

T&D Holdings, Inc.

**Financial Results for the Six Months
Ended September 30, 2009**

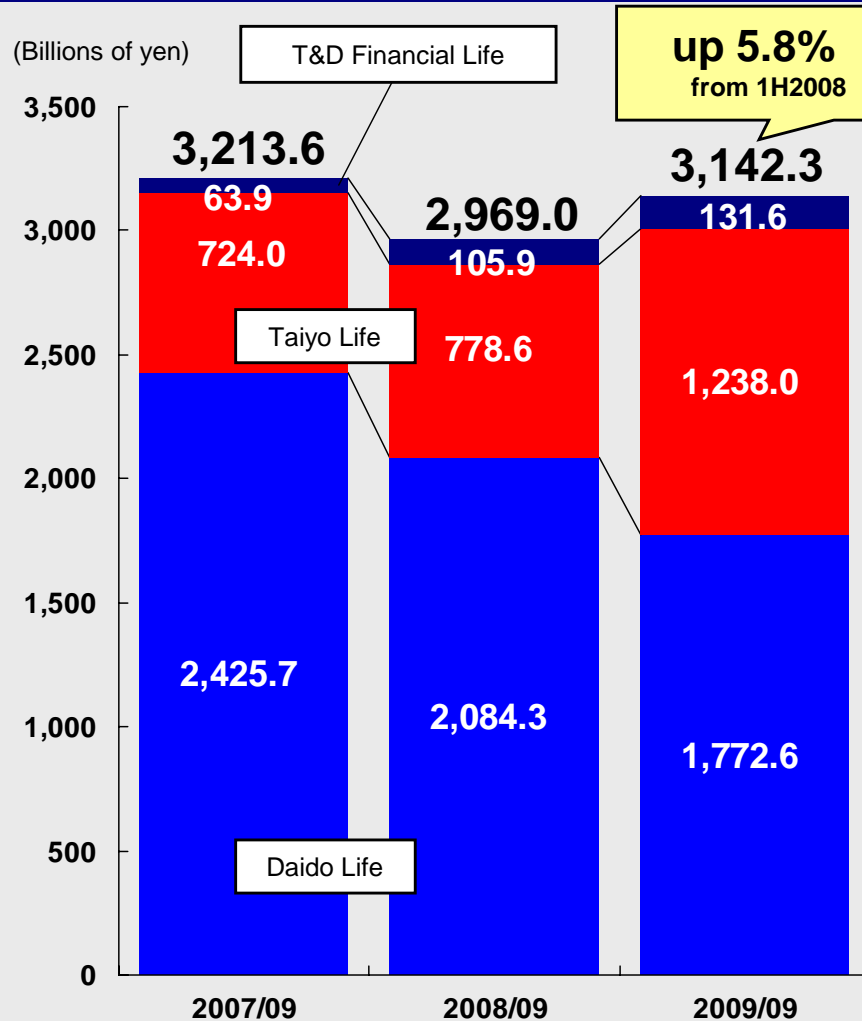
T&D Holdings Financial Highlights



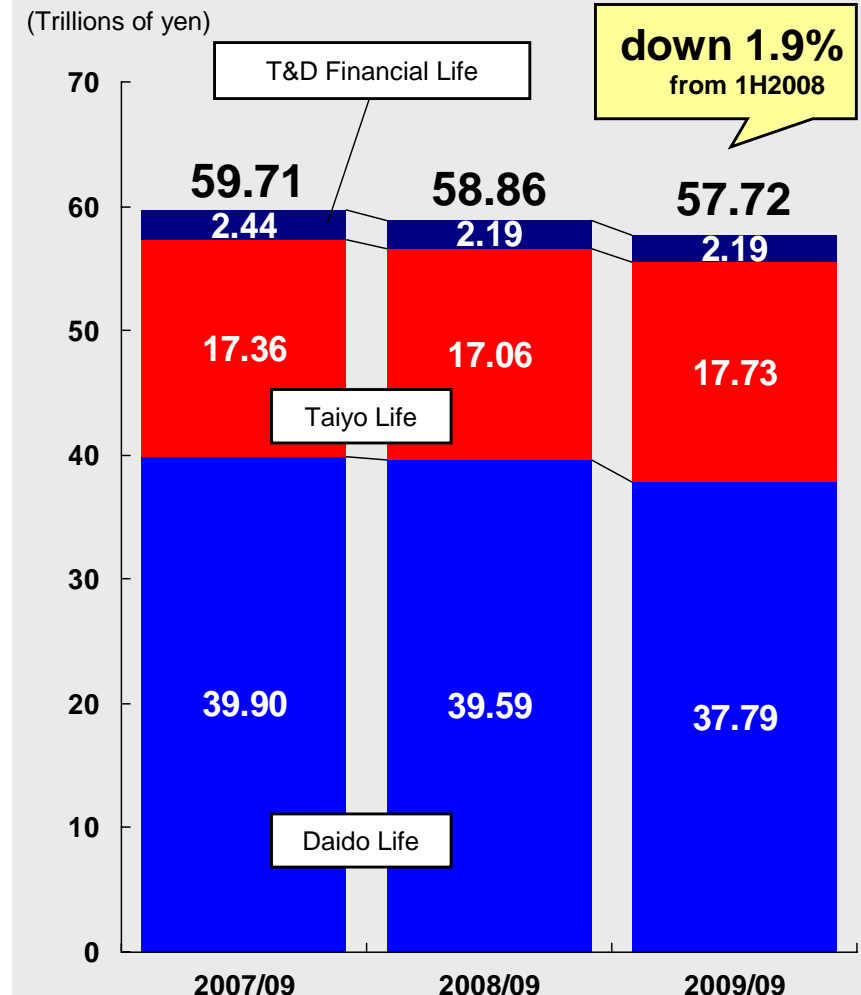
- **The new policy amount for the three life insurance companies increased from the same term of the previous fiscal year, while the surrender and lapse amount increased. The total policy amount in force decreased from the beginning of fiscal 2009**
- **Ordinary profit and net income increased from the same term of the previous fiscal year mainly due to an improvement in devaluation losses on securities, while interest and dividend income decreased**
- **EEV of T&D Life Group came to 1,136.4 billion yen, up 269.8 billion yen from the end of fiscal 2008**

Sales Results

New Policy Amount



Policy Amount in Force



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

Sales Results: Daido Life

(Billions of yen)

| | 1H2009 | 1H2008 | Changes |
|--|----------|----------|---------|
| New policy amount* | | | |
| Individual insurance and annuities total | 1,772.6 | 2,084.3 | (15.0%) |
| Individual term life insurance | 1,702.2 | 2,016.3 | (15.6%) |
| Decrease in policy amount** | | | |
| Individual insurance and annuities total | 2,597.9 | 2,385.3 | 8.9% |
| Individual term life insurance | 2,448.5 | 2,219.5 | 10.3% |
| Surrender and lapse amount | 2,051.0 | 1,896.5 | 8.1% |
| Surrender and lapse rate*** | 10.62% | 9.51% | 1.11P |
| Individual term life insurance | 1,962.8 | 1,801.8 | 8.9% |
| Policy amount in force | | | |
| Individual insurance and annuities total | 37,796.6 | 39,596.1 | (4.5%) |
| Individual term life insurance | 34,359.2 | 35,972.2 | (4.5%) |
| Annualized premiums of new policies* | 41.9 | 33.0 | 26.9% |
| Annualized premiums of total policies | 663.0 | 683.0 | (2.9%) |

Due to economic downturn

Due to an increase in surrender of products with high cash value such as long term insurance

Decreased by ¥825.2 billion from the beginning of the fiscal year

Decreased by ¥746.2 billion from the beginning of the fiscal year

Due to the single premium annuity launched in April 2009

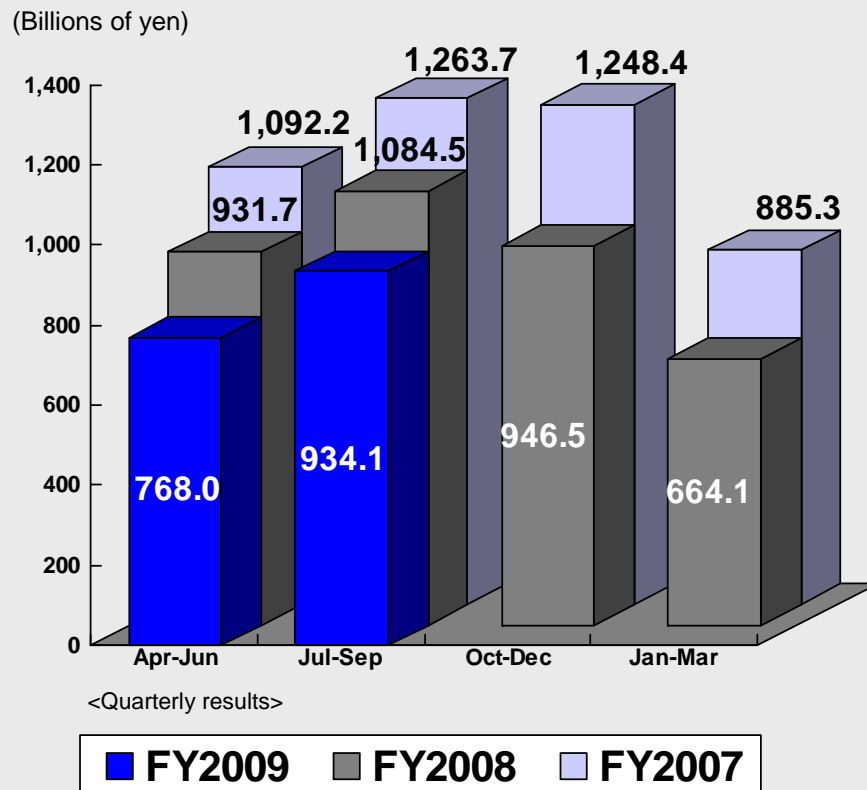
* Includes net increase from conversion

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

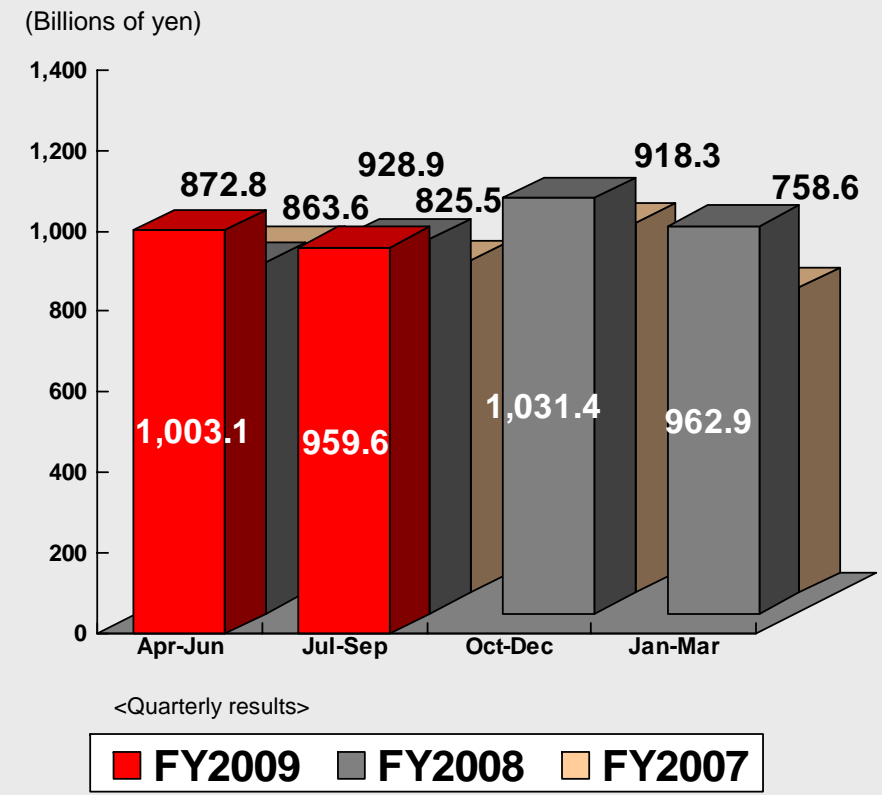
*** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 2

