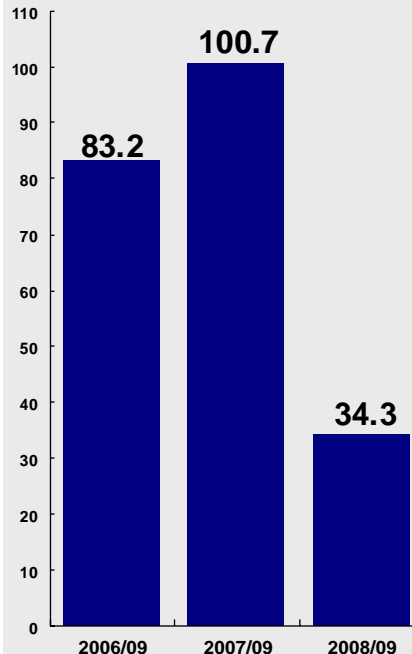
Ordinary Revenues

(Billions of yen)



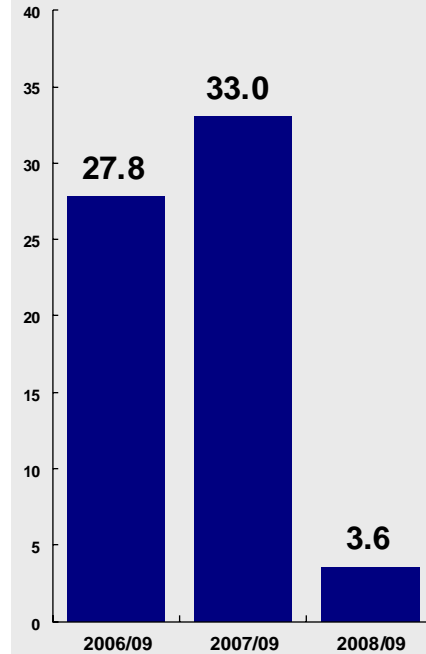
Ordinary Profit

(Billions of yen)



Net Income

(Billions of yen)



Consolidated Statements of Operations

(Billions of yen)

	1H2008	1H2007	Changes
Ordinary revenues	1,269.8	1,138.4	131.3
Income from insurance premiums	852.0	837.9	14.0
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)
Gains on sale of securities	64.4	45.1	19.3
Other ordinary income	208.5	83.2	125.3
Reversal of policy reserve	168.9	44.6	124.3
Ordinary expenses	1,235.5	1,037.7	197.7
Insurance claims and other payments	944.5	834.6	109.9
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
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
Ordinary profit	34.3	100.7	(66.3)
Net extraordinary gains (losses)	(0.2)	(11.6)	11.3
Provision for reserve for policyholder dividends	17.2	25.6	(8.4)
Income before income taxes	16.9	63.4	(46.5)
Income taxes	13.2	30.3	(17.1)
Net income	3.6	33.0	(29.3)

Breakdown;
 -Daido: down ¥5.1 billion
 -Taiyo: down ¥14.0 billion
 -T&D Financial: up ¥33.2 billion

-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

Due to a decrease in net gains on hedge funds for Daido

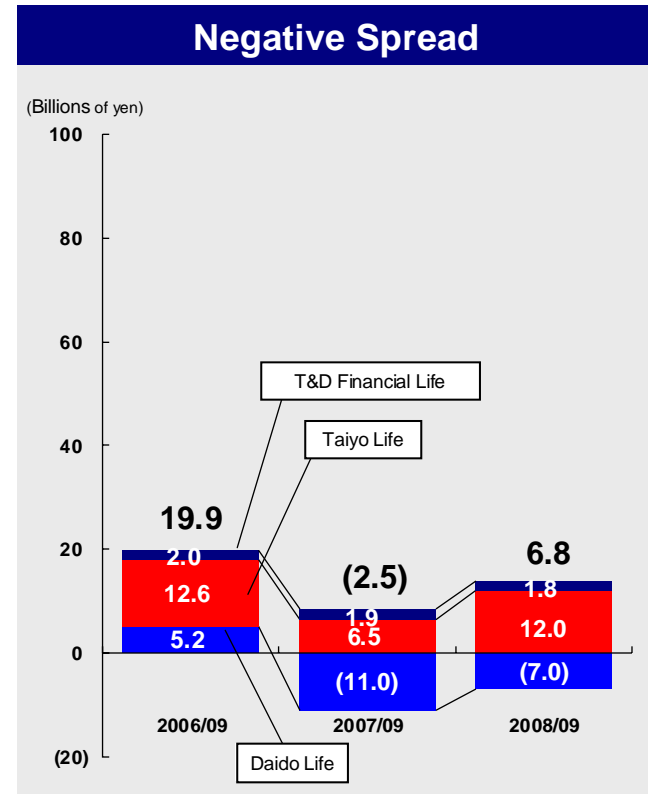
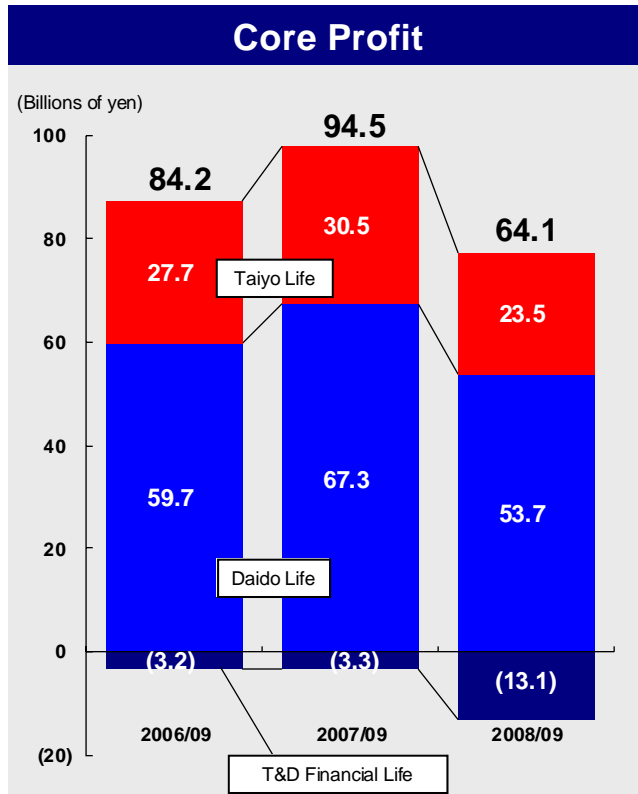
Breakdown;
 -Daido: up ¥74.0 billion (mainly due to group annuities)
 -Taiyo: up ¥42.5 billion (mainly due to group annuities)
 -T&D Financial: down ¥6.6 billion

Breakdown;
 -Daido: ¥24.8 billion
 -Taiyo: ¥16.8 billion

Includes foreign exchange forward contracts-related: ¥14.4 billion
 Breakdown;
 -Daido: ¥8.2 billion
 -Taiyo: ¥6.2 billion

Mainly due to ¥12.5 billion decrease in provision for reserve for price fluctuations

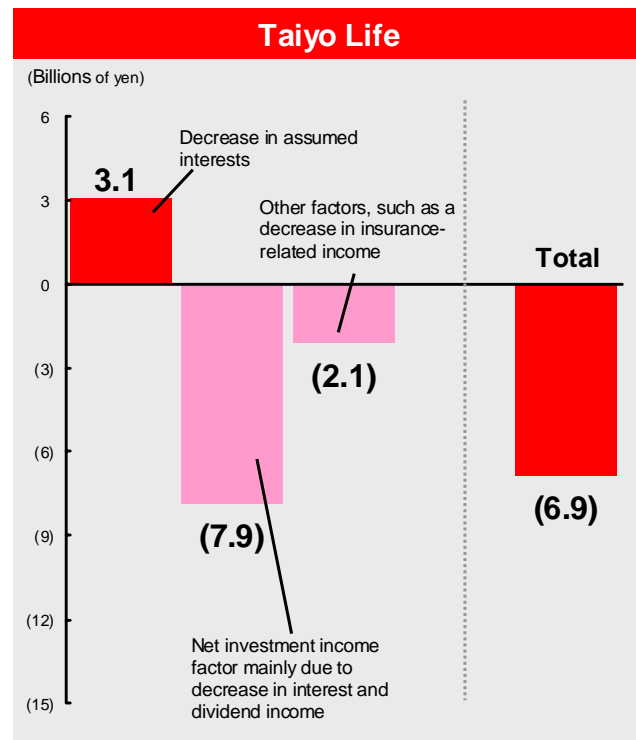
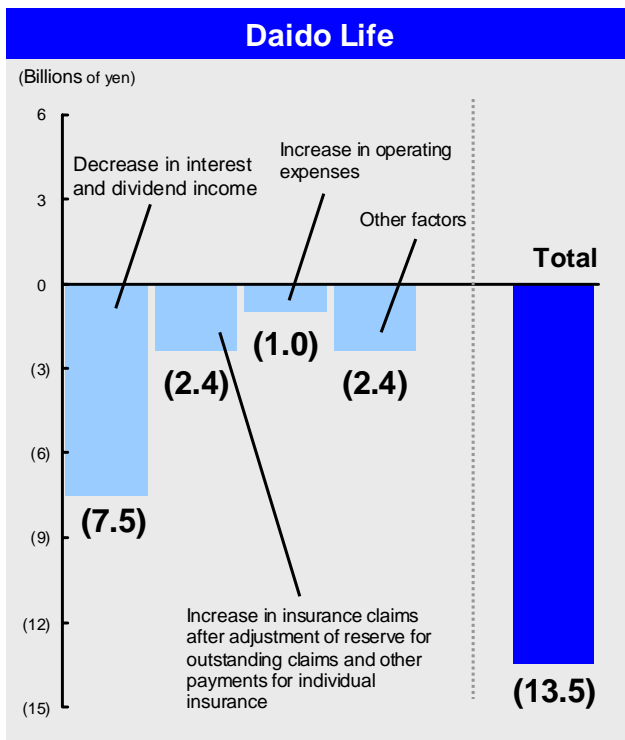
Core Profit/Negative Spread



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

Factors for Increase/Decrease in Core Profit

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



Consolidated Balance Sheets

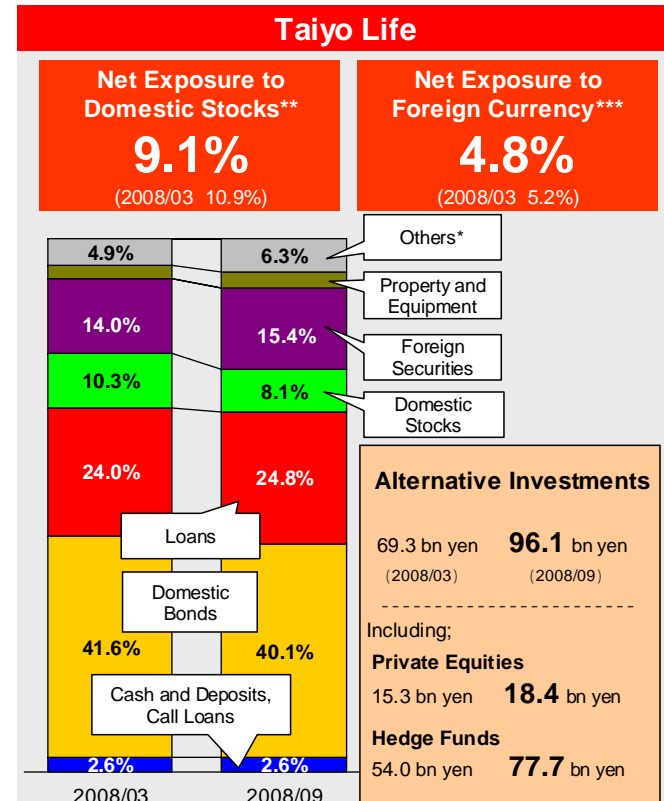
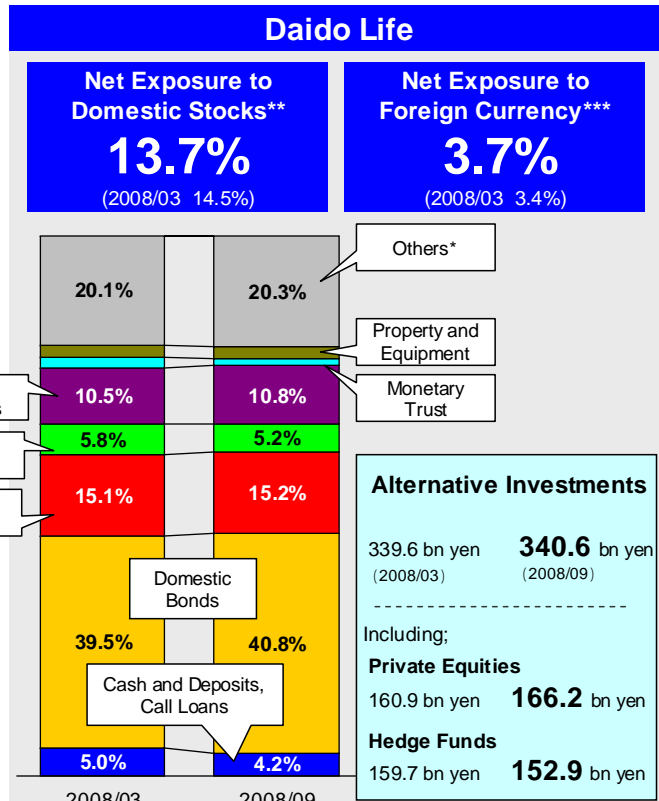
(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<u>Assets:</u>			
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
Total assets	12,918.7	13,366.0	(447.3)

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<u>Liabilities:</u>			
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
Total liabilities	12,445.6	12,688.7	(243.1)
<u>Net assets:</u>			
Total stockholders' equity	463.6	475.9	(12.3)
Common stock	118.5	118.5	-
Capital surplus	106.1	106.1	(0.0)
Retained eamings	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)
Total net assets	473.0	677.2	(204.2)
Total liabilities and net assets	12,918.7	13,366.0	(447.3)

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.

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
Total	30.3	163.8	76.5	266.6	(0.3)	1.4	106.5	432.0	(325.5)
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

Net unrealized gains/losses on real estate	35.0	35.2	36.0	35.8	-	-	71.0	71.0	0.0
---	-------------	-------------	-------------	-------------	----------	----------	-------------	-------------	------------

* Unrealized gains/ losses on real estate for Daido Life is basically calculated based on the appraisal price, and as for less important properties, they are calculated based on the posted price.

** Unrealized gains/ losses on real estate for Taiyo Life is calculated based on the appraisal price or posted price.

Financial Soundness, Adjusted Net Worth on EEV

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
Daido Life			
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)
Taiyo Life			
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)
T&D Financial Life			
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)
Total of Three Insurance Companies			
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

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

(Reference) 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.

1H Review: Life Insurance Business

Daido Life

- 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
- Worsening business confidence raised 1H surrender and lapse rate* to 9.51%

Taiyo Life

- 1H new business increased 7.5% y-o-y as sales of the *Taiyo Life's "Hoken Kumikyoku"* was well. Surrender and lapse rate was improved to 6.96%* due to the continued focus on the improvement of persistency rate
- *Taiyo Life's "Hoken Kumikyoku Best"* launched in October 2008, and aims to increase in new policy amount

T&D Financial Life

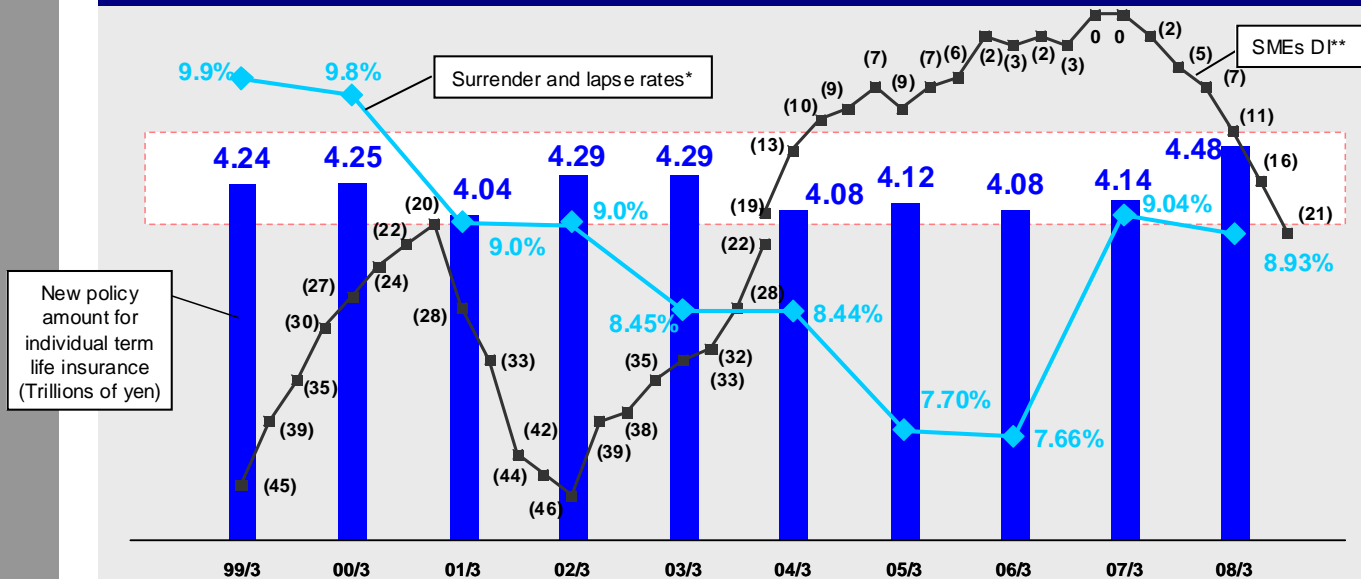
- New variable annuity product called "*Five Ten*" launched in the end of June 2008 has been sold well
- The number of financial institutional agents which sell "*Five Ten*" increased to 14 as of September 2008, and aim to expand agent network by promoting "*Five Ten*" in 2H2008

* The figure is annualized.