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)

| | 1H2009 | 1H2008 | Changes |
|--|----------|----------|---------|
| New policy amount* | | | |
| Individual insurance and annuities total | 1,238.0 | 778.6 | 59.0% |
| Protection-oriented products | 1,173.3 | 688.1 | 70.5% |
| Net increase from conversion | 575.2 | 115.2 | 399.0% |
| Decrease in policy amount** | | | |
| Individual insurance and annuities total | 860.1 | 891.1 | (3.5%) |
| Surrender and lapse amount | 562.9 | 597.9 | (5.9%) |
| Surrender and lapse rate*** | 6.49% | 6.96% | (0.47P) |
| Policy amount in force | | | |
| Individual insurance and annuities total | 17,733.1 | 17,069.8 | 3.9% |
| Protection-oriented products | 13,287.2 | 12,373.5 | 7.4% |
| Annualized premiums of new policies* | | | |
| Third sector products | 4.6 | 4.2 | 11.1% |
| Annualized premiums of total policies | | | |
| Third sector products | 110.3 | 110.2 | 0.0% |

-“Taiyo Life’s Hoken Kumikyoku Best” has been sold well

Due to a continued focus on the improvement of persistency rate

-Increased ¥377.8 billion from the beginning of FY2009
-The proportion of the protection-type products was 74.9%, up 1.2 points from the beginning of FY2009

Maturities of saving-type products sold in past years made the difference between total and third sector products

* Includes net increase from conversion

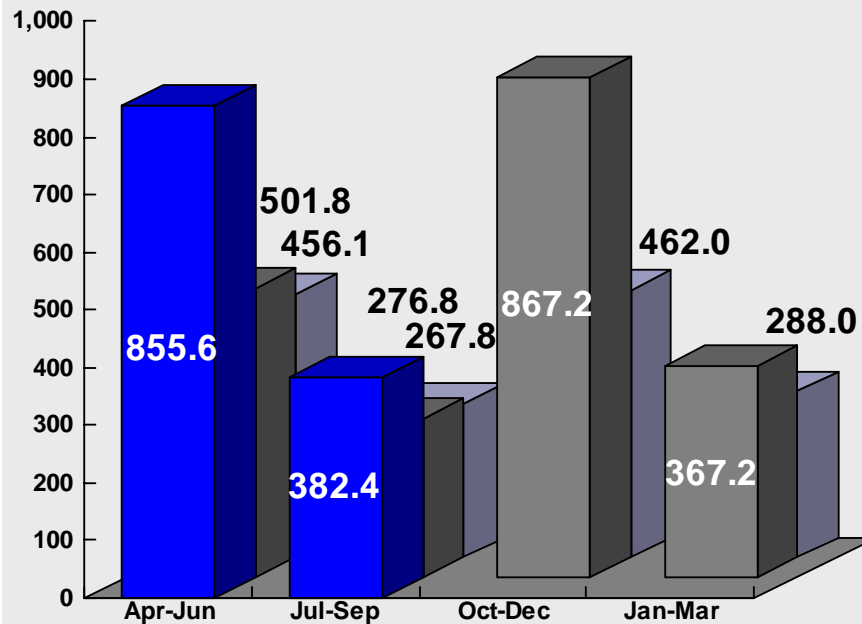
** Decrease in policy amount = New policy amount – Net increase of policy amount in force from previous fiscal year end

*** 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*

(Billions of yen)



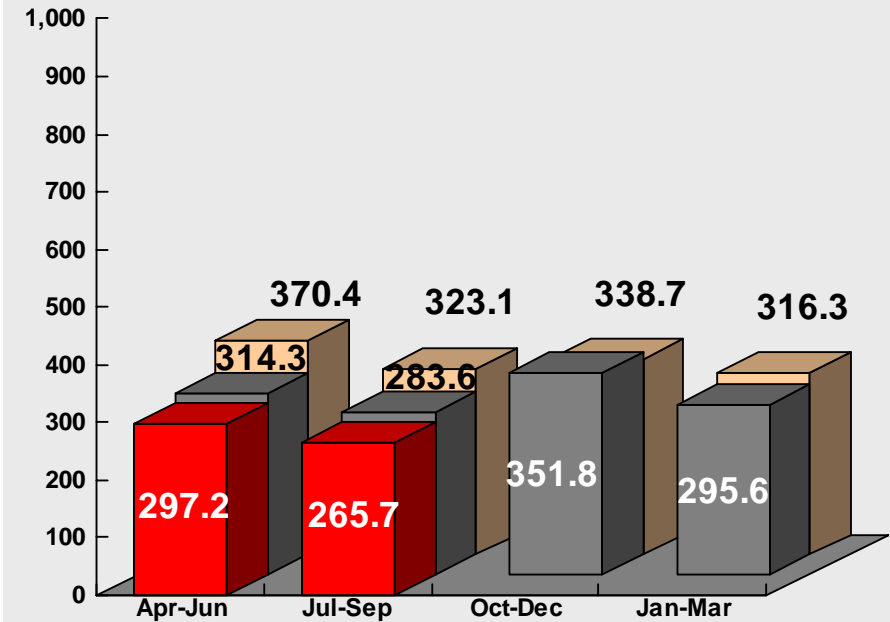
<Quarterly results>

■ FY2009 ■ FY2008 ■ FY2007

* New policy amount includes net increase from conversion

Trends in Surrender and Lapse Amount

(Billions of yen)



<Quarterly results>

■ FY2009 ■ FY2008 ■ FY2007

Sales Results: T&D Financial Life



(Billions of yen)

| | 1H2009 | 1H2008 | Changes |
|--|---------|---------|---------|
| New Policy Amount | | | |
| Individual variable annuities | 131.5 | 105.9 | 24.1% |
| Decrease in policy amount* | | | |
| Individual insurance and annuities total | 52.2 | 167.2 | (68.7%) |
| Surrender and lapse amount | 56.8 | 71.8 | (20.8%) |
| Individual variable annuities | 5.1 | 10.9 | (53.2%) |
| Surrender and lapse rate** | 1.52% | 3.67% | (2.15P) |
| Policy amount in force | | | |
| Individual insurance and annuities total | 2,199.3 | 2,199.7 | (0.0%) |
| Individual variable annuities | 847.1 | 649.2 | 30.5% |
| Annualized premiums of new policies | 25.2 | 19.6 | 28.3% |
| Annualized premiums of total policies | 157.2 | 115.9 | 35.6% |

-Increased by ¥25.5 billion y-o-y, due to steady sale 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 by 22,264 policies and ¥172.2 billion from the beginning of FY2009, respectively

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

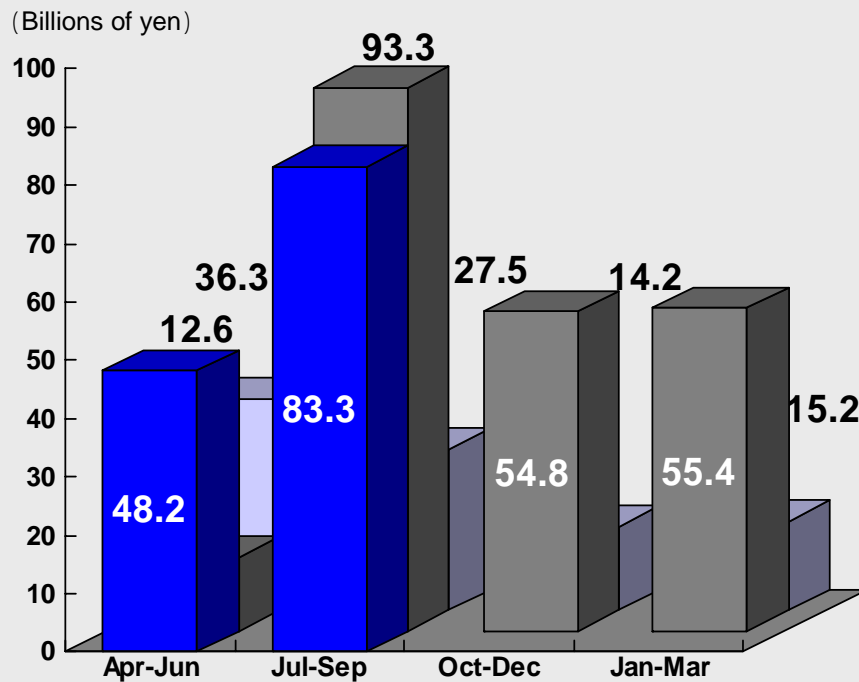
** Surrender and lapse rate = Surrender and lapse amount / Policy amount in force at the beginning of the fiscal year x 2

| | 1H2009 | 1H2008 |
|---|---|---|
| Number of financial Institution agents | 58 Banks, 5 Security Firms, 2 other agents | 54 Banks, 3 Security Firms, 2 other agents |

* Banks include trust banks and Shinkin (Credit Association) banks

Quarterly trends: T&D Financial Life Individual Variable Annuities

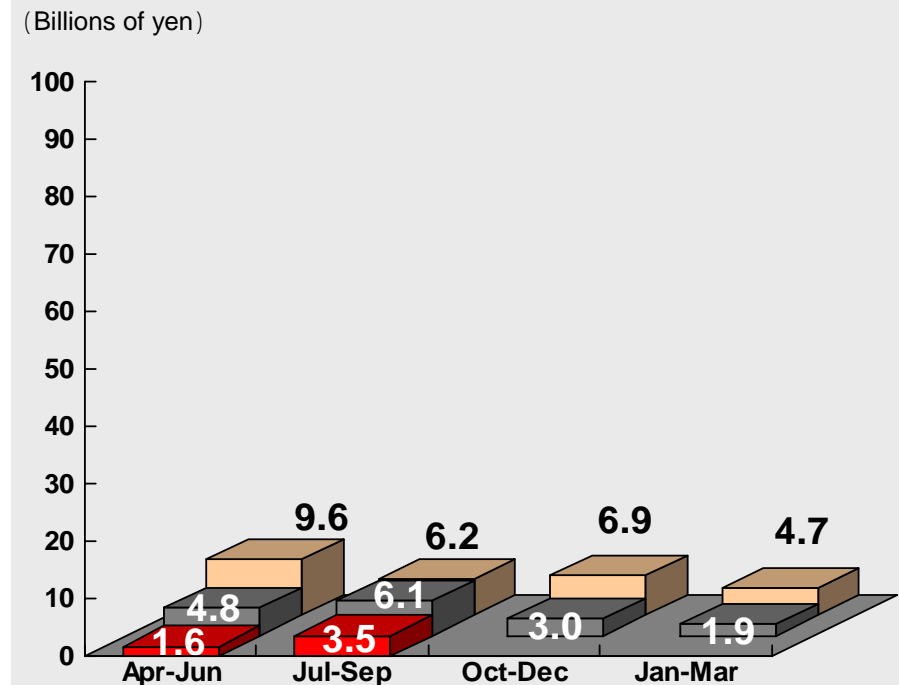
Trends in New Policy Amount*



<Quarterly results>

■ FY2009 ■ FY2008 ■ FY2007

Trends in surrender and Lapse Amount



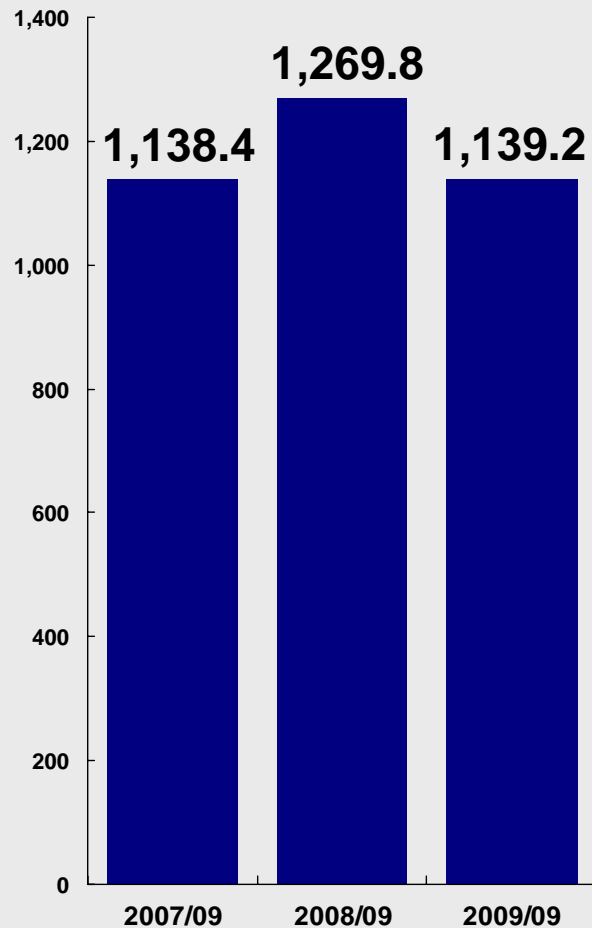
<Quarterly results>

■ FY2009 ■ FY2008 ■ FY2007

Consolidated Operation Results

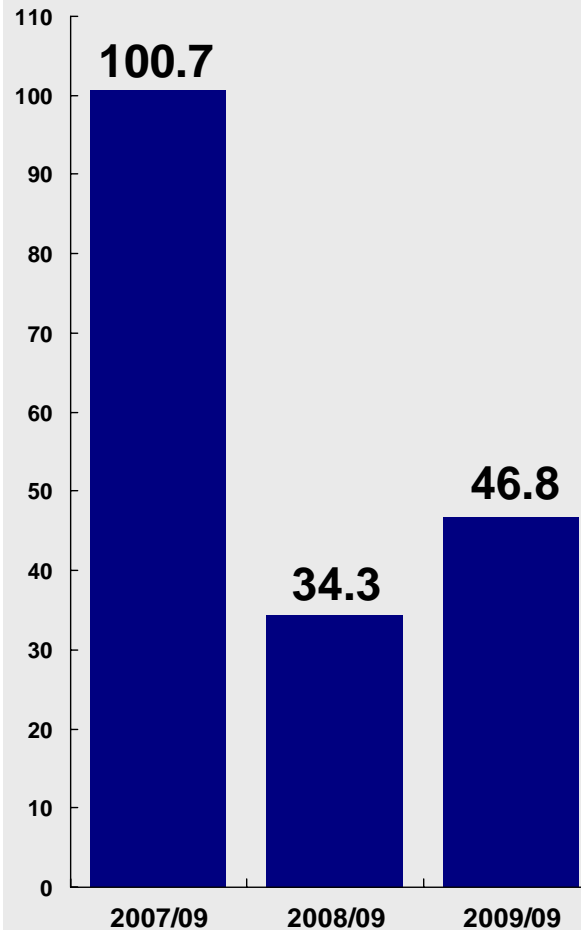
Ordinary Revenues

(Billions of yen)



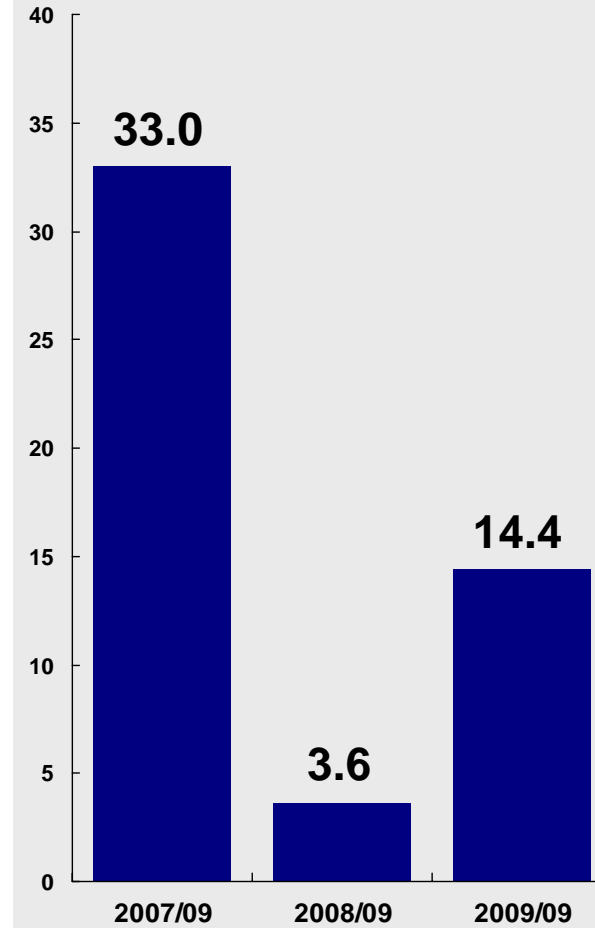
Ordinary Profit

(Billions of yen)



Net Income

(Billions of yen)



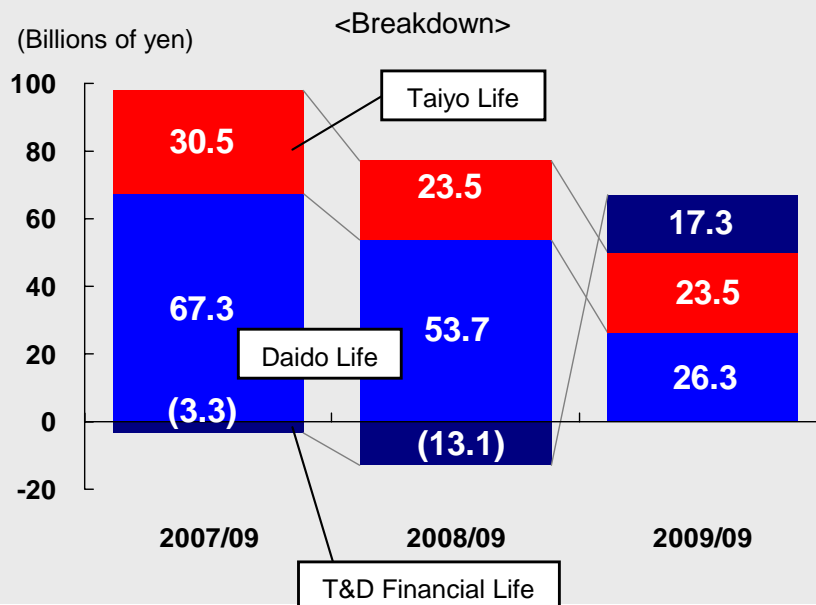
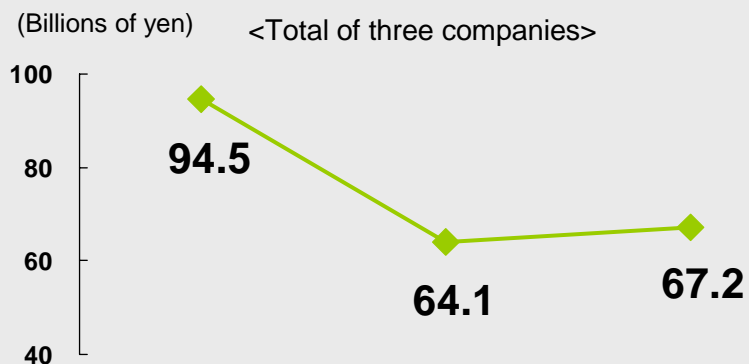
Consolidated Statements of Operations

(Billions of yen)