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

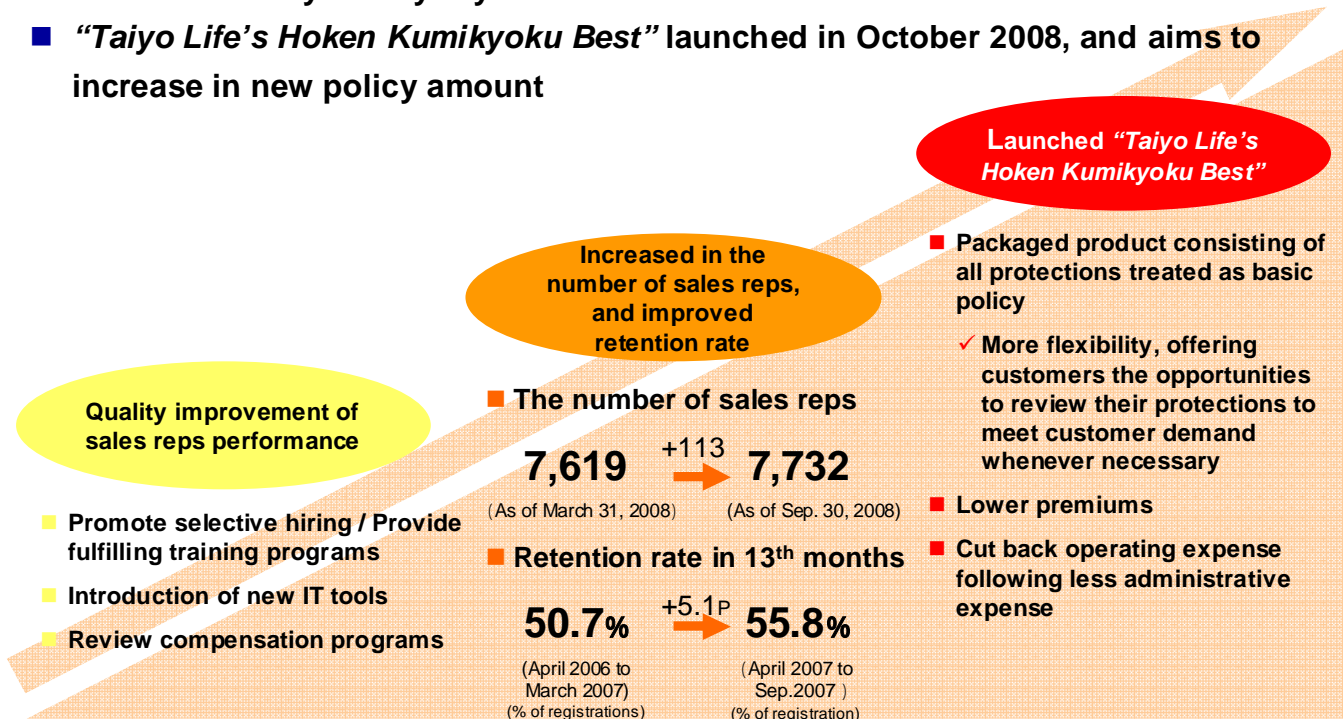


* Individual insurance and annuities total

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

Taiyo Life: Productivity Improvement of Sales Representative Channel

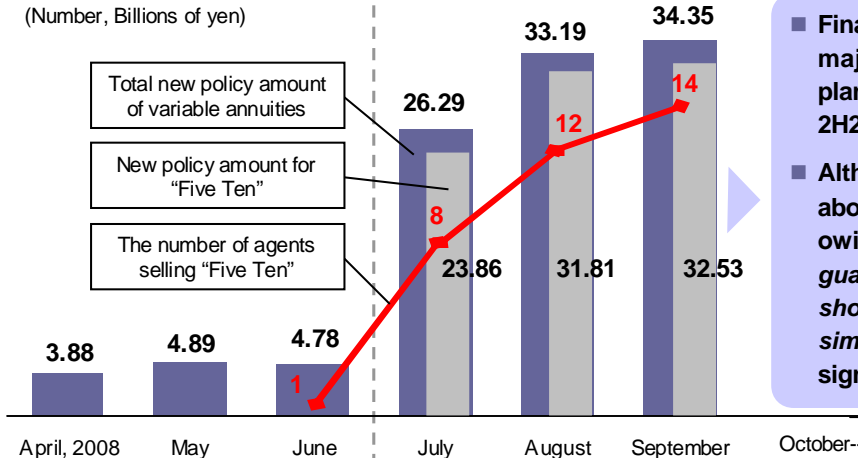
- As a result of quality improvement of sales performance, the number of sales reps increased and its retention rate improved as well. New policy amount in 1H increased by 7.5% y-o-y
- “*Taiyo Life’s Hoken Kumikyoku Best*” launched in October 2008, and aims to increase in new policy amount



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)



■ Financial institutional agents such as major commercial and regional banks plan to start selling “Five Ten” in 2H2008

■ Although there has been large concerns about a turmoil of financial market, owing to the features of “Five Ten” (ex. *guaranteed minimum living benefit, shorter investment period, and simplicity*), the product has penetrated significantly its presence in the market.

Penetrates “Five Ten” in the OTC sales market

The number of financial institutional agents selling “Five Ten” has been increasing

1H Review: Asset Management

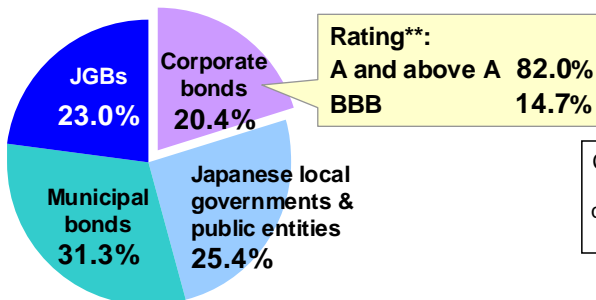
	Daido Life	Taiyo Life
Investment Actions	<ul style="list-style-type: none"> ■ Yen fixed income assets: Maintained the current duration ■ Stock exposure: Decreased due to the stock price drop ■ Alternative investment: Increased in the amount of private equities* <i>*Commitment base</i> 	<ul style="list-style-type: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

Bonds & Loans

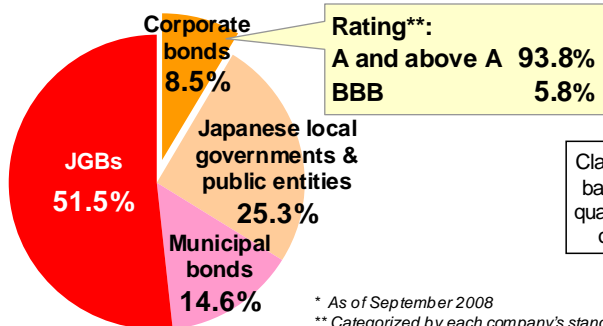
Bonds

■ Emphasize safety and liquidity

< Daido Life's Breakdown* >



< Taiyo Life's Breakdown* >



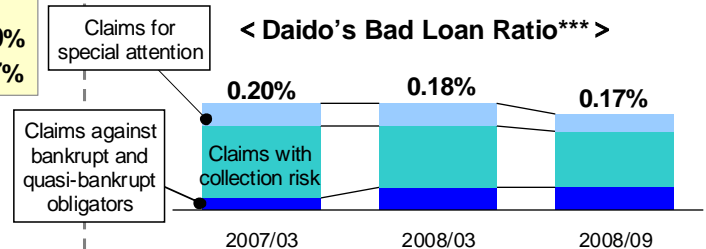
* As of September 2008

** Categorized by each company's standard

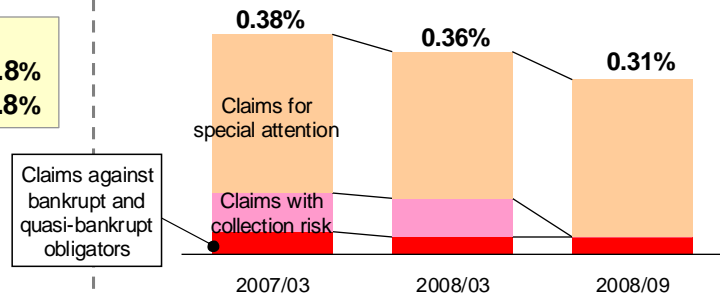
Loans

■ Give priority to safety. Mainly consist of high-rating corporate loans. Bad-loan ratio is very low

< Daido's Bad Loan Ratio*** >



< Taiyo's Bad Loan Ratio*** >



***Based on Insurance Business Law Standard

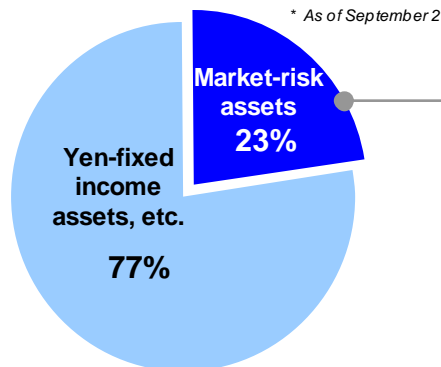
T&D Holdings, Inc. December 2008

Market-Risk Assets

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

Daido Life*

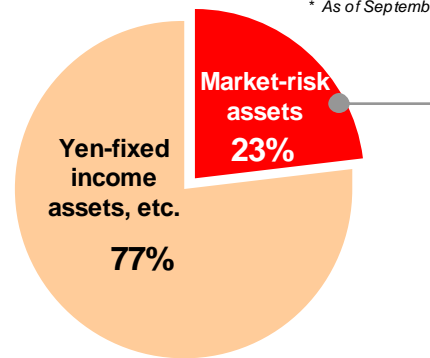
* As of September 2008



- 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



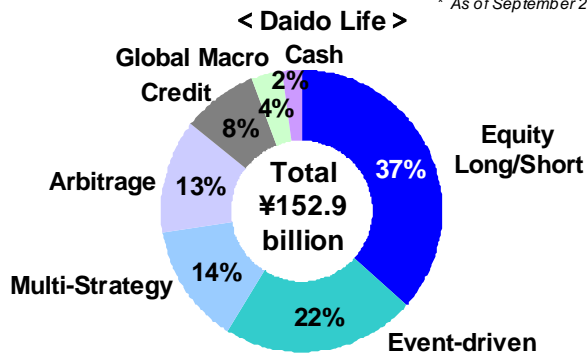
- Domestic stocks [7.9%]
- Foreign bonds [9.0%]:
Mainly foreign government bonds
- Foreign stocks, etc. [5.1%]: including hedge funds, private equities, and domestic stock-indexed products issued overseas
- Other securities [1.0%]

Alternative Investment

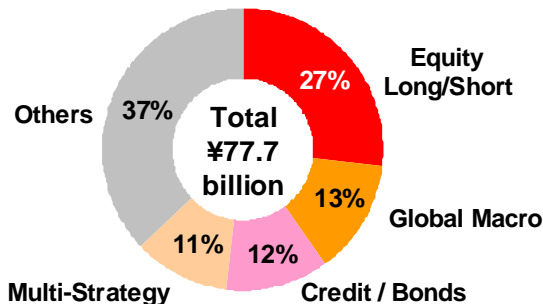
■ Diversify in terms of geography or strategy to reduce the risk

Hedge Funds by Strategies*

* As of September 2008

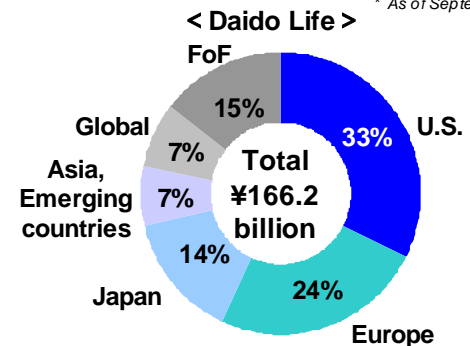


< Taiyo Life >

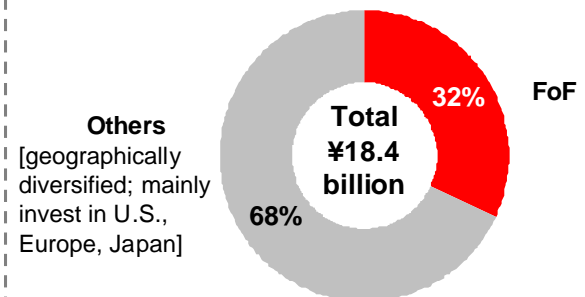


Private Equities by Geography*

* As of September 2008



< Taiyo Life >



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)

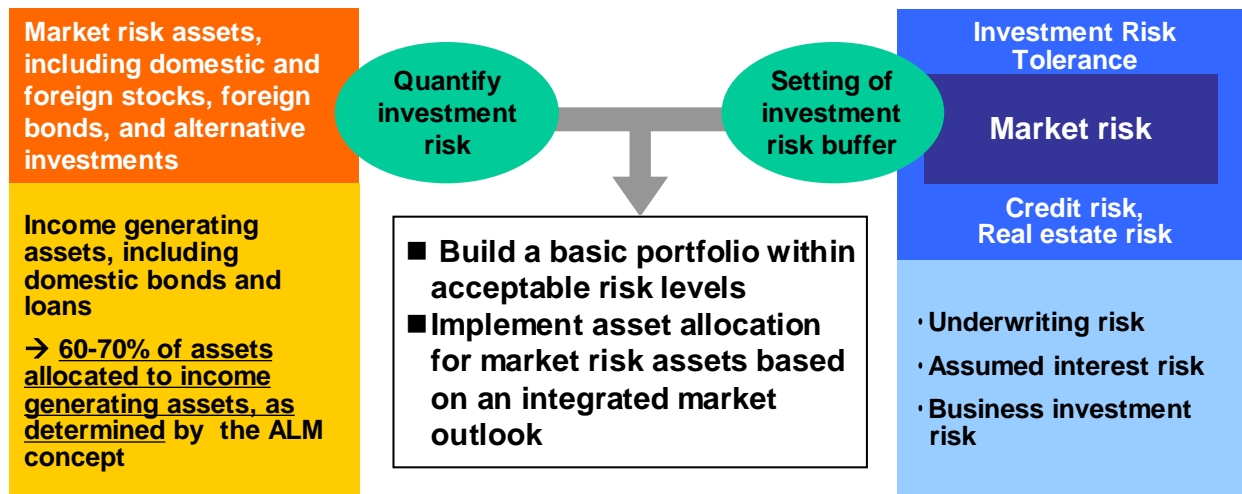
	Daido Life			Taiyo Life			
	Fair Value	Net Unrealized Gains/ Losse	Realized Gains/Losses	Fair Value	Net Unrealized Gains/ Losse	Realized Gains/Losses	
Overseas	*	2.4	(0.3)	(1.5)	-	-	-
CDO		2.4	(0.3)	(1.5)	-	-	-
Domestic **		472.3	0.6	5.4	307.6	0.6	3.0
RMBS		331.2	2.0	3.5	193.8	0.7	1.9

* All CLO equity which backed assets are all foreign corporate loans

**Backed assets are all domestic loans, etc.

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**



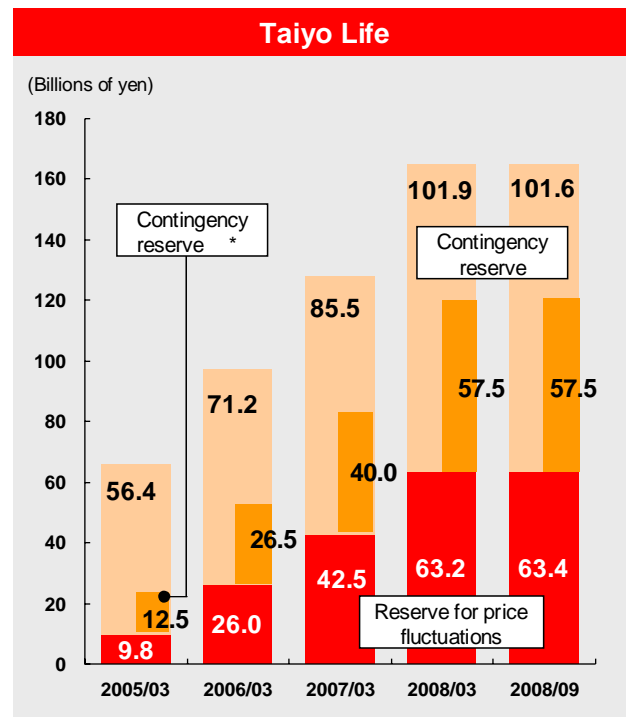
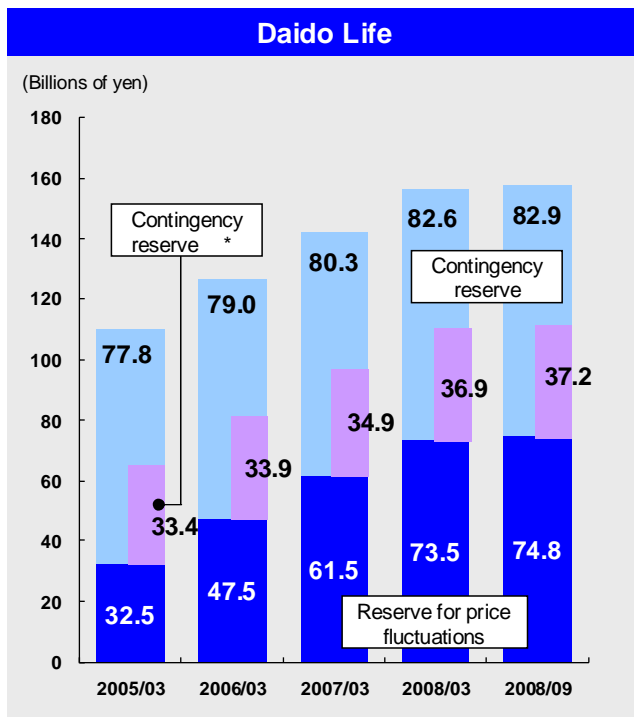
2H2008 Investment Initiatives

- 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

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

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

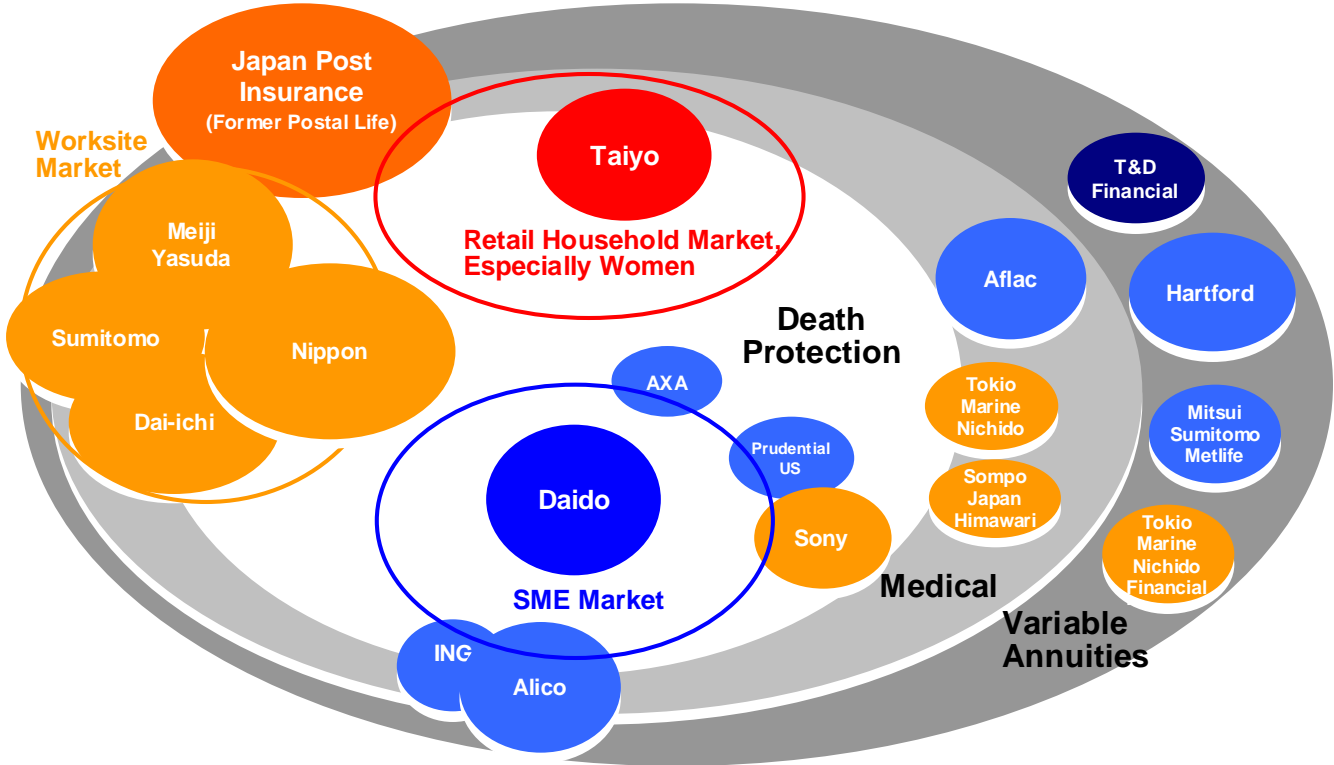
- Under the group investment management policy, manage under disciplined investment strategy based on liability-driven ALM and asset allocation within tolerable risk levels

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

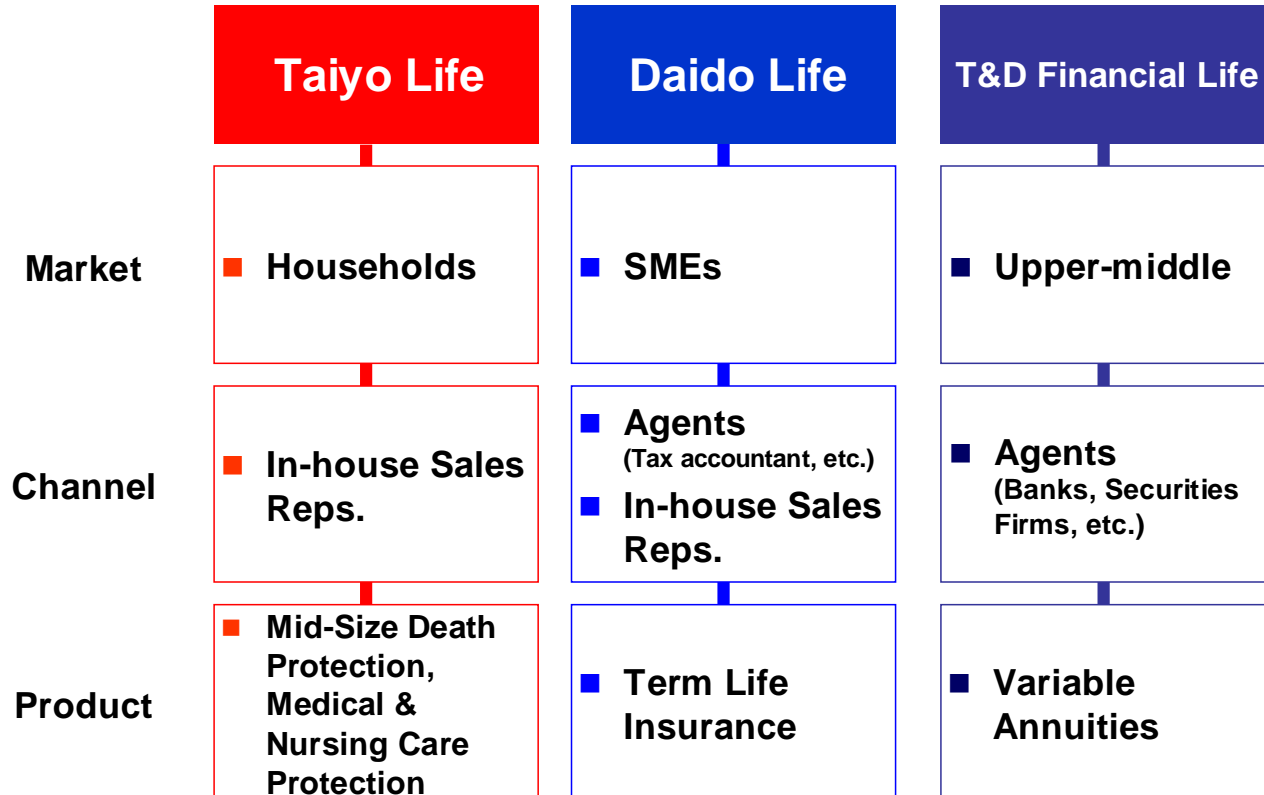
T&D Life Group Business Model

Industry Trends and Group Positioning



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

Distinctive Business Models



Specialization in Growth Markets

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

Taiyo Life

Household market,
especially women

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

Daido Life

SME market

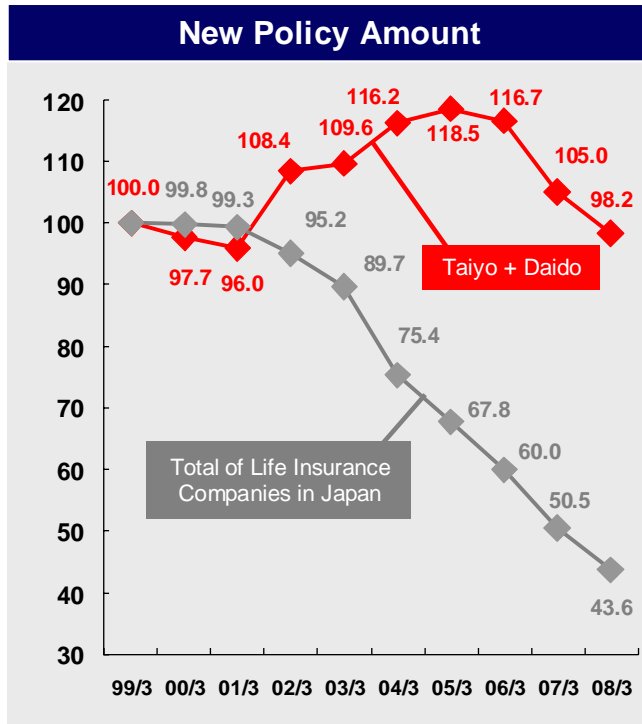
- Potential customers (estimated) **570 thousand**
vs. Daido's SME customers **380 thousand**
Total SMEs in Japan **1,720 thousand**

T&D Financial Life

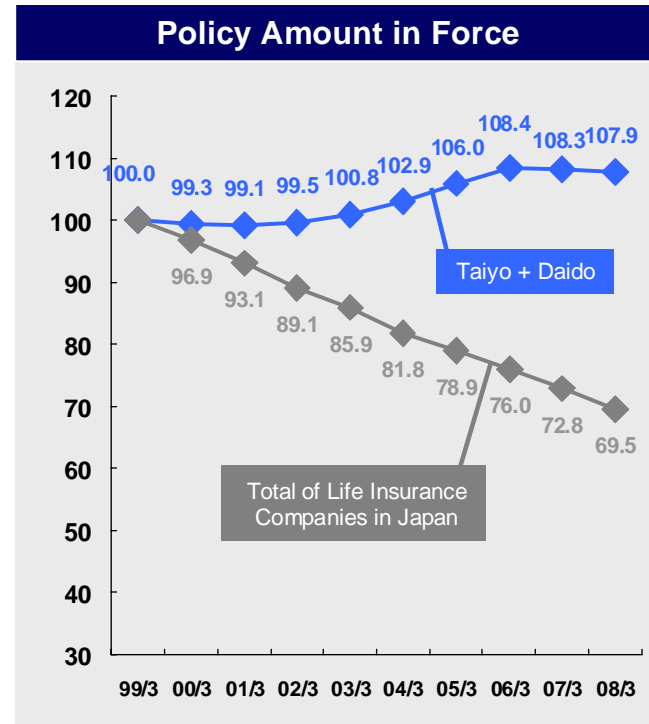
Middle and high
net-worth market

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

Trends in Sales Performance



Source: Summary of Life Insurance Business in Japan



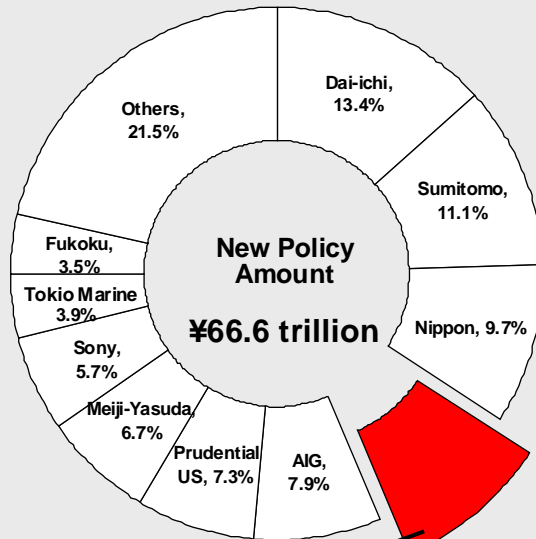
Source: Summary of Life Insurance Business in Japan

* Indices are based on new policy amount and policy amount in force for individual insurance as of FY1998 as 100.

** New policy amount Includes net increase from conversion.

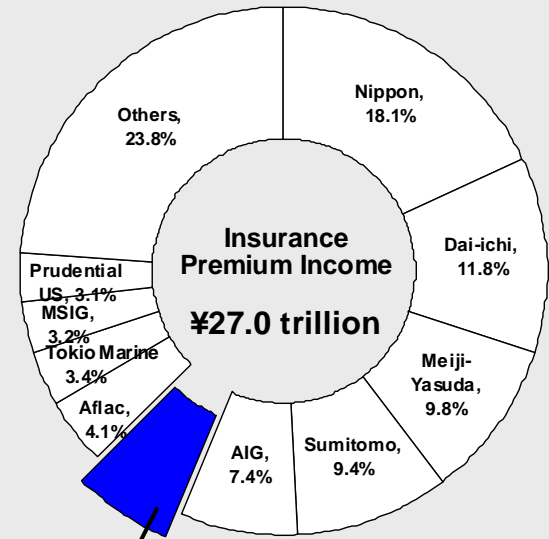
Market Share

New Policy Amount (FY2007)



T&D 9.3%
(4th Largest)

Insurance Premium Income (FY2007)



T&D 6.0%
(6th Largest)

Sources: Company financial reports

Sources: Company financial reports

* The chart for New Policy Amount (left-hand) represents sum of individual insurance and individual annuities, including net increase from conversion.