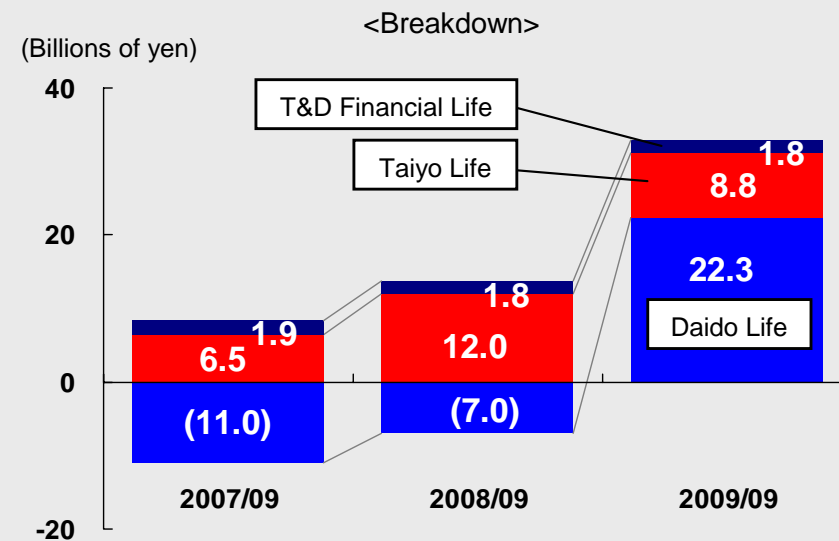
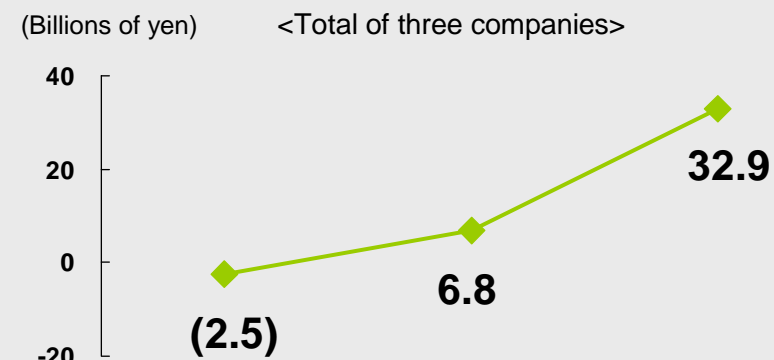
| | 1H2009 | 1H2008 | Changes | |
|--|----------------|----------------|----------------|--|
| Ordinary revenues | 1,139.2 | 1,269.8 | (130.6) | |
| Income from insurance premiums | 894.5 | 852.0 | 42.5 | -Daido: down ¥21.9 bn -Taiyo: up ¥40.7 bn -T&D Financial: up ¥23.6 bn |
| Investment income | 209.0 | 209.2 | (0.2) | |
| Interest, dividends and income from real estate for rent | 109.9 | 140.0 | (30.0) | -Daido: down ¥28.3 bn, mainly due to a decrease in dividends from investment trusts and private equity funds |
| Gains from monetary trusts, net | - | 3.3 | (3.3) | |
| Gains on sales of securities | 35.2 | 64.4 | (29.2) | |
| Gains on separate accounts, net | 61.5 | - | 61.5 | -Daido: down ¥6.7 bn -Taiyo: down ¥22.3 bn |
| Other ordinary income | 35.6 | 208.5 | (172.9) | |
| Reversal of policy reserve | - | 168.9 | (168.9) | |
| Ordinary expenses | 1,092.3 | 1,235.5 | (143.1) | |
| Insurance claims and other payments | 803.1 | 944.5 | (141.4) | -Daido: down ¥96.1 bn, mainly due to group annuities -Taiyo: down ¥37.5 bn, mainly due to group annuities |
| Provision for policy and other reserves | 75.2 | 0.4 | 74.8 | |
| Investment expenses | 70.2 | 142.9 | (72.6) | |
| Losses from monetary trusts, net | 18.4 | - | 18.4 | -Daido: down ¥0.4 bn -Taiyo: down ¥16.9 bn |
| Losses on sales of securities | 10.6 | 28.0 | (17.3) | |
| Devaluation losses on securities | 7.8 | 41.6 | (33.8) | |
| Losses on separate accounts, net | - | 36.6 | (36.6) | -Daido: down ¥17.3 bn -Taiyo: down ¥16.5 bn |
| Operating expenses | 104.2 | 106.0 | (1.7) | |
| Other ordinary expenses | 39.4 | 41.5 | (2.0) | |
| Ordinary profit | 46.8 | 34.3 | 12.4 | |
| Net extraordinary gains (losses) | (7.2) | (0.2) | (6.9) | Including ¥6.9 bn for reserve for price fluctuations -Daido: ¥0.9 bn [down ¥0.3 bn y-o-y] -Taiyo: ¥5.9 bn [up ¥5.8 bn y-o-y], including excess amount of ¥5.0 bn as additional internal reserves |
| Provision for reserve for policyholder dividends | 12.6 | 17.2 | (4.5) | |
| Income before income taxes | 27.0 | 16.9 | 10.0 | |
| Total income taxes | 12.4 | 13.2 | (0.7) | |
| Net income | 14.4 | 3.6 | 10.7 | |

Core Profit/Negative Spread

Core Profit



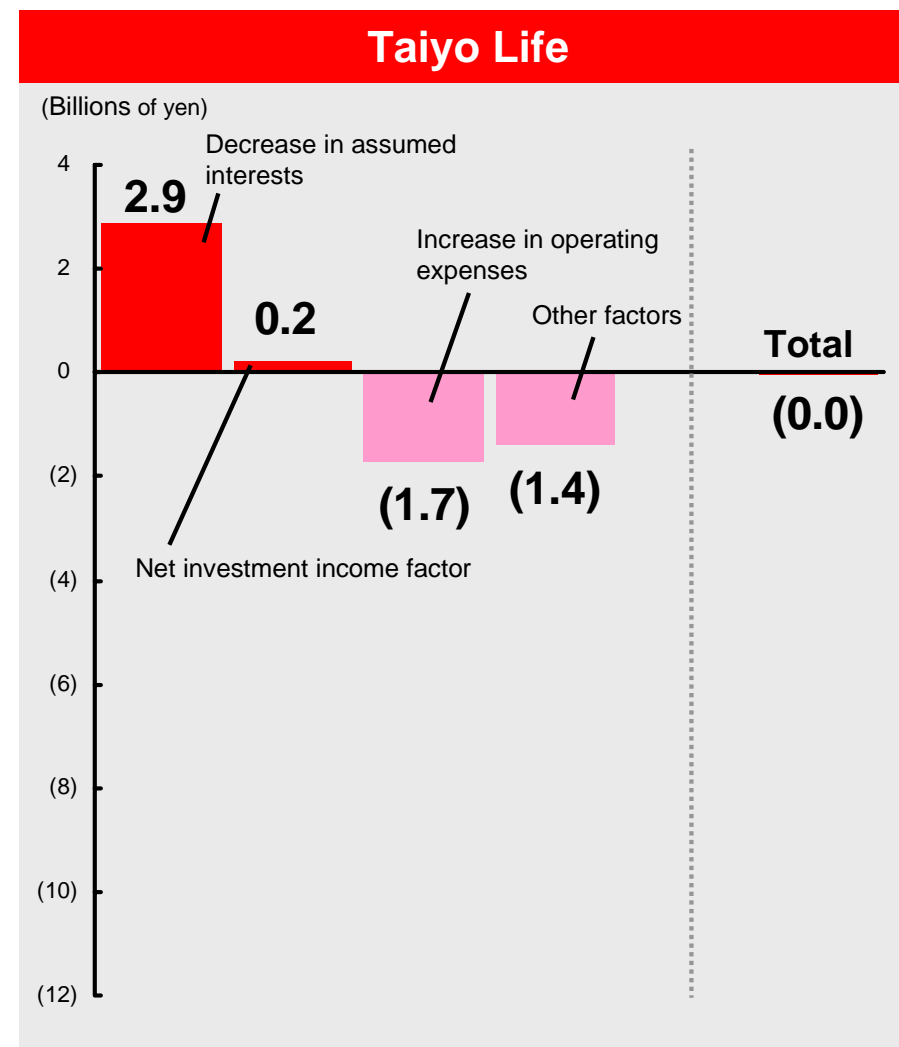
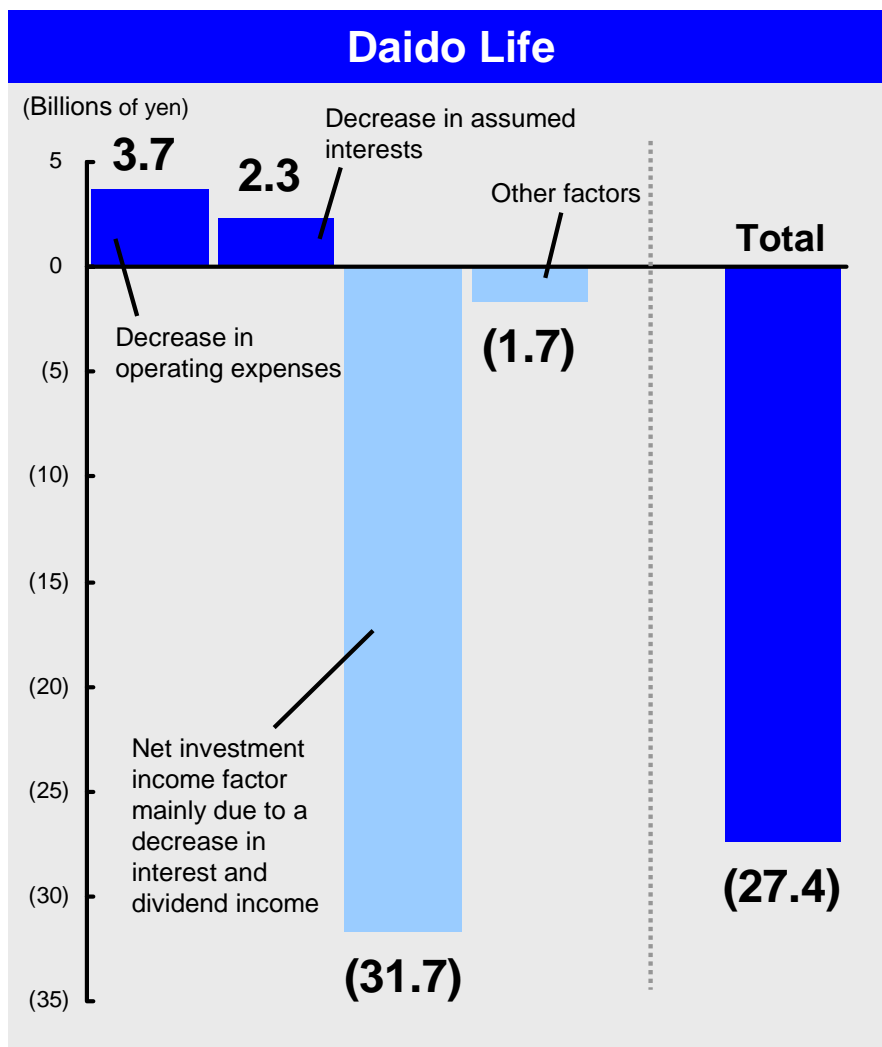
Negative Spread



* 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 1H2009 (vs. 1H2008)



Consolidated Balance Sheets

-T&D Holdings: ¥112.7 bn of senior loan [no change from previous FYE]
 -Taiyo: ¥54.0 bn of subordinated loans [up ¥19.0 bn from previous FYE]