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

Refining the Yardstick of Corporate Value: From TEV to EEV

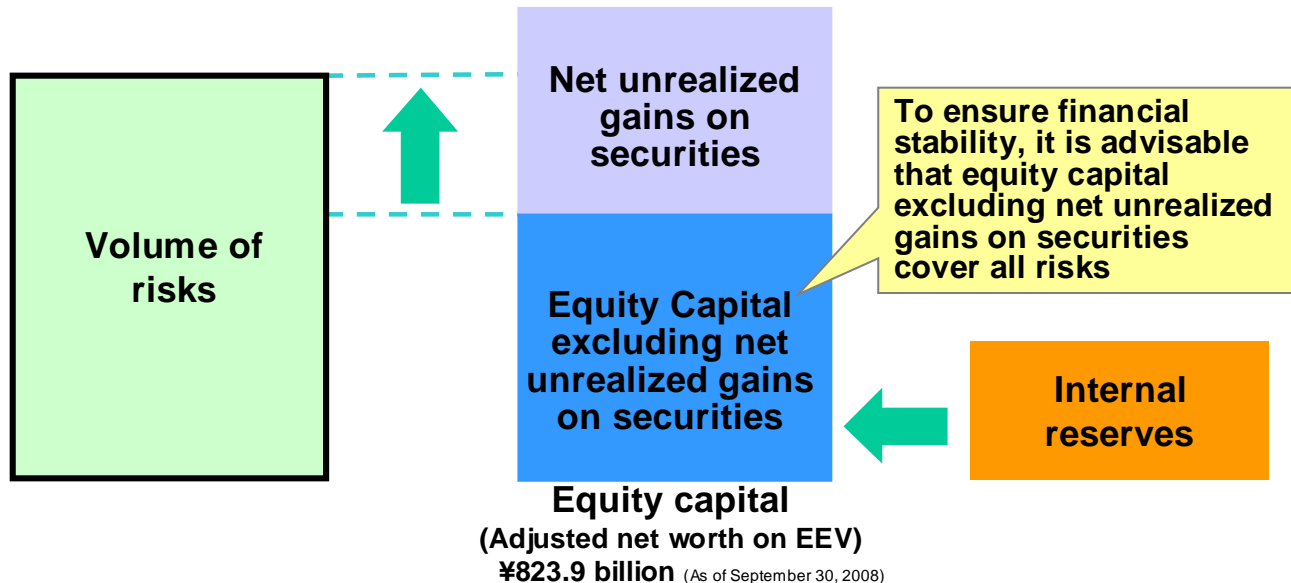
- T&D Life Group has disclosed European Embedded Value (EEV) since March 2008, using market-consistent EV (MCEV) method to improve the transparency of EV disclosure
- EEV has helped us refine the evaluation of our life insurance business in a manner that is closer to reality, particularly in terms of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

Key points of EEV

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

Capital Management Policy

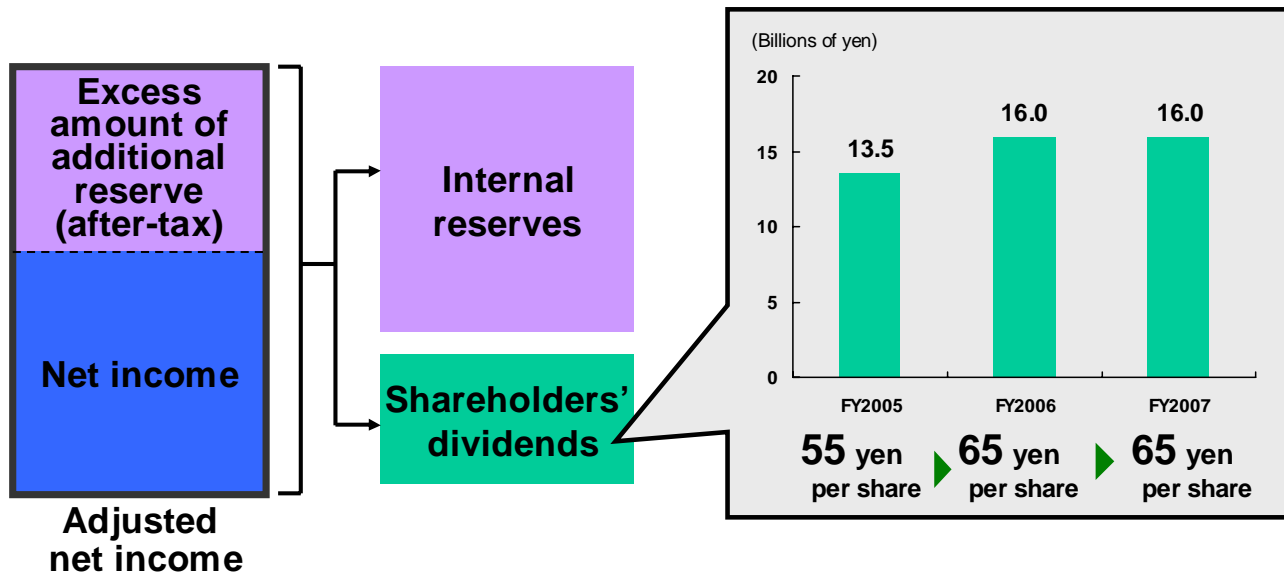
- Quantify of management risks to comprehend the volume of risks
- Retain adjusted net worth on EEV by the entire group, which exceeds the volume of risks



Shareholders' Dividend

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

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



Summary

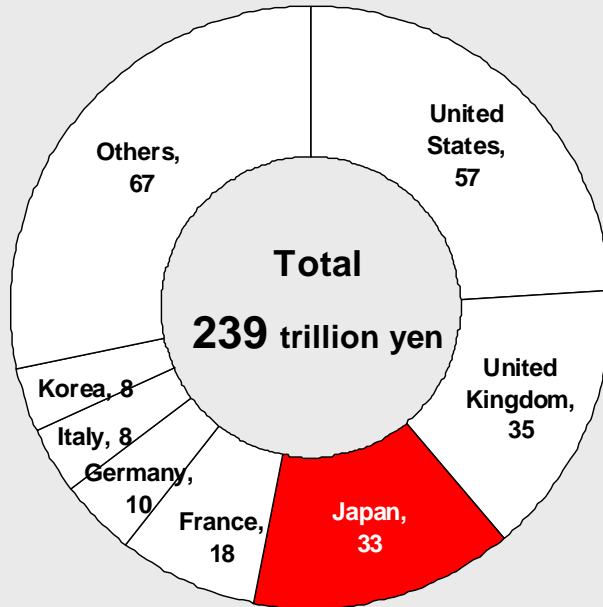
- **Pursue unique business models with regard to markets, distribution channels, and products. Markets T&D focuses on have large potential for growth**
- **Define EEV as the yardstick to measure corporate value, refining it through the response to EEV Principles, and aim to achieve sustainable growth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

Supplementary Information

3rd Largest Life Insurance Market in the World

Premium Income by Country

(Trillions of yen)



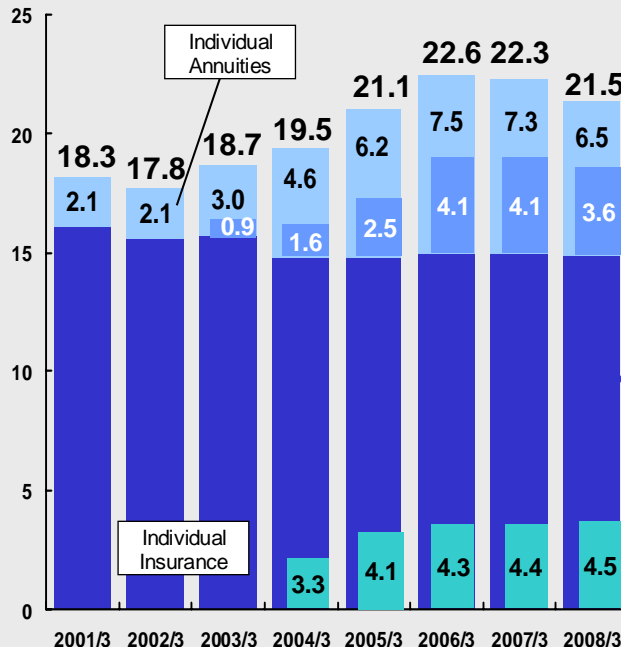
- **Private-sector** (excluding Japan Post Insurance)
: ¥27.0 trillion
- Including;
 - Individual insurance & annuities
: ¥21.5 trillion
 - Group insurance & annuities
: ¥5.2 trillion
- Japan Post Insurance : ¥3.8 trillion

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

Trends in Insurance Premiums

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

(Trillions of yen)



Variable Annuities* : Increase

- ✓ After lifting on the ban on OTC sales at banks on October 2002

Death Protection : Decrease

- ✓ Aging population with lower birthrate
- ✓ Shifting household composition

3rd Sector** : Increase

- ✓ Increasing medical care expenditure
- ✓ Growing concern about public medical insurance system

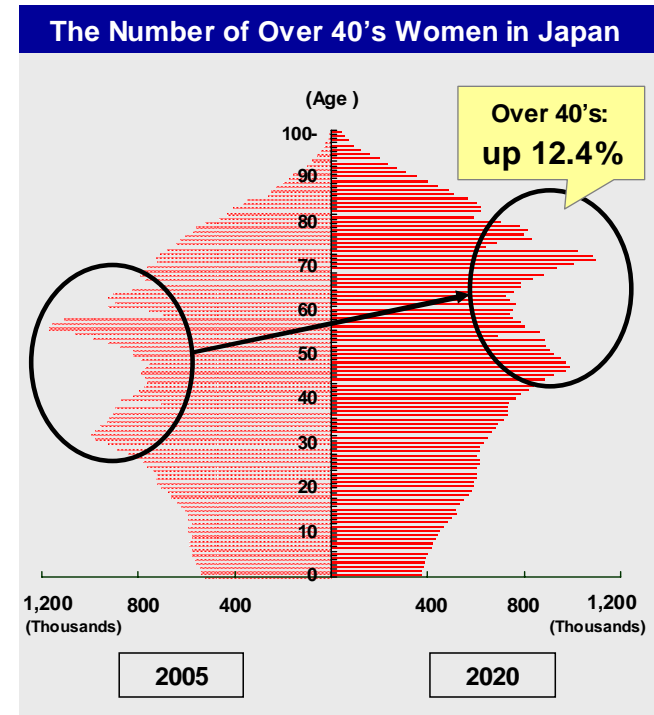
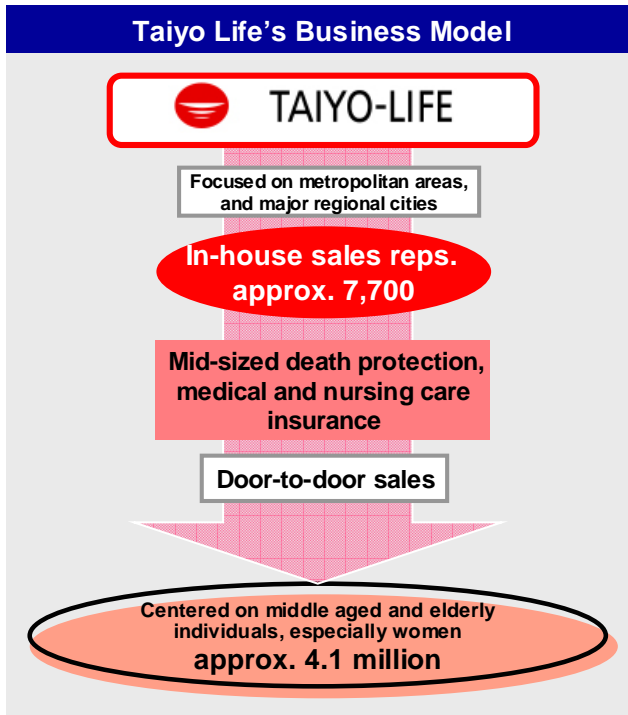
Source: Compiled by T&D Holdings based on 'Summary of Life Insurance Business in Japan'

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

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

Taiyo's Marketing Strategies

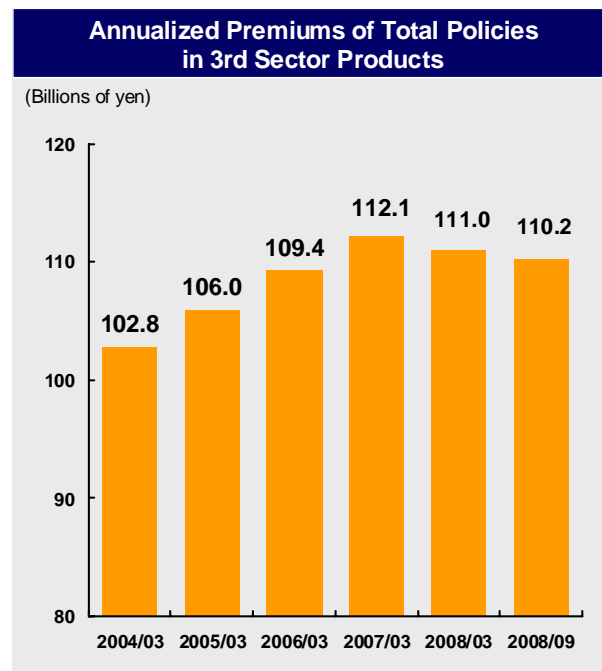
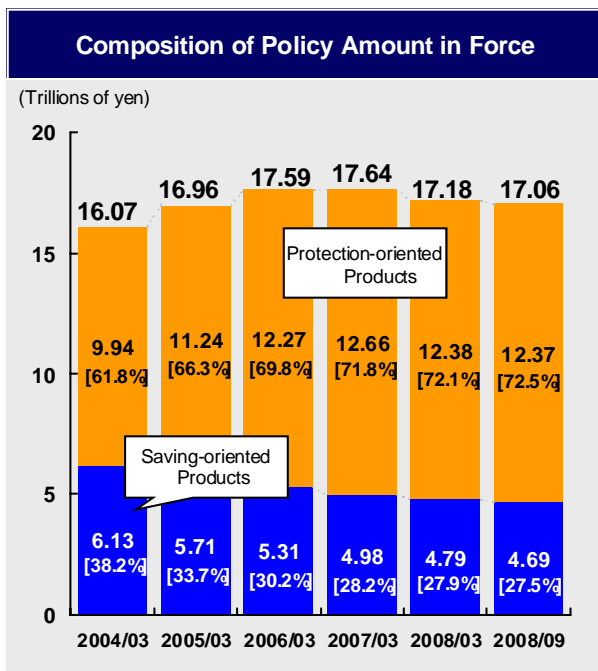
- Taiyo has a solid customer base to which the company sold saving-oriented products



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

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

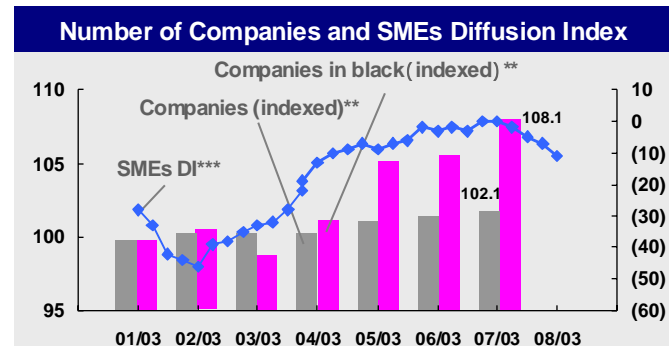
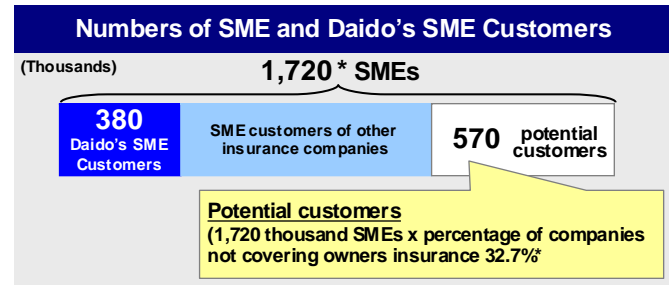
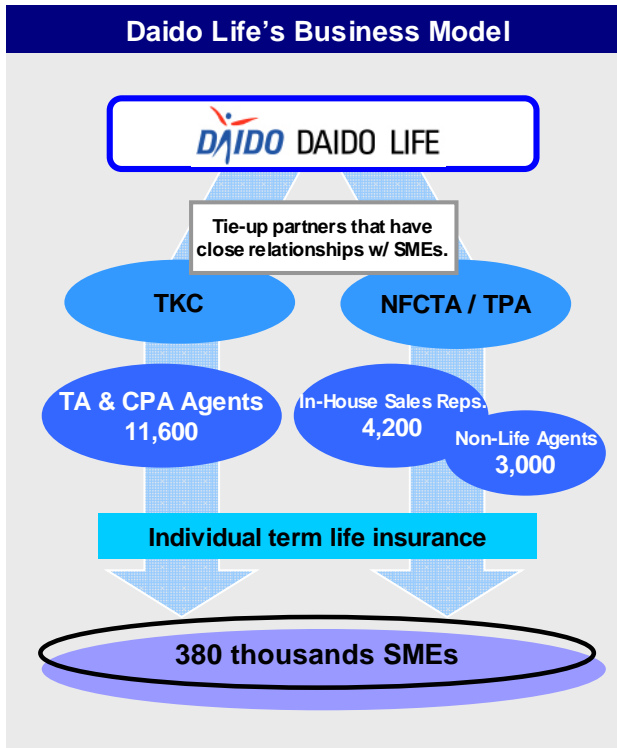
- Taiyo has been shifting its emphasis from saving products to protection products
- In T&D Group, Taiyo seeks to increase 3rd sector products



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

Daido's Marketing Strategies

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

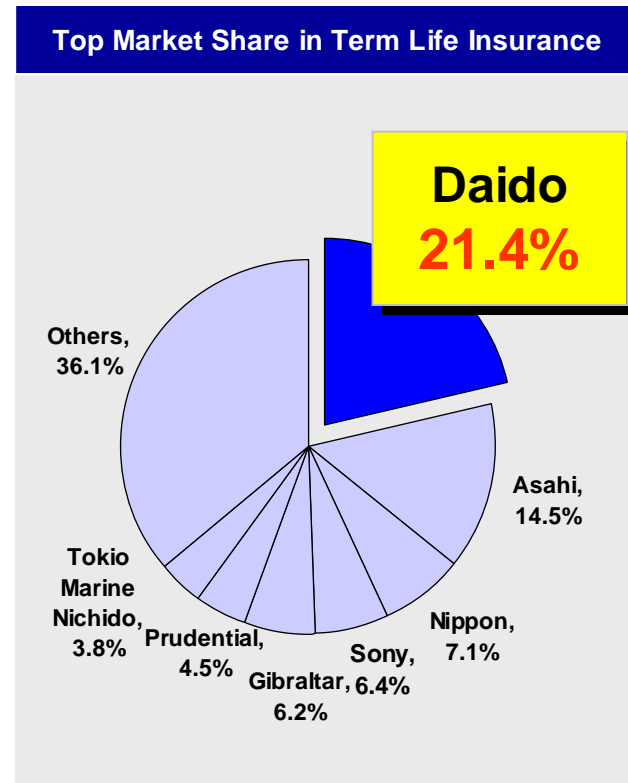
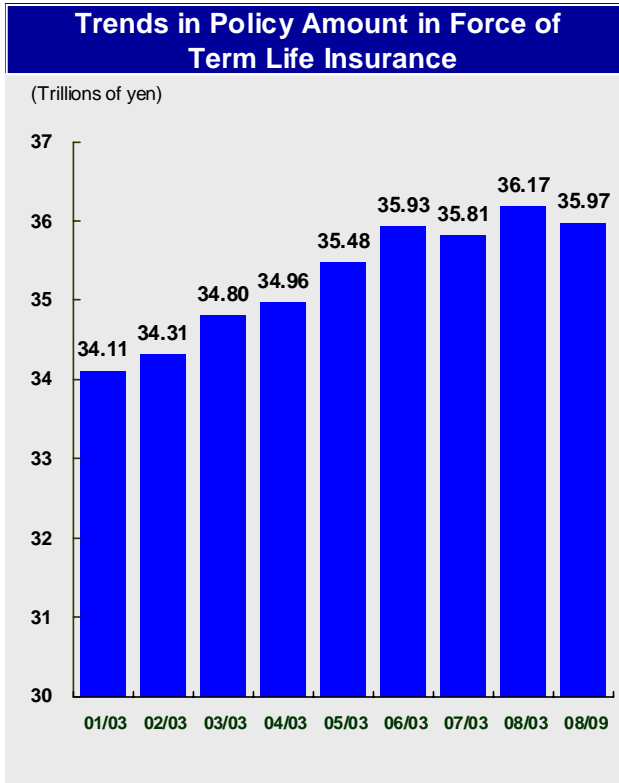


* Number of SMEs: Establishment and Enterprise Census of Japan (The Ministry of Internal Affairs and Communications), the percentage of companies not insure against company owners: Survey on Companies' Welfare Systems (JILI)

** Source: Results of the Corporation Sample Survey (The National Tax Agency). Indexing the number of companies and companies in the black in March 2001 as 100.