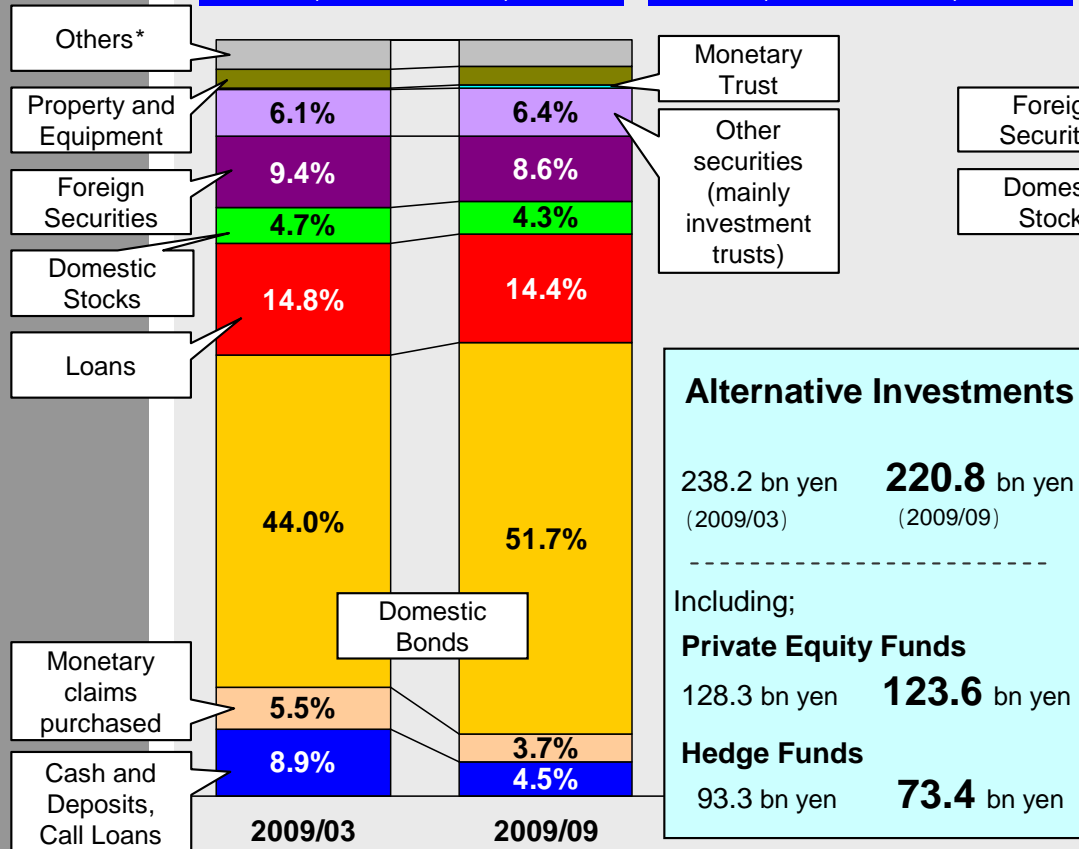
| (Billions of yen) | | | | (Billions of yen) | | | |
|----------------------------------|--------------------------------|-------------------------|--------------|---|--------------------------------|-------------------------|--------------|
| | As of September 30, 2009 | As of March 31, 2009 | Changes | | As of September 30, 2009 | As of March 31, 2009 | Changes |
| Assets: | | | | Liabilities: | | | |
| Cash and deposits, call loans | 515.7 | 717.1 | (201.4) | Total policy reserves | 11,762.0 | 11,699.0 | 63.0 |
| Monetary claims purchased | 346.2 | 443.2 | (96.9) | Policy reserve | 11,555.2 | 11,480.4 | 74.8 |
| Monetary trusts | 72.9 | 78.1 | (5.1) | Contingency reserve | 151.2 | 147.6 | 3.6 |
| Securities | 8,804.7 | 8,218.5 | 586.2 | Other liabilities | 283.7 | 306.6 | (22.9) |
| Loans | 2,251.5 | 2,280.7 | (29.2) | Debts | 194.0 | 170.4 | 23.6 |
| Tangible fixed assets | 304.7 | 308.6 | (3.8) | Reserve for price fluctuations | 59.4 | 52.4 | 6.9 |
| Intangible fixed assets | 22.6 | 23.4 | (0.8) | Total liabilities | 12,259.7 | 12,202.1 | 57.6 |
| Other assets | 180.1 | 191.7 | (11.6) | Net assets: | | | |
| Defferd tax assets | 192.6 | 227.9 | (35.2) | Total stockholders' equity | 430.7 | 428.4 | 2.2 |
| Reserve for possible loan losses | (10.7) | (2.6) | (8.1) | Common stock | 147.6 | 147.6 | - |
| Total assets | 12,693.3 | 12,498.5 | 194.7 | Capital surplus | 135.1 | 135.1 | - |
| | | | | Retained earnings | 148.8 | 146.6 | 2.2 |
| | | | | Total valuation and translation adjustment | 1.0 | (133.8) | 134.8 |
| | | | | Net unrealized gains on securities | 48.8 | (86.2) | 135.0 |
| | | | | Land revaluation | (47.9) | (47.8) | (0.1) |
| | | | | Total net assets | 433.5 | 296.3 | 137.1 |
| | | | | Total liabilities and net assets | 12,693.3 | 12,498.5 | 194.7 |

General Account Assets Composition

Daido Life

Net Exposure to Domestic Stocks**
8.2%
(2009/03 8.3%)

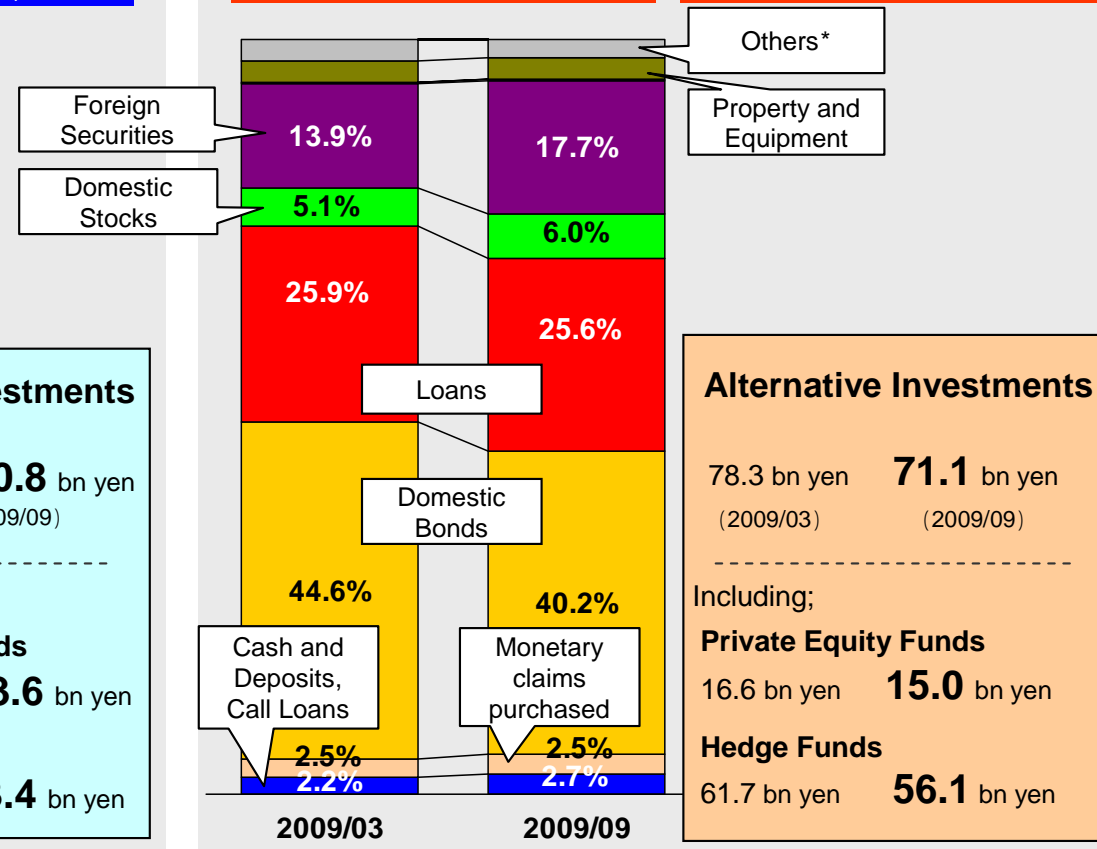
Net Exposure to Foreign Currency***
2.7%
(2009/03 2.5%)



Taiyo Life

Net Exposure to Domestic Stocks**
4.7%
(2009/03 3.1%)

Net Exposure to Foreign Currency***
2.8%
(2009/03 2.6%)



*Others: Deferred Tax Assets, etc. ** 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

1H2009 Asset Management Review

| | Daido Life | Taiyo Life |
|-------------------------------|--|--|
| Domestic bonds | Increased due to purchase of JGBs including TB as a short-term investment | Decreased due to a shift to foreign bonds |
| Foreign bonds | Maintain the exposure as of FY2008 end | Increased due to a rise of overseas long-term interest rates and a decrease in hedge costs relating to foreign currency exchange contract |
| Domestic stocks | -Sold a part of domestic stocks when stock prices rose from June to July and at the end of September | Bought and sold, carefully watching the stock market |
| Foreign stocks | | |
| Alternative Investment | <ul style="list-style-type: none"> -Sold a part of hedge funds as previously scheduled -As for private equity funds, selected funds carefully and committed new investment, the exposure remained the same level of FY2008 end | <ul style="list-style-type: none"> -No new investment for neither hedge funds nor private equity funds -Sold a part of hedge funds |

2H2009 Investment Initiatives

| | Daido Life | Taiyo Life |
|-------------------------------|---|--|
| Domestic bonds | <ul style="list-style-type: none"> -Maintain current exposure -Maintain current duration under the present interest rate levels, and extend the duration according to interest rate rises | <ul style="list-style-type: none"> -Maintain current exposure -Manage the duration according to interest rate levels |
| Foreign bonds | | Maintain current exposure |
| Domestic stocks | Maintain current exposure, might change accordingly | |
| Foreign stocks | | |
| Alternative Investment | <ul style="list-style-type: none"> -Maintain current exposure for hedge funds -For private equity funds, take a cautious investment stance including new investment | Maintain current exposure, under the cautious investment stance |

Unrealized Gains/Losses [General Account Assets]

Securities with market value

(Billions of yen)

| | Daido Life | | Taiyo Life | | T&D Financial Life | | Total | | |
|---|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------|
| | As of September 30, 2009 | As of March 31, 2009 | As of September 30, 2009 | As of March 31, 2009 | As of September 30, 2009 | As of March 31, 2009 | As of September 30, 2009 | As of March 31, 2009 | Changes |
| Total | 54.8 | (52.6) | 96.4 | 24.1 | 4.1 | 2.9 | 155.4 | (25.4) | 180.9 |
| Domestic bonds | 34.4 | 7.0 | 51.0 | 38.4 | 4.0 | 2.9 | 89.4 | 48.5 | 40.9 |
| Domestic stocks | 47.7 | 35.9 | 58.2 | 8.6 | - | - | 105.9 | 44.6 | 61.3 |
| Foreign securities | (8.4) | (18.5) | (14.1) | (23.2) | (0.0) | - | (22.6) | (41.7) | 19.1 |
| Bonds | (0.4) | (9.3) | (2.5) | (4.1) | - | - | (2.9) | (13.4) | 10.5 |
| Stocks, etc. | (8.0) | (9.1) | (11.6) | (19.1) | (0.0) | - | (19.6) | (28.3) | 8.6 |
| Other securities | (18.4) | (76.8) | 0.0 | (0.1) | 0.0 | - | (18.3) | (76.9) | 58.5 |
| Monetary claims purchased | (0.2) | (0.3) | 1.2 | 0.3 | - | - | 0.9 | (0.0) | 0.9 |
| Certificates of deposit | - | - | - | - | - | - | - | - | - |
| Monetary trusts | (0.0) | - | - | - | - | - | (0.0) | - | (0.0) |
| Net unrealized gains/losses on real estate | 30.3 | 30.3 | 21.5 | 22.3 | - | - | 51.8 | 52.7 | (0.8) |

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

Financial Soundness, Adjusted Net Worth on EEV

(Billions of yen)

| | As of September 30, 2009 | As of March 31, 2009 | Change |
|-------------------------------|--------------------------------|-------------------------|---------|
| Daido Life | | | |
| Solvency margin ratio | 1,012.3% | 823.4% | 188.9P |
| Adjusted net assets | 550.9 | 447.9 | 103.0 |
| Adjusted net worth on EEV | 372.1 | 304.3 | 67.8 |
| Taiyo Life | | | |
| Solvency margin ratio | 987.6% | 866.4% | 121.2P |
| Adjusted net assets | 408.1 | 330.4 | 77.7 |
| Adjusted net worth on EEV | 336.4 | 270.0 | 66.4 |
| T&D Financial Life | | | |
| Solvency margin ratio | 760.9% | 832.0% | (71.1P) |
| Adjusted net assets | 93.1 | 87.1 | 6.0 |
| Adjusted net worth on EEV | 65.3 | 63.5 | 1.8 |

Due to an increase in unrealized gains as stock prices rose

Due to an increase in minimum guarantee risks as gained new policies

| Total of Three Insurance Companies | | | |
|---|---------|-------|-------|
| Adjusted net assets | 1,052.2 | 865.5 | 186.7 |
| Adjusted net worth on EEV | * 670.7 | 535.3 | 135.4 |

* Eliminated 103.1 billion yen of the difference between T&D Holdings' capital increase and the capital injection to the three life insurance companies

Forecasts for the Year Ending March 31, 2010

- Full year forecasts have not been changed as originally announced on May 19, 2009

T&D Holdings' Consolidated Forecasts

(Billions of yen)

| | Full Year Forecast | Six Months Ended September 30, 2009 | Progress Rate | (Ref.) Year Ended March 31, 2009 |
|-------------------|--------------------|--|---------------|-------------------------------------|
| Ordinary revenues | 2,010 | 1,139.2 | 56.7% | 2,539.8 |
| Ordinary profit | 78 | 46.8 | 60.1% | (183.8) |
| Net income | 18 | 14.4 | 80.2% | (89.0) |

Total of Three Life Insurance Companies

(Billions of yen)

| | Full Year Forecast | Six Months Ended September 30, 2009 | Progress Rate | (Ref.) Year Ended March 31, 2009 |
|--------------------------------|--------------------|--|---------------|-------------------------------------|
| New policy amount | 6,300 | 3,142.3 | 49.9% | 5,991.0 |
| Policy amount in force | 57,550 | 57,729.1 | ** - | 58,097.1 |
| Income from insurance premiums | 1,690 | 894.4 | 52.9% | 1,654.3 |
| Core profit | 101 | 67.2 | 66.5% | (27.0) |
| Negative spread | 50 | 32.9 | | 153.7 |

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

** Decreased 368.0 billion yen from the beginning of fiscal 2009

Forecasts for the Year Ending March 31, 2010



(Billions of yen)

| | Daido Life | | | Taiyo Life | | | T&D Financial Life | | |
|---------------------------------------|--------------------|-------------------------------------|---------------------------|--------------------|-------------------------------------|---------------------------|--------------------|-------------------------------------|---------------------------|
| | Full Year Forecast | Six Months Ended September 30, 2009 | Year Ended March 31, 2009 | Full Year Forecast | Six Months Ended September 30, 2009 | Year Ended March 31, 2009 | Full Year Forecast | Six Months Ended September 30, 2009 | Year Ended March 31, 2009 |
| Ordinary revenues | 970 | 497.7 | 1,250.5 | 910 | 495.9 | 1,112.1 | 270 | 208.7 | 285.3 |
| Income from insurance premiums | 780 | 392.3 | 811.9 | 660 | 356.9 | 596.6 | 250 | 145.0 | 245.7 |
| Ordinary profit | 50 | 21.7 | (93.3) | 41 | 27.6 | (63.6) | (14) | (2.6) | (26.8) |
| Core profit | 55 | 26.3 | (31.2) | 50 | 23.5 | 45.0 | (4) | 17.3 | (40.8) |
| Net income | 17 | 5.6 | (52.0) | 11 | 10.9 | (15.5) | (10) | (1.8) | (19.8) |
| New policy amount | 3,860 | 1,772.6 | 3,761.6 | 2,200 | 1,238.0 | 2,013.1 | 240 | 131.6 | 216.2 |
| Core product | 3,720 | 1,702.2 | 3,627.0 | - | - | - | 180 | 131.5 | 216.2 |
| Policy amount in force | 37,740 | 37,796.6 | 38,621.8 | 17,680 | 17,733.1 | 17,355.2 | 2,130 | 2,199.3 | 2,120.0 |
| Core product | 34,420 | 34,359.2 | 35,105.5 | - | - | - | 820 | 847.1 | 674.9 |
| Annualized premiums of total policies | 640 | 663.0 | 664.8 | 600 | 605.6 | 613.0 | 170 | 157.2 | 134.6 |
| Negative spread | 30 | 22.3 | 129.8 | 17 | 8.8 | 20.2 | 3 | 1.8 | 3.6 |
| Surrender and lapse rate | 9.8% | 10.62% | 10.01% | 7.5% | 6.49% | 7.25% | 5.7% | 5.37% | 5.98% |

* 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.

T&D Life Group

European Embedded Value (EEV)

Note:

The calculation of EEV results involves certain assumptions regarding future projections that are subject to risks and uncertainties. It should be noted that actual future results might differ materially from the assumptions used in the EEV calculations. Moreover, although EEV is one indicator of the corporate value of a stock life insurance company/group, the actual market value may significantly diverge from the EEV, and investors are advised to be cautious.

EEV Highlights

- **The Group's EEV as of September 30, 2009 was 1,136.4 billion yen, increased by 269.8 billion yen from the previous fiscal year end**
- **The value of new business was 19.0 billion yen**

Assumptions and Disclosure Items: EEV as of September 30, 2009

■ Assumptions

| Assumptions | Contents |
|----------------------|--|
| Economic assumptions | The swap rates as well as the implied market volatilities of swaptions and equity options at the valuation date (as of September 30, 2009) |
| Other assumptions | All cash flows (premium, commission, non-commission expense, death benefit, cash surrender value, tax, etc.) are projected applying the best estimate assumptions. The same assumptions as those used for the EEV as of March 31, 2009 |

■ Disclosure Items

| Items | × : Not disclosed : Partly disclosed | Contents |
|---|---|---|
| Sensitivities | × | - |
| Value of new business | | No breakdown of detailed components |
| EEV by company | | No breakdown of adjusted net worth and value of in-force-business |
| Expected existing business contribution | | No breakdown of risk free rate and in excess of risk free rate |

EEV Results

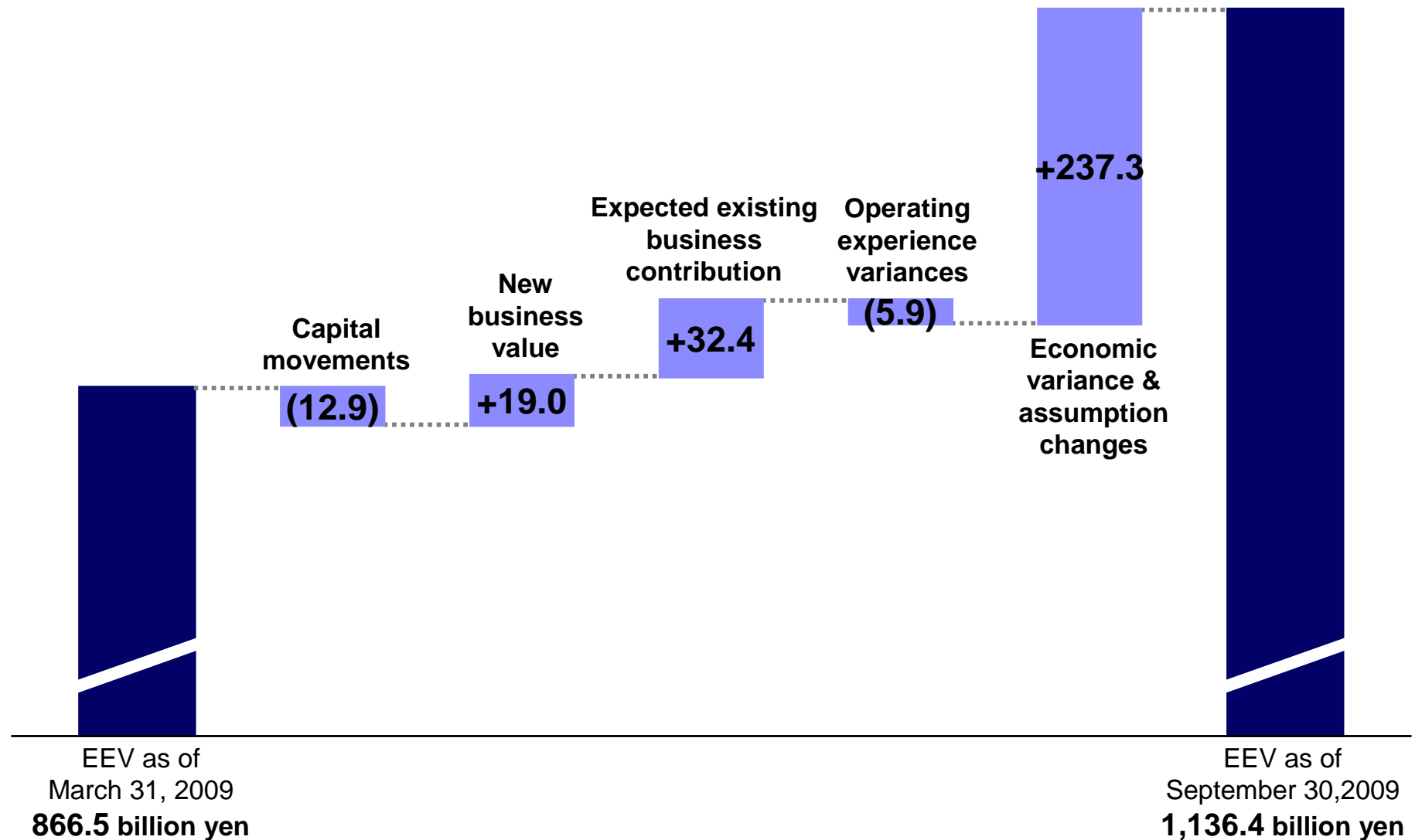
(Billions of yen)

| | As of September 30, 2009 | As of March 31, 2009 | Change |
|-------------------------------|-----------------------------|-------------------------|--------|
| T&D Life Group | | | |
| EEV | 1,136.4 | 866.5 | 269.8 |
| Adjusted net worth | 670.7 | 535.3 | 135.4 |
| Value of in-force business | 465.6 | 331.1 | 134.4 |
| Value of new business | 19.0 | 28.5 | |
| (Breakdown) | | | |
| Daido Life | | | |
| EEV | 740.9 | 607.4 | 133.4 |
| Adjusted net worth | 372.1 | 304.3 | 67.8 |
| Value of in-force business | 368.7 | 303.1 | 65.5 |
| Value of new business | 11.0 | 18.9 | |
| Taiyo Life | | | |
| EEV | 422.3 | 295.8 | 126.4 |
| Adjusted net worth | 336.4 | 270.0 | 66.4 |
| Value of in-force business | 85.8 | 25.8 | 60.0 |
| Value of new business | 12.5 | 20.5 | |
| T&D Financial Life | | | |
| EEV | 76.3 | 65.7 | 10.6 |
| Adjusted net worth | 65.3 | 63.5 | 1.8 |
| Value of in-force business | 11.0 | 2.2 | 8.7 |
| Value of new business | (4.5) | (10.9) | |