***Source: Short-Term Economic Survey of Enterprises (Bank of Japan)

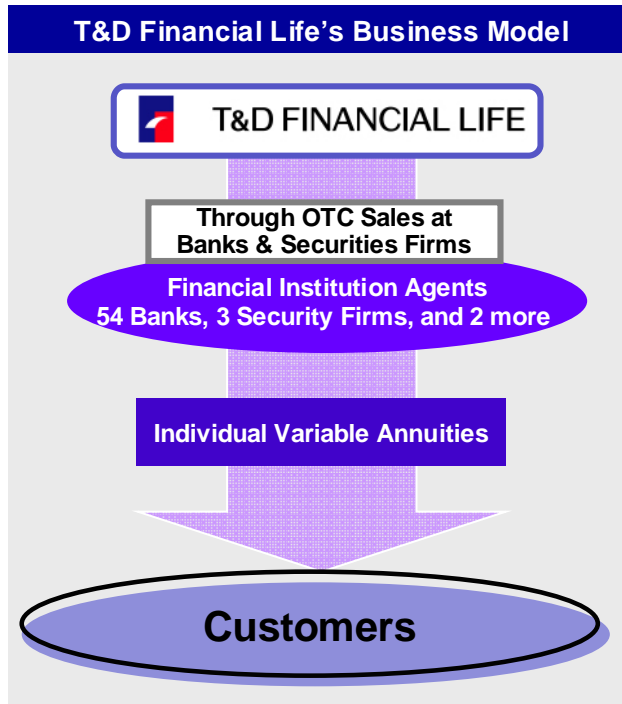
Daido is #1 Term Life Provider



Sources: Company financial reports (FY2006)

T&D Financial's Marketing Strategies

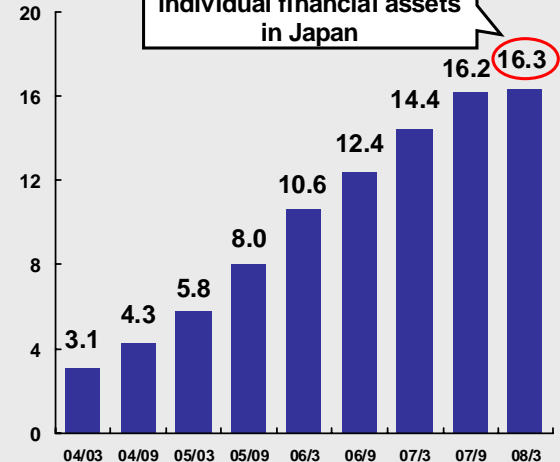
- T&D Financial was reorganized as a company specializing on OTC sales at banks, and now selling VA which market is fastest-growing in Japan



Total policies for variable annuities in Japan

(Trillions of yen)

Approx. 1.1% of total individual financial assets in Japan



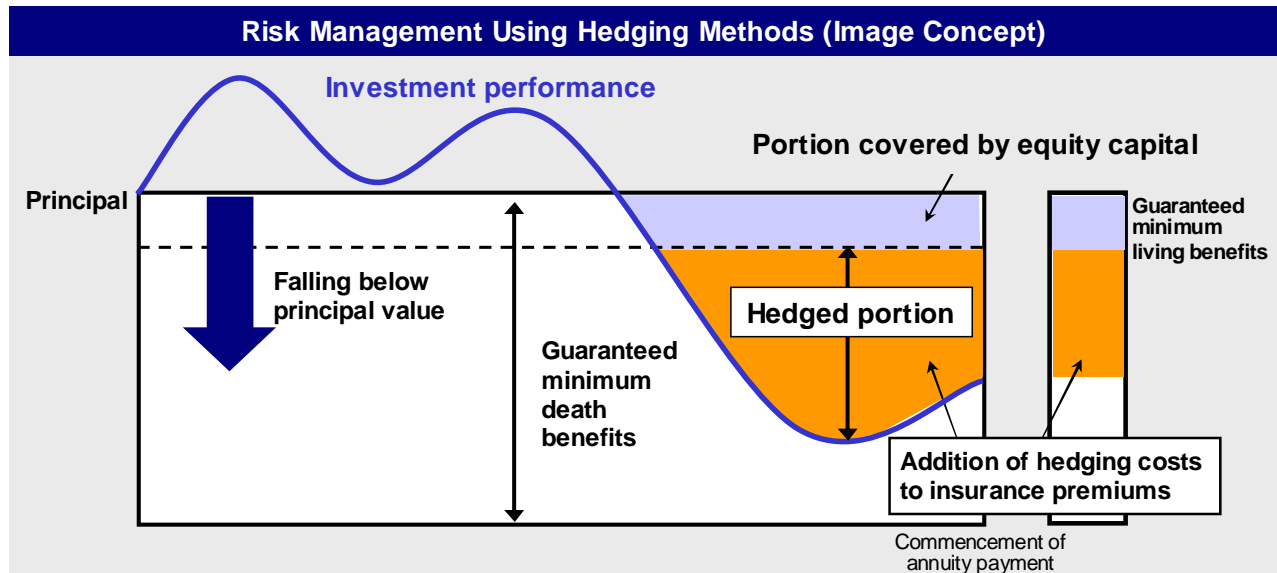
If the share of variable annuities in Japan was the same level as that in the U.S, its market would be;

Approx. 50 trillion yen

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

VA Risk Management

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



External Growth: Expansion and Penetration of Business Domains

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

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

Product Marketing Strategies

- Seek to increase EV by strengthening our business models and increasing profitability
 - ✓ Daido Life: Increase total policies for term life insurance for stable profitability
 - ✓ Taiyo Life: Well-balanced sales of death protection and 3rd sector products, considering future risk of medical benefits
 - ✓ T&D Financial Life: Expand policies for saving products such as variable annuities

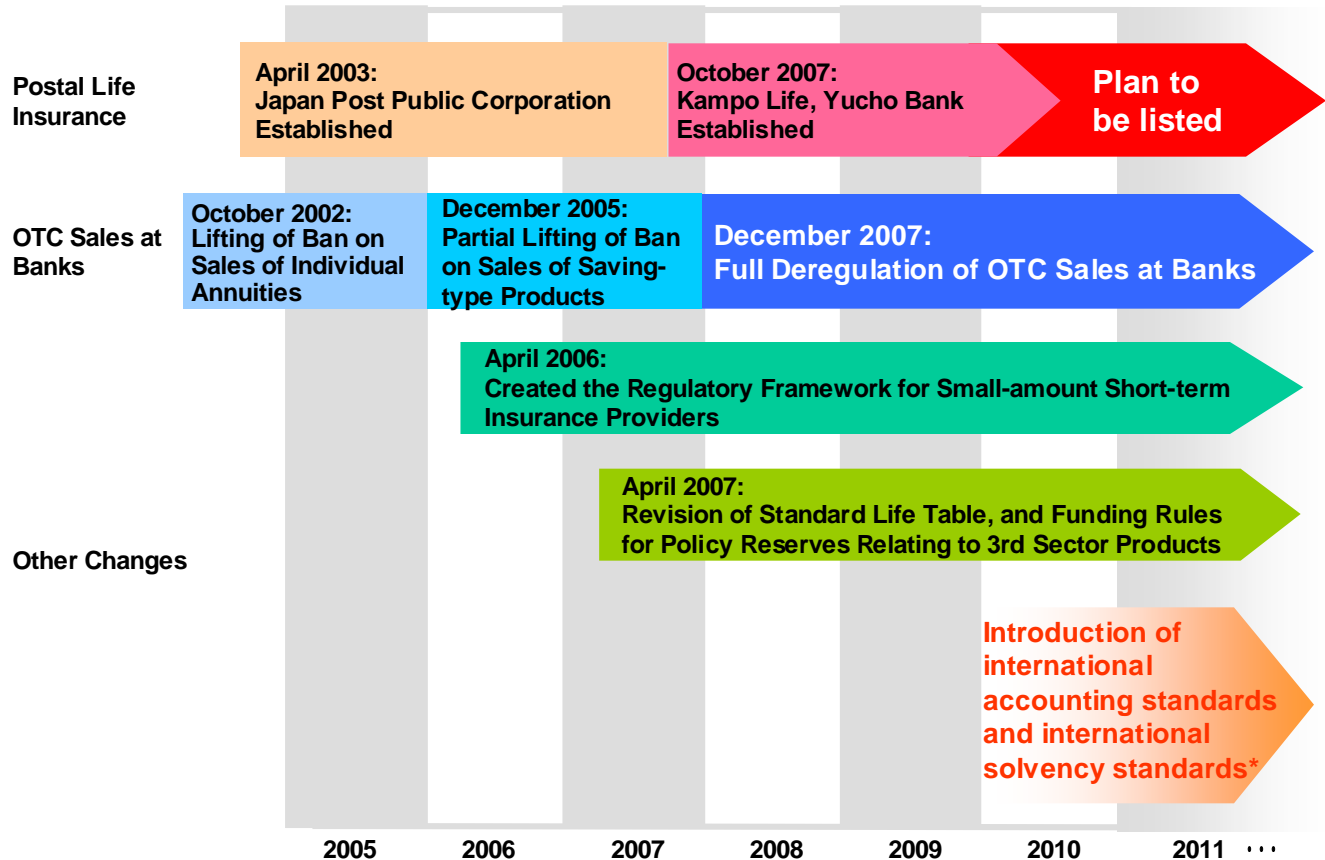
Profitability and Growth Potential by Product Market

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

* Current classification without considering future risks

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

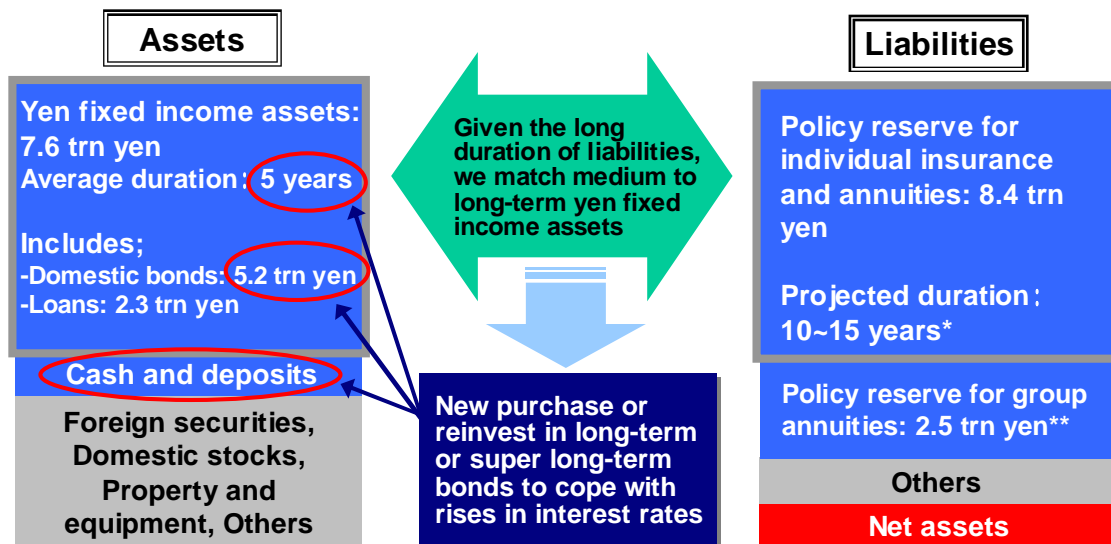
Changing Regulatory Environment



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

ALM Concept in Interest Rate Rises

- **ALM: Mismatch management between asset and liability**
T&D receives positive impact by rising in interest rates in a medium to long-term range since liability durations are longer than those of asset
- **Extend asset durations gradually to cope with rises in interest rates based on liability-driven ALM and asset allocation within tolerable risk levels**



* The Company-projected duration varies significantly due to the change in assumed policy cancellation rates.

** The projected duration for group annuities is assumed shorter than that for individual insurance and annuities, although influenced by interest-rate fluctuations.

As of March 31, 2008

Ratings

(As of September 30, 2008)

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

* Public Information Rating

Non-Consolidated Statements of Operations: Daido Life

	(Billions of yen)		
	1H2008	1H2007	Changes
Ordinary revenues	629.7	570.7	59.0
Income from insurance premiums	414.3	419.5	(5.1)
Individual insurance and annuities	331.5	335.0	(3.4)
Investment income	91.5	106.8	(15.2)
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)
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)
Other ordinary income	123.7	44.3	79.4
Reversal of policy reserve	120.2	34.8	85.4
Ordinary expenses	604.4	501.2	103.1
Insurance claims and other payments	481.9	407.8	74.0
Provision for policy and other reserves	0.3	0.4	(0.0)
Investment expenses	55.6	27.9	27.6
Losses on investments in trading securities, net	8.0	-	8.0
Losses on sales of securities	1.7	3.6	(1.8)
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
Ordinary profit	25.3	69.4	(44.1)
Net extraordinary gains (losses)	(1.0)	(1.1)	0.0
Provision for reserve for policyholder dividends	10.6	18.5	(7.9)
Income before income taxes	13.5	49.7	(36.1)
Income taxes	9.4	22.7	(13.2)
Net income	4.1	27.0	(22.8)

Premiums for individual term life insurance, a main product line, rose by ¥0.5 billion y-o-y

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

Down ¥11.6 billion due to a decrease in net gains/losses on hedge funds

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

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)

Includes (y-o-y increase/decrease);
-Foreign exchange forward contracts-related: ¥8.2 billion (up ¥7.0 billion)

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

Non-Consolidated Statements of Operations: Taiyo Life

	(Billions of yen)		
	1H2008	1H2007	Changes
Ordinary revenues	557.4	505.1	52.5
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
Ordinary expenses	536.0	469.9	66.0
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
Ordinary profit	21.4	35.2	(13.7)
Net extraordinary gains (losses)	0.7	(10.4)	11.2
Provision for reserve for policyholder dividends	6.5	6.9	(0.4)
Income before income taxes	15.6	17.7	(2.1)
Income taxes	7.0	7.9	(0.8)
Net Income	8.5	9.8	(1.2)

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: T&D Financial Life

(Billions of yen)

	1H2008	1H2007	Changes
Ordinary revenues	131.8	97.7	34.1
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
Ordinary expenses	146.0	102.7	43.2
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)
Ordinary profit (losses)	(14.1)	(5.0)	(9.0)
Net extraordinary gains (losses)	(0.0)	(0.0)	(0.0)
Provision for reserve for policyholder dividends	0.0	0.1	(0.1)
Income before income taxes	(14.1)	(5.1)	(8.9)
Income taxes	(4.2)	(1.5)	(2.6)
Net income (loss)	(9.9)	(3.6)	(6.2)

-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 Balance Sheets: Daido Life

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
Assets			
Cash and deposits, call loans	240.3	297.2	(56.8)
Monetary claims purchased	347.8	270.0	77.7
Monetary trusts	66.2	104.6	(38.3)
Securities	3,929.5	4,159.6	(230.0)
Domestic bonds	2,345.0	2,394.0	(49.0)
Domestic stocks	319.1	375.6	(56.4)
Foreign securities	630.9	653.4	(22.5)
Other securities	634.3	736.3	(101.9)
Loans	864.1	890.3	(26.2)
Tangible fixed assets	139.0	140.4	(1.4)
Other assets	69.0	131.5	(62.5)
Deferred tax assets	98.0	44.1	53.8
Total assets	5,762.8	6,047.8	(284.9)