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

Movement Analysis

(Billions of yen)



[Reference] Breakdown of Movement Analysis



(Billions of yen)

| | EEV | | |
|--|----------------|--------------------|----------------------------|
| | | Adjusted net worth | Value of in-force business |
| EEV as of March 31, 2009 | 866.5 | 535.3 | 331.1 |
| Capital movements | (12.9) | (12.9) | - |
| New business value | 19.0 | (32.1) | 51.1 |
| Expected existing business contribution for 1H2009 | 32.4 | 3.5 | 28.8 |
| Expected transfer from in-force business to adjusted net worth | - | 44.6 | (44.6) |
| Operating experience variances for 1H2009 | (5.9) | 1.9 | (7.8) |
| Operating assumption changes | - | - | - |
| Economic variances and assumption changes | 237.3 | 130.3 | 106.9 |
| Change in EEV for 1H2009 | 269.8 | 135.4 | 134.4 |
| EEV as of September 30, 2009 | 1,136.4 | 670.7 | 465.6 |

[Reference] Breakdown of Movement Analysis by Company



(Billions of yen)

| | Daido Life | Taiyo Life | T&D Financial Life | T&D Holdings |
|--|--------------|--------------|--------------------|------------------|
| EEV as of March 31, 2009 | 607.4 | 295.8 | 65.7 | * (102.5) |
| Capital movements | (6.1) | (6.1) | - | ** (0.6) |
| New business value | 11.0 | 12.5 | (4.5) | - |
| Expected existing business contribution for 1H2009 | 16.4 | 15.2 | 0.7 | - |
| Expected transfer from in-force business to adjusted net worth | *** - | - | - | - |
| Operating experience variances for 1H2009 | (6.7) | 0.8 | - | - |
| Operating assumption changes | - | - | - | - |
| Economic variances and assumption changes | 118.7 | 104.1 | 14.4 | - |
| Change in EEV for 1H2009 | 133.4 | 126.4 | 10.6 | (0.6) |
| EEV as of September 30, 2009 | 740.9 | 422.3 | 76.3 | (103.1) |

* T&D Holdings' "EEV as of March 31, 2009" represents T&D Holdings' capital increase with regard to life insurance business (¥57.4 billion) less the capital that T&D Holdings injected to subsidiaries (¥160.0 billion).

** T&D Holdings' "Capital Movements" represents the interest for the loans T&D Holdings borrowed with regard to life insurance business.

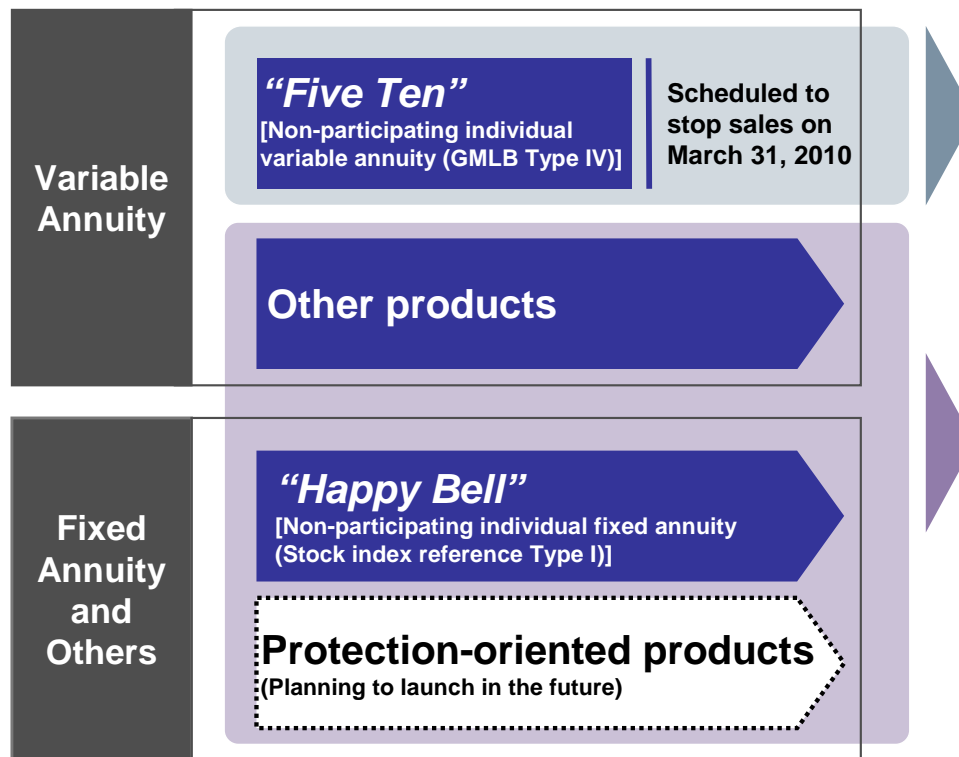
*** "Expected transfer from in-force business to adjusted net worth" does not affect the embedded values, and the item has been shown with "-". The amounts of expected transfer (from in-force business to adjusted net worth) are Daido Life ¥33.1 billion, Taiyo Life ¥10.5 billion and T&D Financial Life ¥1.0 billion.

Opinion of Actuarial Firm

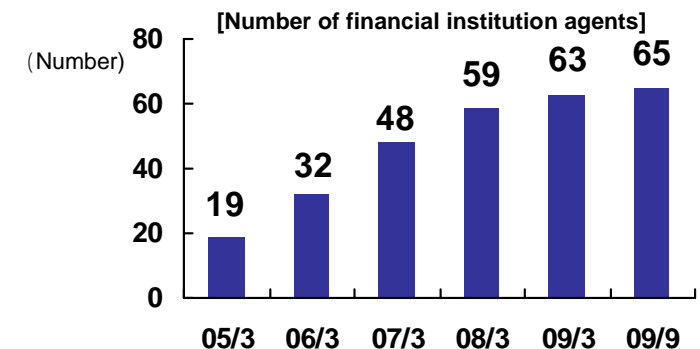
- T&D Life Group engaged an outside specialist (actuarial firm) to review its EEV methodology and assumptions and obtained the opinion.
- To see the opinions, please refer to our web site:
URL <http://www.td-holdings.co.jp/e/>

T&D Financial Life : Business strategy

- Decided to suspend the sales of core product *“Five Ten”* on March 31, 2010
 - ✓ Short- to-mid term interest rates and high stock price volatility made the profitability lower than that under the development
 - ✓ Policy amount in force increased due to the favorable sales. It is appropriate to suspend the sales on March 31, 2010 in consideration of capital efficiency and profitability
- Product-mix strategy: move to the second stage
 - ✓ First stage: focused on the expansion of variable annuity sales and development of agent network
 - ✓ Second stage: promote product mixing, expanding the sale of fixed annuities and others



- Impact on the forecasts for the year ending March 31, 2010 will be so limited because sales continue until March 31, 2010
- Expand the sales of fixed annuity and others using the financial institution sales channels developed through the sale of variable annuities



Filing of Shelf Registration Statement for Future Issuances of New Shares

- Type of securities : Common stock of the Company
- Planned effective period : From November 13, 2009 until November 12, 2010
- Offering method : Public offering
- Planned amount of issuance : Up to 120 billion yen
- Use of proceeds : Repayment of debts

Background of shelf registration statement filing

- Against the backdrop of global efforts to review regulatory framework for the stabilization of the financial system and initiatives for reinforcing the “capital quality” of financial institutions, the regulatory framework of life insurance companies is now going in the direction of importance being placed on both the amount and quality of the capital.
- Increasing the flexibility of the Group’s capital strategies and securing future investment ability through using the proceeds raised from capital increases to repay its debt, as well as to stabilize its financial base by enhancing its core equity capital.

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Non-Consolidated Statements of Operations: Daido Life

(Billions of yen)

| | 1H2009 | 1H2008 | Changes | |
|--|--------------|--------------|----------------|--|
| Ordinary revenues | 497.7 | 629.7 | (132.0) | Group annuities: down ¥17.3 bn |
| Income from insurance premiums | 392.3 | 414.3 | (21.9) | |
| Individual term life insurance | 263.7 | 277.0 | (13.2) | |
| Investment income | 60.8 | 91.5 | (30.7) | Includes; -Dividends from investment trusts: down ¥17.9 bn -Dividends from private equity funds: down ¥4.7 bn |
| Interest, dividends and income from real estate for rent | 44.6 | 72.9 | (28.3) | |
| Gains on investments in trading securities, net | 0.9 | - | 0.9 | |
| Gains on sales of securities | 10.3 | 17.1 | (6.7) | |
| Other ordinary income | 44.5 | 123.7 | (79.2) | Increase in income from hedge funds |
| Reversal of policy reserve | 37.9 | 120.2 | (82.2) | |
| Ordinary expenses | 476.0 | 604.4 | (128.4) | Group annuities: down ¥105.9 bn |
| Insurance claims and other payments | 385.7 | 481.9 | (96.1) | |
| Provision for policy and other reserves | 0.3 | 0.3 | (0.0) | |
| Investment expenses | 26.8 | 55.6 | (28.7) | Includes [y-o-y increase/decrease]; - Foreign securities: ¥4.5 bn [up ¥1.3 bn] - Domestic bonds: ¥1.8 bn [up ¥1.8 bn] - Domestic stocks: ¥0.4 bn [down ¥4.6 bn] - Other securities : ¥0.2 bn [down ¥15.0 bn] |
| Losses on investments in trading securities, net | - | 8.0 | (8.0) | |
| Losses on sales of securities | 1.3 | 1.7 | (0.4) | |
| Devaluation losses on securities | 7.4 | 24.8 | (17.3) | |
| Losses from derivatives, net | 0.6 | 7.3 | (6.6) | |
| Provision for reserve for possible loan losses | 6.5 | - | 6.5 | |
| Other investment expenses | 8.5 | 6.0 | 2.5 | |
| Operating expenses | 54.7 | 58.4 | (3.7) | Losses on sales of investment trust: ¥3.3 bn [up ¥2.1 bn y-o-y] |
| Other ordinary expenses | 8.2 | 8.0 | 0.1 | |
| Ordinary profit | 21.7 | 25.3 | (3.6) | |
| Net extraordinary gains (losses) | (1.0) | (1.0) | 0.0 | Provision for reserve for price fluctuations: ¥0.9 bn [down ¥0.3 bn y-o-y] |
| Provision for reserve for policyholder dividends | 7.0 | 10.6 | (3.6) | |
| Income before income taxes | 13.6 | 13.5 | 0.0 | |
| Total income taxes | 7.9 | 9.4 | (1.4) | |
| Net income | 5.6 | 4.1 | 1.5 | |