- 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

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
Liabilities			
Total policy reserves	5,264.4	5,392.1	(127.7)
Policy reserve	5,096.2	5,216.5	(120.2)
Contingency reserve	82.9	82.6	0.3
Other liabilities	43.4	101.8	(58.3)
Reserve for price fluctuations	74.8	73.5	1.2
Total liabilities	5,480.6	5,673.4	(192.8)
Net assets			
Total stockholders' equity	257.8	261.8	(4.0)
Common stock	75.0	75.0	-
Capital surplus	0.0	0.0	-
Retained earnings	182.7	186.7	(4.0)
Total valuation and translation adjustments	24.4	112.5	(88.1)
Net unrealized gains on securities	23.9	111.8	(87.9)
Total net assets	282.2	374.4	(92.1)
Total liabilities and net assets	5,762.8	6,047.8	(284.9)

Non-Consolidated Balance Sheets: Taiyo Life

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<u>Assets</u>			
Cash and deposits, call loans	152.6	159.8	(7.2)
Monetary claims purchased	158.3	160.5	(2.1)
Securities	3,853.4	4,152.4	(299.0)
Domestic bonds	2,394.5	2,575.1	(180.5)
Domestic stocks	483.1	638.5	(155.4)
Foreign securities	918.2	867.2	51.0
Other securities	57.5	71.5	(14.0)
Loans	1,480.0	1,481.8	(1.8)
Tangible fixed assets	161.2	162.2	(0.9)
Deffered tax assets	73.6	11.2	62.3
Reserve for possible loan losses	(1.5)	(2.5)	1.0
Total assets	5,968.6	6,185.5	(216.9)

-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

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
<u>Liabilities</u>			
Total policy reserves	5,620.3	5,731.1	(110.7)
Policy reserve	5,543.5	5,652.0	(108.4)
Contingency reserve	101.6	101.9	(0.3)
Reserve for price fluctuations	63.4	63.2	1.0
Total liabilities	5,816.9	5,931.2	(114.2)
<u>Net assets</u>			
Total stockholders' equity	167.0	166.3	0.7
Common stock	37.5	37.5	-
Capital surplus	37.5	37.5	-
Retained earnings	92.0	91.3	0.7
Total valuation and translation adjustments	(15.3)	87.9	(103.3)
Net unrealized gains on securities	32.8	136.1	(103.2)
Land revaluation	(48.0)	(48.0)	(0.0)
Total net assets	151.7	254.3	(102.6)
Total liabilities and net assets	5,968.6	6,185.5	(216.9)

Non-Consolidated Balance Sheets: T&D Financial Life

(Billions of yen)

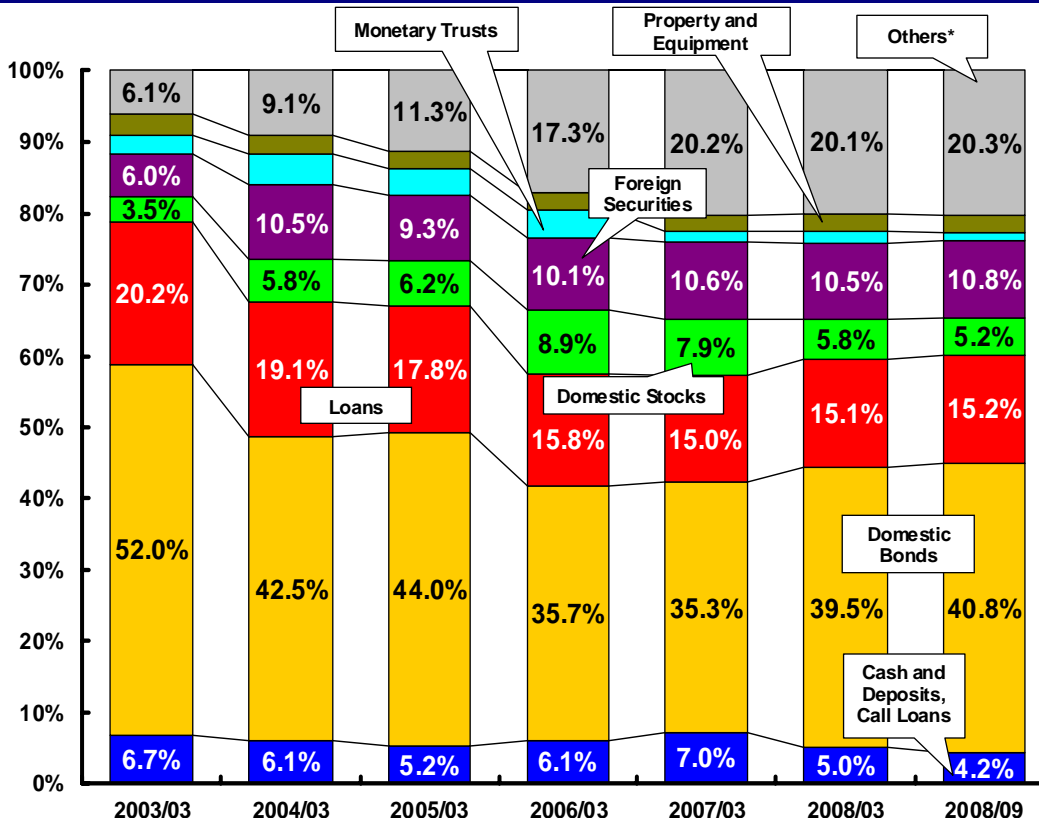
	As of September 30, 2008	As of March 31, 2008	Changes
Assets			
Cash and deposits, call loans	54.3	50.1	4.1
Monetary trusts	38.1	30.1	8.0
Securities	971.1	934.8	36.3
Domestic bonds	352.1	360.1	(8.0)
Domestic stocks	0.8	0.9	(0.1)
Foreign securities	1.9	2.0	(0.0)
Other securities	616.2	571.7	44.5
Loans	6.9	7.2	(0.2)
Tangible fixed assets	0.3	0.3	0.0
Intangible fixed assets	3.3	3.3	0.0
Other assets	7.3	6.5	0.8
Deferred tax assets	10.1	8.7	1.4
Total assets	1,100.8	1,048.9	51.8

(Billions of yen)

	As of September 30, 2008	As of March 31, 2008	Changes
Liabilities			
Total policy reserves	1,070.9	1,011.5	59.4
Policy reserve	1,064.4	1,004.1	60.3
Contingency reserve	16.0	13.5	2.5
Reserve for price fluctuations	0.4	0.4	0.0
Total liabilities	1,084.1	1,022.0	62.0
Net assets			
Total stockholders' equity	18.2	28.1	(9.9)
Common stock	36.0	36.0	-
Capital surplus	26.0	26.0	-
Retained earnings	(43.7)	(33.8)	(9.9)
Total valuation and translation adjustments	(1.4)	(1.1)	(0.2)
Net unrealized gains on securities	(1.4)	(1.1)	(0.2)
Total net assets	16.7	26.9	(10.2)
Total liabilities and net assets	1,100.8	1,048.9	51.8

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

General Account Assets Composition: Daido Life

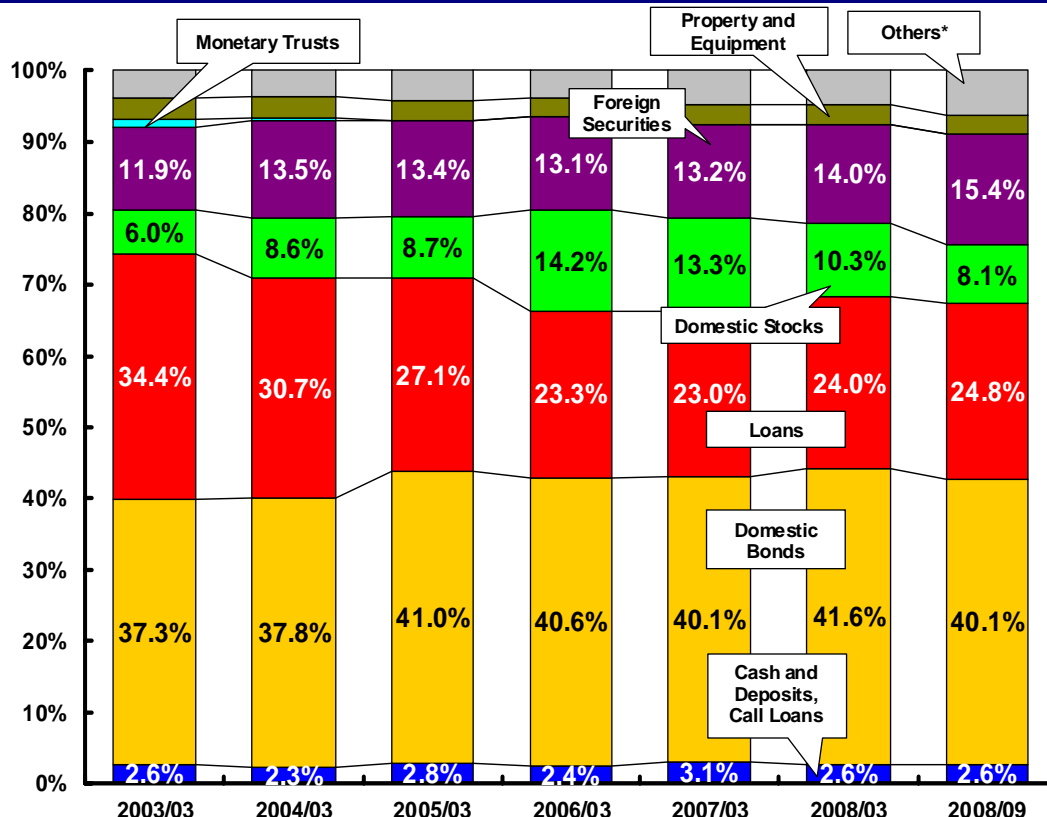


Net Exposure to Domestic Stocks **
13.7%
 (2008/03 14.5%)
 (2007/03 18.1%)

Net Exposure to Foreign Currency ***
3.7%
 (2008/03 3.4%)
 (2007/03 3.4%)

* 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: Taiyo Life



Net Exposure to Domestic Stocks **

9.1%

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

Net Exposure to Foreign Currency ***

4.8%

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

* Others as of September 30, 2008; Monetary Claims Purchased : 2.7%, Other Securities (mainly investment trusts): 1.0%, and other assets

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

*** Net foreign currency exposure adjusting for hedges

Breakdown of Foreign Securities 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 (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%
Total	183.6	100.0%	570.3	100.0%

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

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	-
Total	24.8	16.8

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

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
Total	(0.0)	(0.0)	30.3	163.9	30.3	163.8	(133.5)
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

Net Unrealized Gains/Losses on Real Estate					35.0	35.2	(0.2)
---	--	--	--	--	-------------	-------------	--------------

*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): 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
Total	0.4	4.4	24.3	49.2	51.6	212.9	76.5	266.6	(190.1)
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	-	-	-	-	-	-	-	-	-

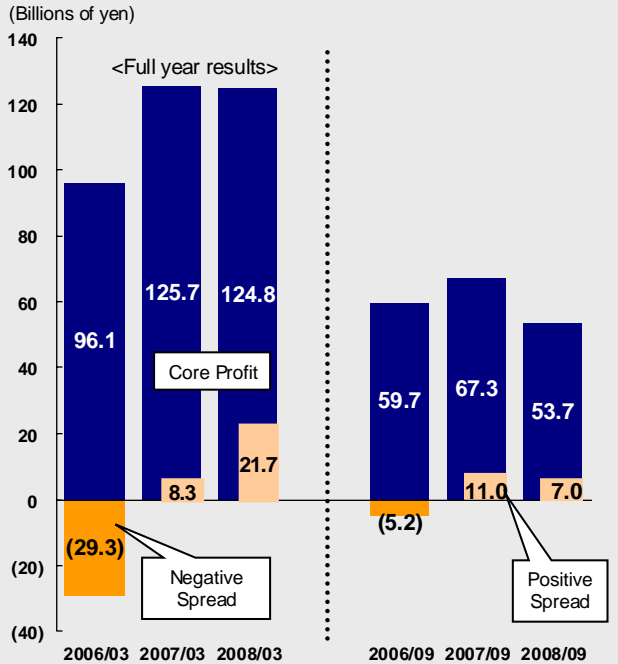
*Securities with market value

Net Unrealized Gains/Losses on Real Estate							36.0	35.8	0.2
---	--	--	--	--	--	--	-------------	-------------	------------

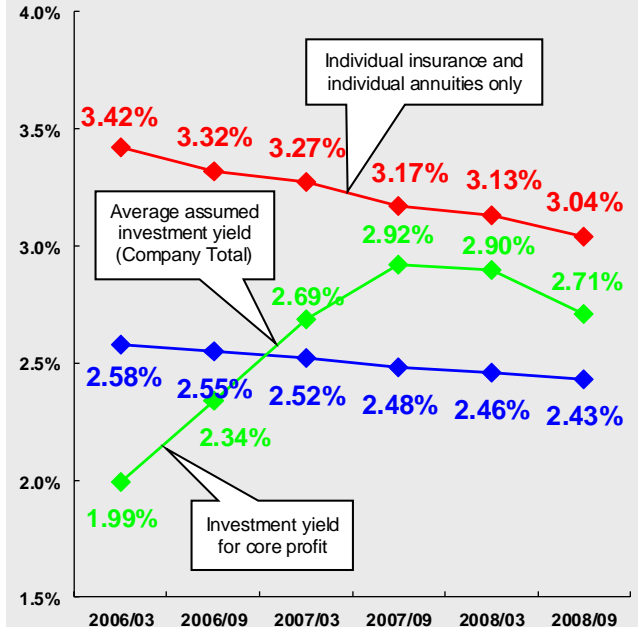
* Net unrealized gains/ losses on real estate are calculated based on the appraisal or posted price.

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

Amount of Core Profit and Negative Spread

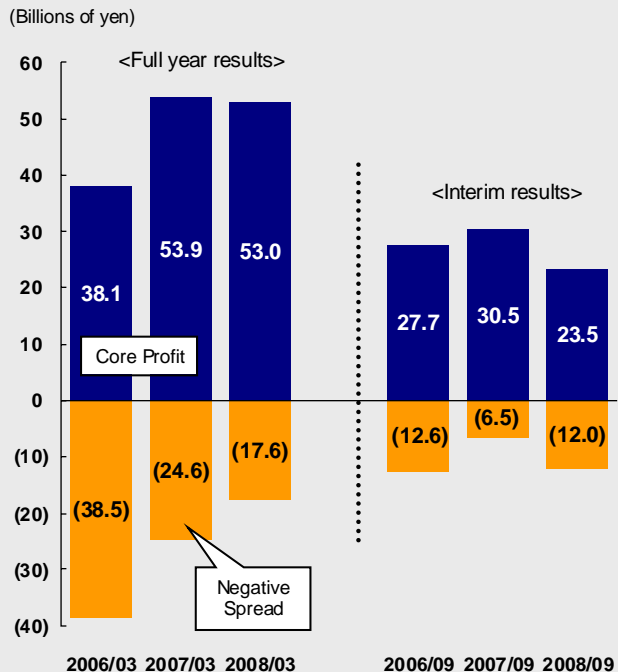


Average Assumed Investment Yield

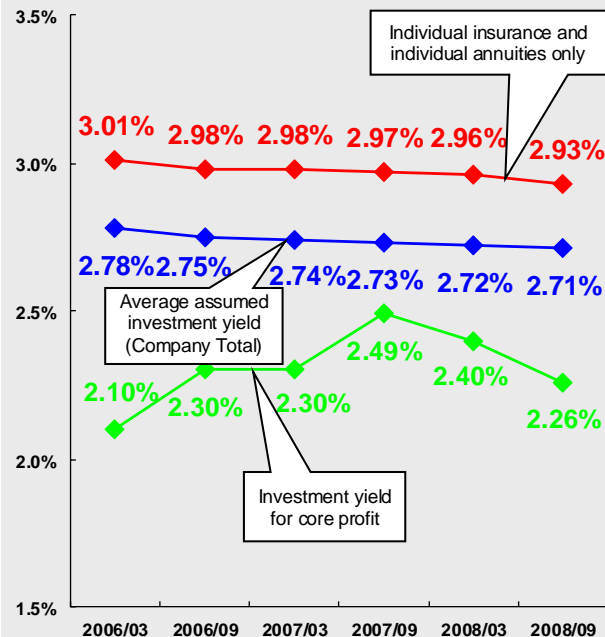


Core Profit/Negative Spread, Average Assumed Investment Yield: Taiyo Life

Amount of Core Profit and Negative Spread

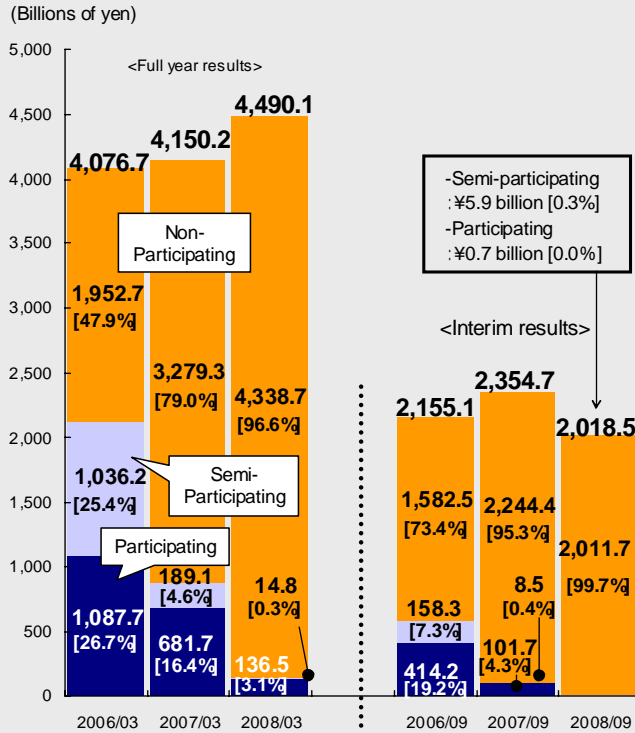


Average Assumed Investment Yield



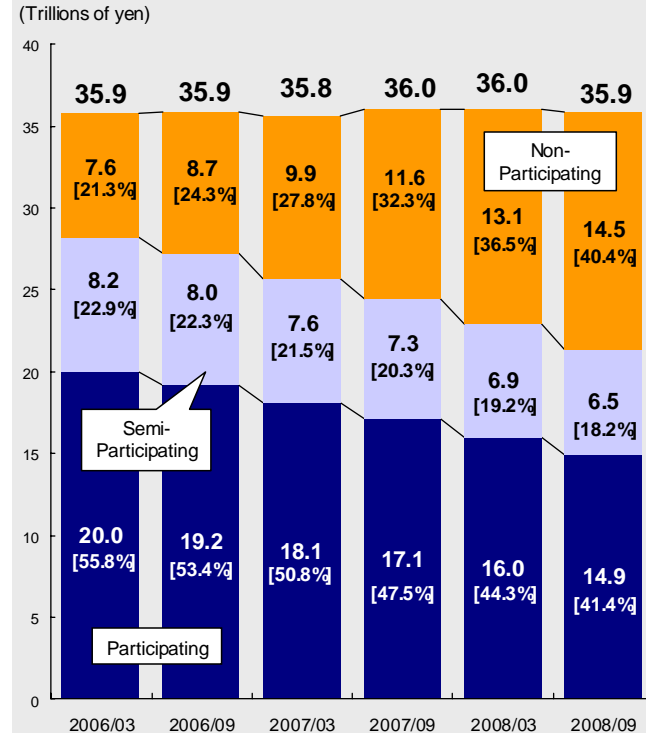
Sales Results by Dividend Type: Daido Life (Individual Term Life Insurance)

New Policy Amount*



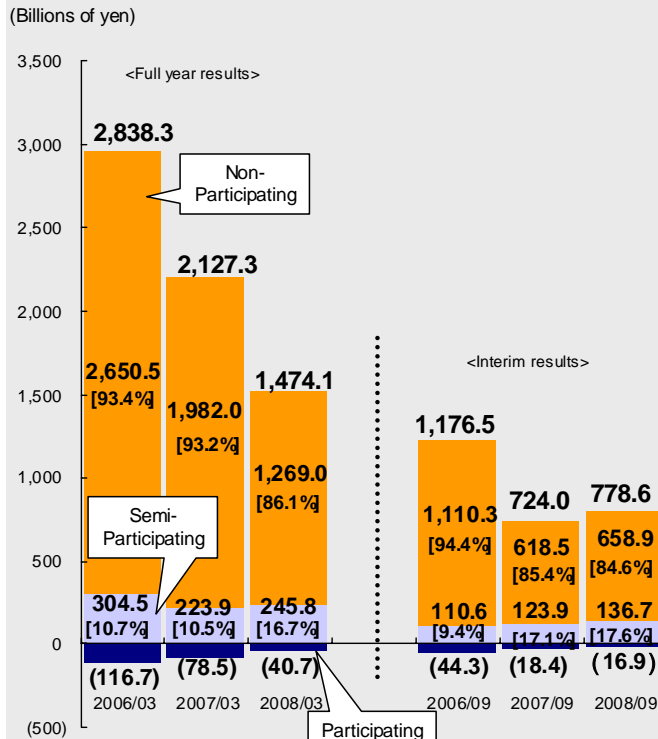
* Net increase from conversion is not included.

Policy Amount in Force



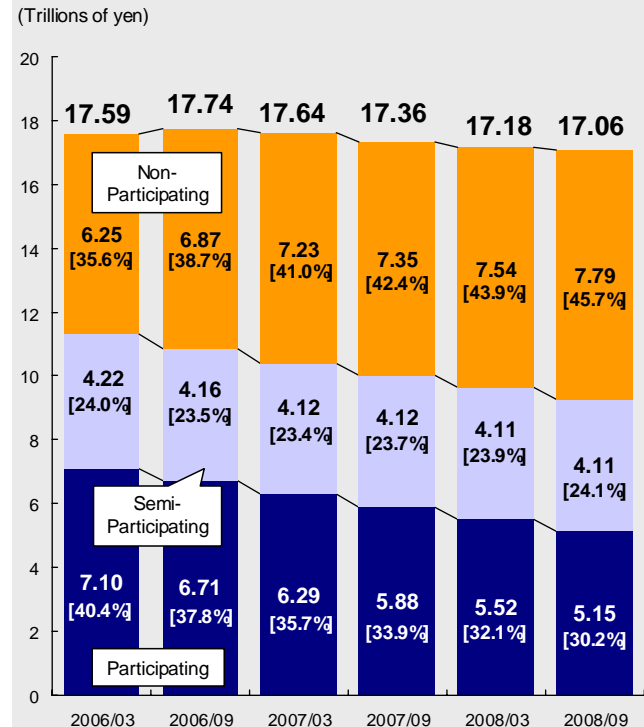
Sales Results by Dividend Type: Taiyo Life (Individual Insurance and Annuities)

New Policy Amount*



* Net increase from conversion is included

Policy Amount in Force



Breakdown of Financial Indicator: Daido Life

(Millions of yen)

Category	1. Adjusted Net Worth on EEV	2. Adjusted Net Assets	3. Solvency Margin	
Net assets (excluding total valuation and translation adjustment)	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
Total	436,506	639,193	724,573	

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
Total	357,387	467,605	560,396	

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
Total	30,066	53,926	61,151	

Business Results: Aggregate values for the three life insurance companies

- Figures for FYE 2001 and earlier have been calculated based on the sum of the non-consolidated financial data for Daido Life and Taiyo Life. Figures from FYE 2002 are calculated based on the sum of all three companies' non-consolidated financial data.

(Billions of yen)

FYE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *1	54,466.0	54,412.9	54,256.1	54,162.2	57,782.1	57,925.5	58,508.4	59,573.5	60,265.0	59,899.9	59,340.3
New policy amount *1, *2	6,708.4	6,630.2	6,467.9	6,333.2	6,932.9	7,316.5	7,568.0	7,544.9	7,293.8	6,634.7	6,201.8
Income from insurance premiums	2,497.3	2,427.5	2,292.1	2,169.6	2,113.7	2,004.7	1,878.5	1,798.9	1,902.3	1,811.5	1,613.1
Surrender and lapse amount *1	4,649.2	4,792.7	4,844.0	4,728.0	4,702.8	5,215.7	5,199.1	4,875.7	5,102.7	5,362.5	5,064.2
Core profit	135.4	114.5	96.9	128.1	126.5	114.2	141.7	129.8	127.2	173.3	159.7
Provision for reserve for policyholder dividends *3	55.3	49.9	56.1	44.3	43.6	39.6	43.6	44.9	44.4	56.4	45.3
Number of in-house sales reps.	15,920	16,576	15,567	14,142	15,089	14,942	14,915	14,492	13,872	12,842	11,926
Number of agents	13,454	13,701	13,807	13,888	13,942	13,710	13,877	14,095	14,528	14,748	14,862
Total assets	12,172.0	12,451.9	12,815.2	13,166.7	13,415.4	13,148.9	13,109.7	12,987.5	13,932.2	14,028.0	13,282.4

*1 Total amount of individual insurance and annuities. *2 Includes net increase from conversion.

*3 Figures for FYE 2002 of Daido Life, and FYE 2003 of Taiyo Life is provision for allowance for policyholder dividends which was treated as an expense.

Business Results: Daido Life

(Billions of yen)

FYE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *1	39,340.0	39,283.8	39,071.1	38,989.7	38,929.1	39,342.6	39,294.8	39,694.2	40,008.0	39,732.0	39,897.1
Individual term life insurance	33,761.6	33,865.0	33,940.8	34,109.6	34,309.0	34,804.6	34,964.1	35,479.6	35,933.6	35,818.1	36,175.3
New policy amount *1,*2	4,719.2	4,773.2	4,620.3	4,401.4	4,570.4	4,673.5	4,309.7	4,354.2	4,292.7	4,327.8	4,634.2
Individual term life insurance	4,073.7	4,241.6	4,251.3	4,048.6	4,292.9	4,298.5	4,087.3	4,126.0	4,080.7	4,141.9	4,489.8
Income from insurance premiums	1,168.4	1,192.8	1,136.9	1,072.2	1,059.4	989.4	928.2	884.8	871.1	865.2	843.3
Individual insurance and annuities *1	724.9	702.6	684.8	686.7	662.0	684.9	641.0	664.2	667.8	673.8	669.4
Surrender and lapse amount *1	3,625.7	3,876.5	3,845.1	3,526.9	3,493.2	3,290.6	3,317.7	3,026.5	3,040.0	3,615.8	3,550.0
Surrender and lapse rate (%)	9.3%	9.9%	9.8%	9.0%	9.0%	8.45%	8.44%	7.70%	7.66%	9.04%	8.93%
Core profit	-	-	-	114.2	109.8	88.7	107.3	102.7	96.1	125.7	124.8
Provision for reserve for policyholder dividends *3	39.9	34.3	39.5	33.2	30.6	26.5	30.5	30.5	27.3	40.0	31.2
Number of in-house sales reps.	6,072	6,126	5,456	4,866	5,154	5,194	5,251	4,888	4,909	4,726	4,307
Number of agents	13,123	13,213	13,135	13,203	13,252	12,970	13,079	13,415	13,963	14,295	14,460
Total assets	5,346.3	5,482.6	5,733.5	5,900.3	5,982.7	6,007.1	6,017.9	5,983.7	6,406.1	6,397.0	6,047.8

*1 Total amount of individual insurance and annuities. *2 Includes net increase from conversion.

*3 Figures for FYE 2002 is provision for allowance for policyholder dividends which was treated as an expense.

Business Results: Taiyo Life



(Billions of yen)

FYE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Policy amount in force *1	15,126.0	15,129.1	15,185.0	15,172.5	15,232.9	15,268.6	16,077.8	16,966.2	17,591.5	17,644.5	17,182.2
Individual insurance	10,448.1	10,186.7	10,034.0	9,958.8	10,217.3	10,500.2	11,577.9	12,706.5	13,572.0	13,820.3	13,468.3
New policy amount *1,*2	1,989.1	1,857.0	1,847.6	1,931.7	2,188.1	2,175.4	2,814.2	2,891.0	2,838.3	2,127.3	1,474.1
Individual insurance	1,650.6	1,339.8	1,333.2	1,458.1	2,047.9	2,091.0	2,797.2	2,902.4	2,861.5	2,107.0	1,372.1
Income from insurance premiums	1,328.8	1,234.6	1,155.2	1,097.3	1,019.0	887.9	794.1	788.1	823.0	705.5	635.7
Individual insurance and annuities	1,104.0	1,095.0	972.4	914.8	837.8	762.1	680.2	646.6	609.2	576.5	532.0
Surrender and lapse amount *1	1,023.5	916.1	998.8	1,201.1	1,209.6	1,318.8	1,362.6	1,424.0	1,644.0	1,503.8	1,348.6
Surrender and lapse rate (%)	6.78%	6.06%	6.60%	7.91%	7.97%	8.66%	8.92%	8.86%	9.69%	8.55%	7.64%
Core profit	-	-	-	13.9	13.8	28.7	37.5	33.8	38.1	53.9	53.0
Provision for reserve for policyholder dividends *3	15.3	15.5	16.6	11.1	10.8	11.2	11.9	13.4	15.9	15.0	13.9
Number of in-house sales reps.	9,848	10,450	10,111	9,276	8,948	8,808	8,703	9,111	8,963	8,116	7,619
Number of agents	241	488	672	685	690	740	798	680	505	453	402
Total assets	6,825.6	6,969.3	7,081.6	7,266.3	6,834.0	6,528.0	6,409.5	6,276.5	6,591.9	6,552.5	6,185.5

*1 Total amount of individual insurance and annuities. *2 Includes net increase from conversion.

*3 Figures for FYE 2003 is provision for allowance for policyholder dividends which was treated as an expense.

Business Results: T&D Financial Life

(Billions of yen)

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

*1 Total amount of individual insurance and annuities.

*2 Pursuant to the Law for Special Regulations Concerning Corporate Rehabilitation, T&D Financial Life's fiscal 2001 started on April 1, 2001, and ended on September 30, 2001. As a consequence, subsequent to reorganization, the Company's fiscal 2002 started October 1, 2001, and ended on March 31, 2002.

T&D Life Group European Embedded Value (EEV)

EEV Highlights

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

EEV Results

(Billions of yen)

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

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

(Reference) Breakdown of the Group's EEV

(Billions of yen)

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

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

*4 Single premiums plus present value of regular premiums expected to be paid from the point of sale to the end of the term of the contract

(Reference) Breakdown of Each Life Insurance Company's EEV

(Billions of yen)

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

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

Economic assumptions

Discount Rates and Investment Yields

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

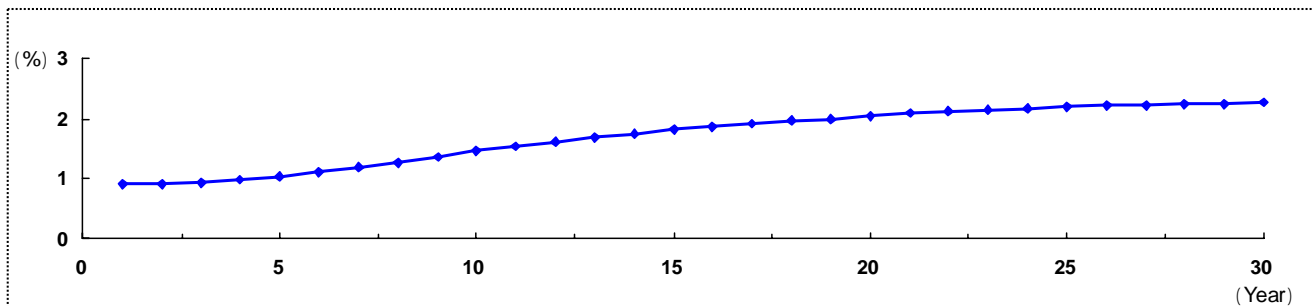
Swap rates

(%)

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

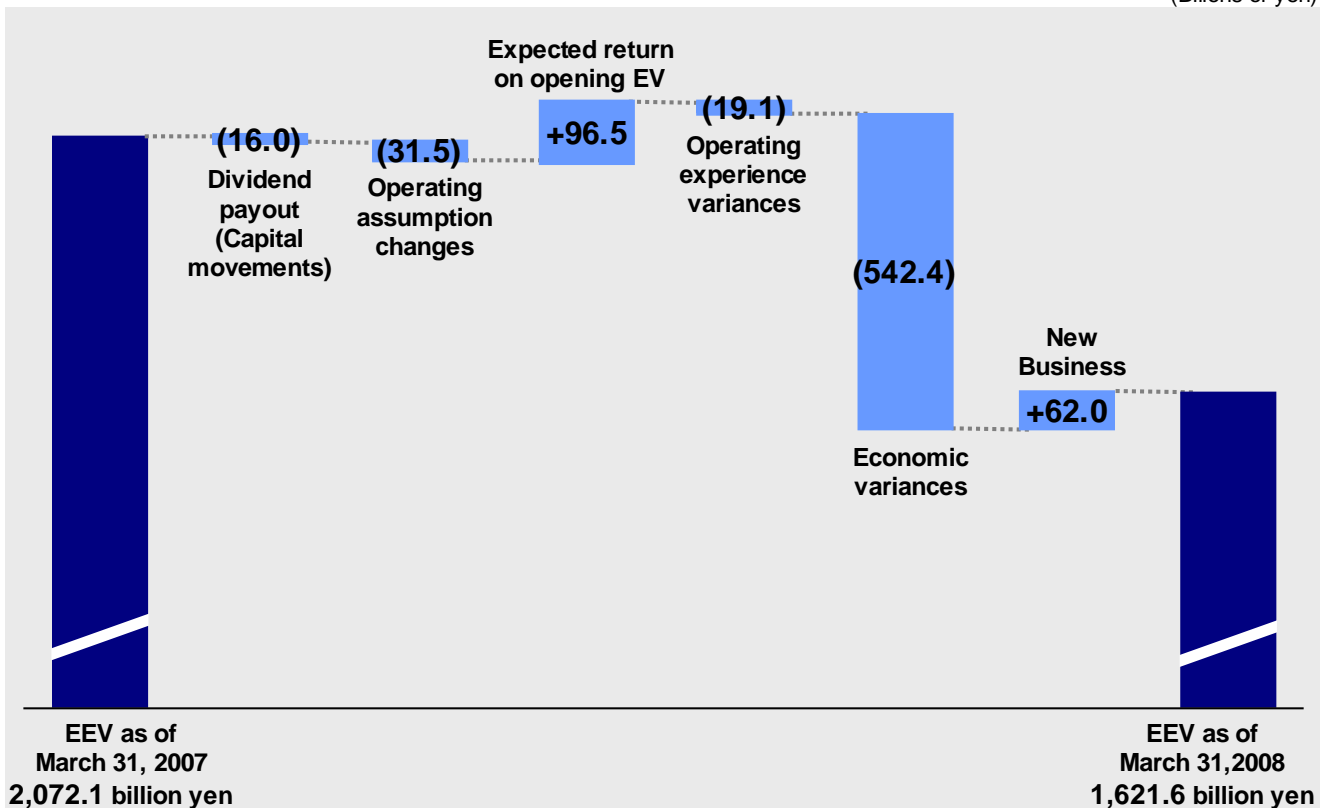
*Source: Bloomberg

<Reference> Yield Curve as of March 31, 2008



Movement Analysis

(Billions of yen)



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

(Reference) Breakdown of Movement Analysis

(Billions of yen)

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

Sensitivities

(Billions of yen)

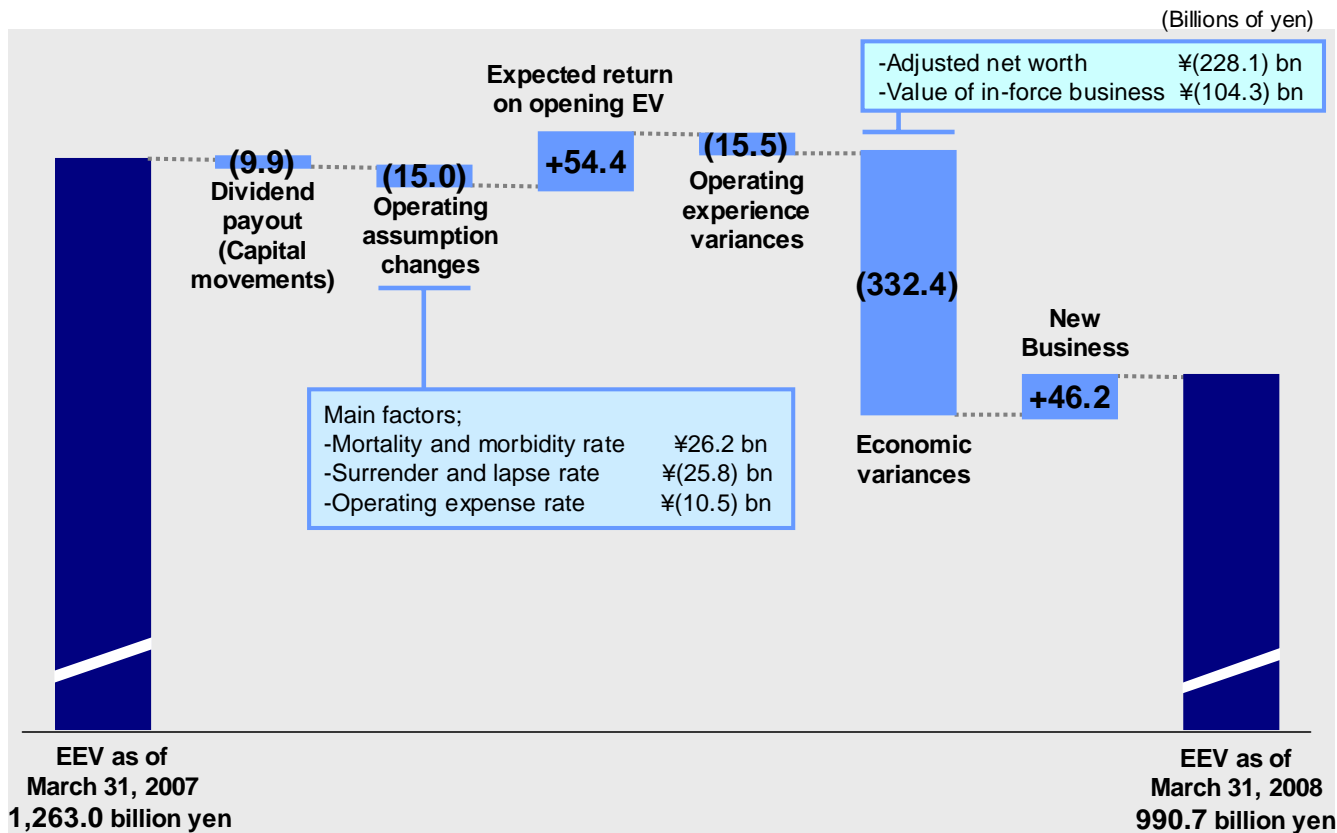
			EEV	Value of new business
EEV as of March 31, 2008 (base scenario)			1,621.6	62.0
Economic factor *2	Risk-free rate *1	+0.5%	164.0	13.1
		-0.5%	(203.6)	(15.8)
	Equity and real estate value	-10%	(157.0)	-
Non-economical factor	Surrender and lapse rate	x 0.9	59.4	9.1
	Operating expenses rate	x 0.9	41.8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

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

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

Appendix (EEV)

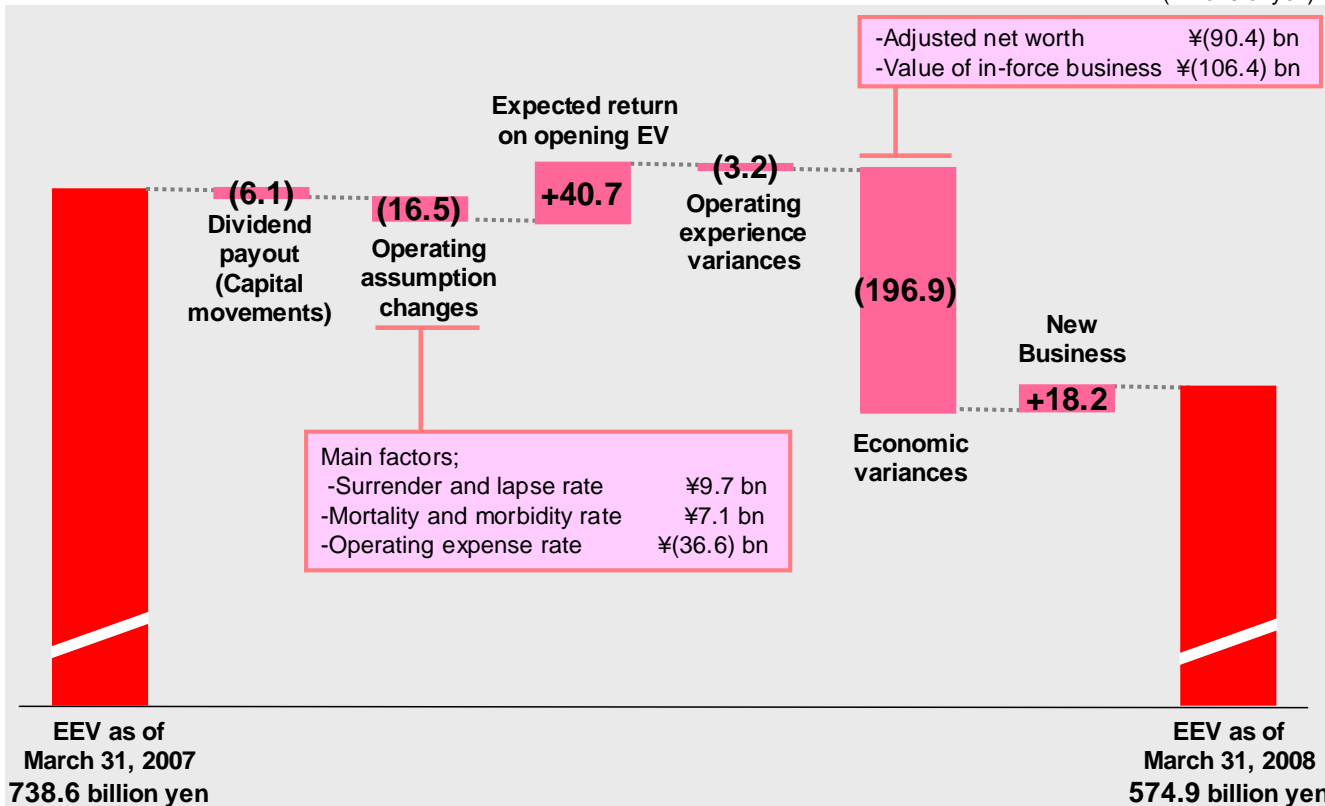
Movement Analysis: Daido Life



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

Movement Analysis: Taiyo Life

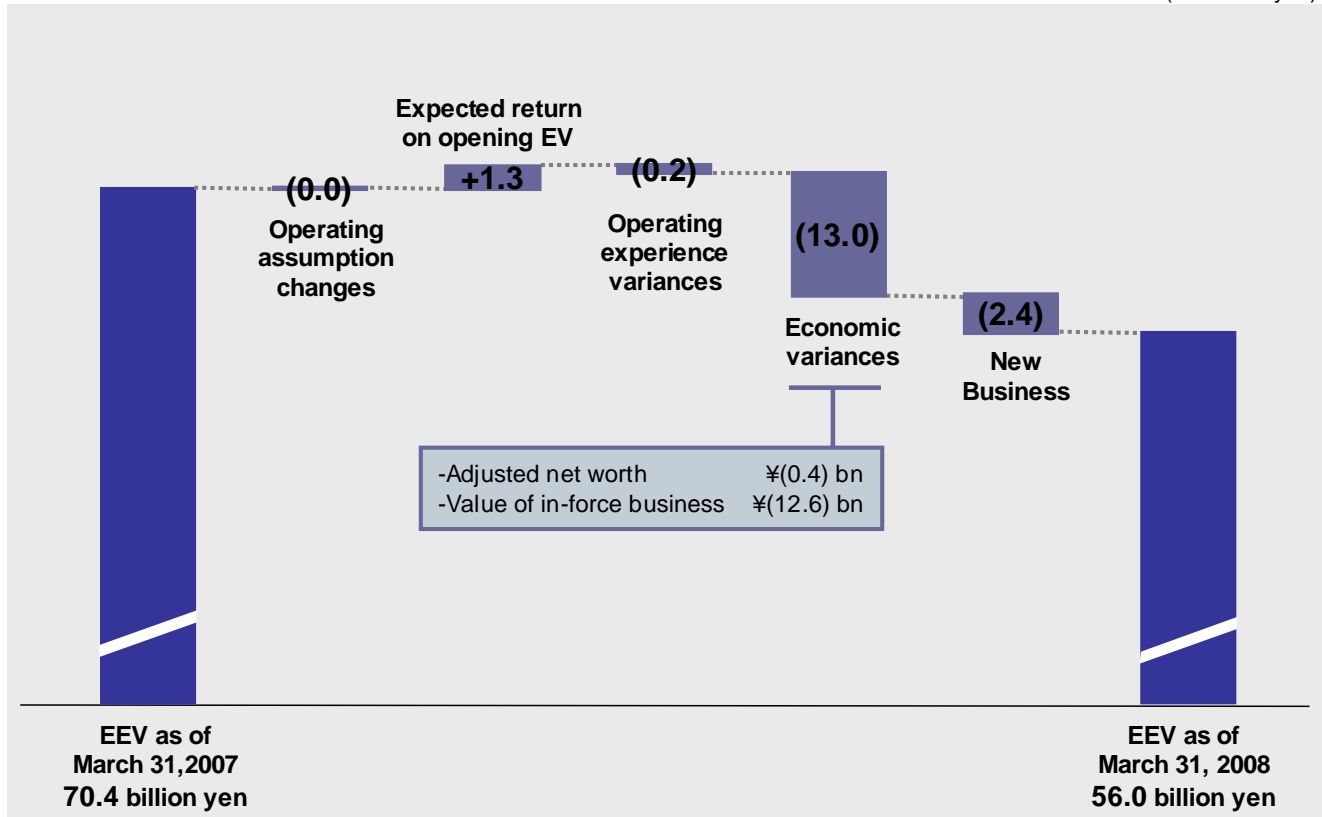
(Billions of yen)



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

Movement Analysis: T&D Financial Life

(Billions of yen)



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

Sensitivities (Three life insurance companies)

(billions of yen)

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

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

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

Expected Return on Assets for Movement Analysis

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

(Reference) Expected Return on Domestic Bonds

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

Other Assumptions

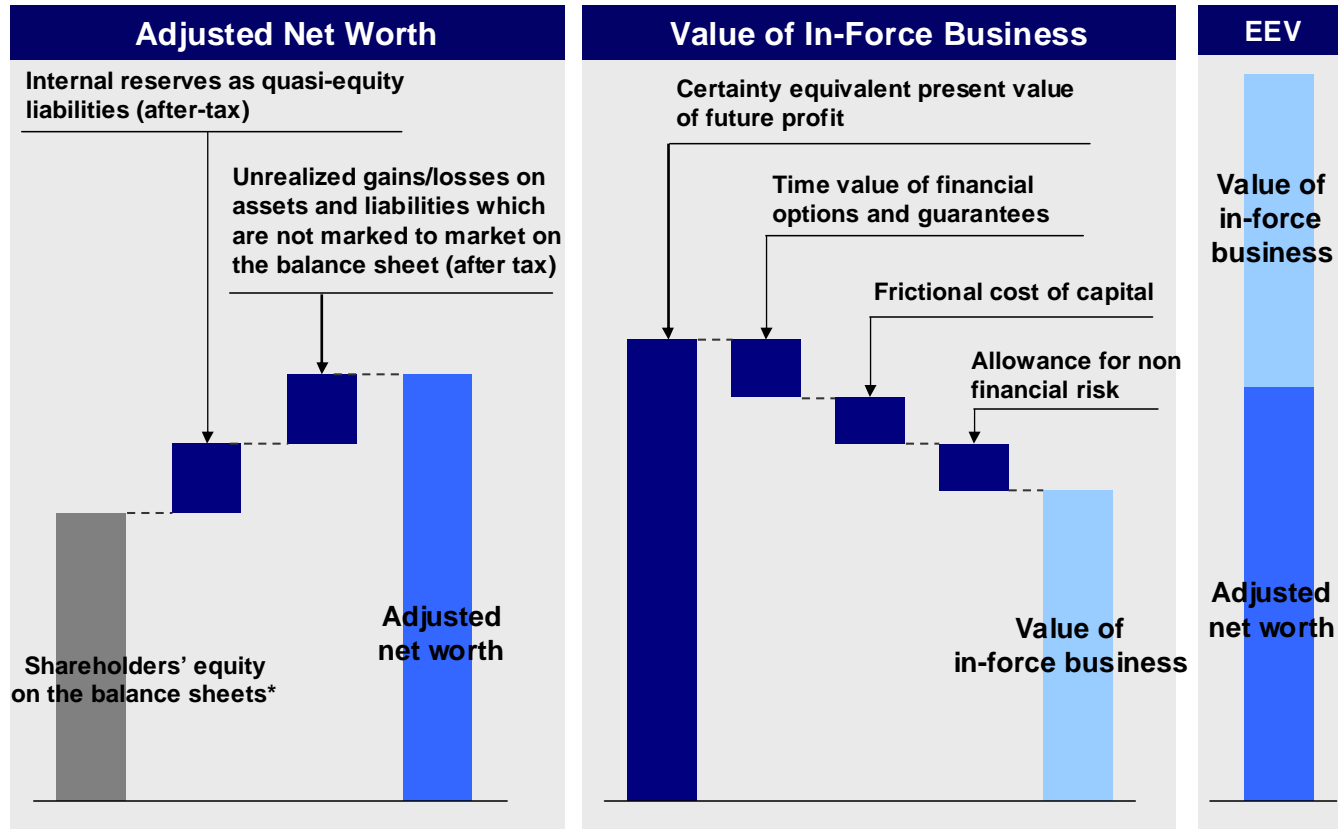
Other Assumptions

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

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

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

EEV Components



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

Main differences between EEV and TEV

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

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

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

For inquiries, please contact:

T&D Holdings, Inc.
Investor Relations
Phone: +81-3-3434-9142

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.