Non-Consolidated Statements of Operations: Taiyo Life

(Billions of yen)

| | 1H2009 | 1H2008 | Changes |
|--|--------------|--------------|---------------|
| Ordinary revenues | 495.9 | 557.4 | (61.4) |
| Income from insurance premiums | 356.9 | 316.2 | 40.7 |
| Investment income | 90.1 | 113.2 | (23.0) |
| Interest, dividends and income from real estate for rent | 64.5 | 65.7 | (1.1) |
| Gains on sales of securities | 24.9 | 47.3 | (22.3) |
| Other ordinary income | 48.8 | 127.9 | (79.0) |
| Reversal of policy reserve | 34.3 | 108.4 | (74.0) |
| Ordinary expenses | 468.3 | 536.0 | (67.6) |
| Insurance claims and other payments | 381.8 | 419.3 | (37.5) |
| Provision for policy and other reserves | 0.0 | 0.0 | (0.0) |
| Investment expenses | 24.1 | 54.3 | (30.2) |
| Losses on sales of securities | 9.3 | 26.2 | (16.9) |
| Devaluation losses on securities | 0.3 | 16.8 | (16.5) |
| Losses from derivatives, net | 8.8 | 6.6 | 2.1 |
| Operating expenses | 40.2 | 38.4 | 1.7 |
| Other ordinary expenses | 22.1 | 23.8 | (1.7) |
| Ordinary profit | 27.6 | 21.4 | 6.2 |
| Net extraordinary gains (losses) | (6.1) | 0.7 | (6.9) |
| Provision for reserve for policyholder dividends | 5.5 | 6.5 | (0.9) |
| Income before income taxes | 15.9 | 15.6 | 0.2 |
| Total income taxes | 4.9 | 7.0 | (2.1) |
| Net Income | 10.9 | 8.5 | 2.4 |

Includes;
- Individual insurance and annuities: down ¥3.7 bn
- Group annuities: up ¥43.9 bn

Includes;
- Interests from foreign bonds: up ¥3.9 bn
- Interests from domestic bonds: down ¥1.5 bn
- Dividends from domestic and foreign stocks: down ¥3.8 bn

Includes [y-o-y increase/decrease];
- Domestic stocks: ¥8.8 bn [down ¥20.1 bn]
- Foreign securities: ¥10.7 bn [down ¥2.2 bn]

Includes;
- Individual insurance and annuities: down ¥10.4 bn
- Group annuities: down ¥27.3 bn

Includes [y-o-y increase/decrease];
- Foreign securities: ¥4.1 bn [down ¥9.1 bn]
- Domestic bonds: ¥2.6 bn [up ¥0.9 bn]
- Domestic stocks: ¥2.4 bn [down ¥8.6 bn]

Includes [y-o-y increase/decrease];
- Foreign exchange forward contracts-related: ¥3.7 bn [down ¥2.5 bn]
- Stock-related: ¥5.1 bn [up ¥4.7 bn]

Includes provision for reserve for price fluctuations of ¥5.9 bn [up ¥5.8 bn] including excess amount of additional reserves of ¥5.0 bn

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



(Billions of yen)

| | 1H2009 | 1H2008 | Changes |
|---|--------------|---------------|--------------|
| Ordinary revenues | 208.7 | 131.8 | 76.8 |
| Income from insurance premiums | 145.0 | 121.3 | 23.6 |
| Individual variable annuities | 131.9 | 107.4 | 24.4 |
| Investment income | 59.4 | 5.3 | 54.1 |
| Interest, dividends and income from real estate for rent | 1.9 | 2.0 | (0.1) |
| Gains from monetary trusts, net | - | 3.2 | (3.2) |
| Gains on separate accounts, net | 57.5 | - | 57.5 |
| Other ordinary income | 4.1 | 5.1 | (0.9) |
| Ordinary expenses | 211.3 | 146.0 | 65.3 |
| Insurance claims and other payments | 35.4 | 43.3 | (7.8) |
| Provision for policy and other reserves | 147.8 | 60.3 | 87.4 |
| Provision (reversal) for policy reserve relating to minimum guarantee risks | (18.7) | 16.6 | (35.4) |
| Investment expenses | 18.5 | 32.9 | (14.3) |
| Losses from monetary trusts, net | 18.5 | - | 18.5 |
| Losses on separate accounts, net | - | 32.7 | (32.7) |
| Operating expenses | 8.1 | 8.0 | 0.0 |
| Other ordinary expenses | 1.3 | 1.3 | (0.0) |
| Ordinary profit (loss) | (2.6) | (14.1) | 11.4 |
| Net extraordinary gains (losses) | (0.0) | (0.0) | 0.0 |
| Provision (reversal) for reserve for policyholder dividends | (0.0) | 0.0 | (0.0) |
| Income (Loss) before income taxes | (2.6) | (14.1) | 11.4 |
| Total income taxes | (0.7) | (4.2) | 3.4 |
| Net income (loss) | (1.8) | (9.9) | 8.0 |

-Reversal for policy reserve relating to minimum guarantee risks amounted to ¥23.9 bn (a ¥12.1 bn of provision for 1H2008) due to a recovery of stock market, which exceeded a ¥18.5 bn of hedging losses against stock price rise recorded as monetary trust, net.
 -Provision for policy reserve relating to minimum guarantee risks amounted to ¥5.1 bn (up ¥0.6 bn y-o-y) due to gained new policies

Non-Consolidated Balance Sheets: Daido Life



(Billions of yen)

| | As of September 30, 2009 | As of March 31, 2009 | Changes |
|----------------------------------|--------------------------------|-------------------------|-------------|
| <u>Assets</u> | | | |
| Cash and deposits, call loans | 250.0 | 489.0 | (238.9) |
| Monetary claims purchased | 202.1 | 297.8 | (95.6) |
| Monetary trusts | 19.8 | 13.5 | 6.3 |
| Securities | 3,926.5 | 3,521.2 | 405.2 |
| Domestic bonds | 2,843.2 | 2,401.9 | 441.2 |
| Domestic stocks | 246.2 | 262.8 | (16.5) |
| Foreign securities | 477.7 | 519.4 | (41.7) |
| Other securities | 359.2 | 336.9 | 22.2 |
| Loans | 789.2 | 801.7 | (12.4) |
| Tangible fixed assets | 139.0 | 140.7 | (1.6) |
| Intangible fixed assets | 6.6 | 7.4 | (0.8) |
| Other assets | 75.9 | 75.1 | 0.7 |
| Deferred tax assets | 110.6 | 123.7 | (13.0) |
| Reserve for possible loan losses | (7.4) | (0.8) | (6.5) |
| Total assets | 5,514.1 | 5,471.1 | 42.9 |

(Billions of yen)

| | As of September 30, 2009 | As of March 31, 2009 | Changes |
|---|--------------------------------|-------------------------|---------------|
| <u>Liabilities</u> | | | |
| Total policy reserves | 5,059.9 | 5,106.8 | (46.9) |
| Policy reserve | 4,921.1 | 4,959.1 | (37.9) |
| Contingency reserve | 52.4 | 53.2 | (0.7) |
| Reserve for price fluctuations | 42.9 | 42.0 | 0.9 |
| Total liabilities | 5,230.3 | 5,285.2 | (54.9) |
| <u>Net assets</u> | | | |
| Total stockholders' equity | 271.0 | 271.5 | (0.5) |
| Common stock | 110.0 | 110.0 | - |
| Capital surplus | 35.0 | 35.0 | - |
| Retained earnings | 126.0 | 126.5 | (0.5) |
| Total valuation and translation adjustments | 12.7 | (85.6) | 98.4 |
| Net unrealized gains on securities | 12.4 | (86.0) | 98.5 |
| Total net assets | 283.8 | 185.9 | 97.8 |
| Total liabilities and net assets | 5,514.1 | 5,471.1 | 42.9 |

- Domestic bonds: mainly due to increase in JGBs including TB (Treasury Discount Bills)
- Domestic stocks: decreased due to selling off the stocks while rising in fair value
- Foreign securities: due to selling off the hedge funds and investment trusts, and redemptions of yen-denominated preferred securities
- Other securities: increased due to a rise in fair value while selling off the investment trusts

Non-Consolidated Balance Sheets: Taiyo Life

Perpetual subordinated loans: ¥35.0 bn
Subordinated loans: ¥19.0 bn

| (Billions of yen) | | | | (Billions of yen) | | | |
|----------------------------------|--------------------------------|-------------------------|--------------|---|--------------------------------|-------------------------|---------------|
| | As of September 30, 2009 | As of March 31, 2009 | Changes | | As of September 30, 2009 | As of March 31, 2009 | Changes |
| Assets | | | | Liabilities | | | |
| Cash and deposits, call loans | 155.0 | 126.2 | 28.8 | Total policy reserves | 5,440.1 | 5,477.3 | (37.1) |
| Monetary claims purchased | 144.0 | 145.3 | (1.2) | Policy reserve | 5,377.4 | 5,411.8 | (34.3) |
| Securities | 3,692.6 | 3,675.6 | 16.9 | Contingency reserve | 77.1 | 76.8 | 0.2 |
| Domestic bonds | 2,319.5 | 2,572.5 | (252.9) | Other liabilities | 79.1 | 90.4 | (11.3) |
| Domestic stocks | 346.3 | 292.8 | 53.4 | Subordinated payable | 54.0 | 35.0 | 19.0 |
| Foreign securities | 1,020.8 | 805.5 | 215.2 | Reserve for price fluctuations | 15.9 | 10.0 | 5.9 |
| Other securities | 5.9 | 4.7 | 1.2 | Total liabilities | 5,583.1 | 5,625.4 | (42.3) |
| Loans | 1,475.3 | 1,493.8 | (18.5) | Net assets | | | |
| Tangible fixed assets | 160.8 | 162.4 | (1.5) | Total stockholders' equity | 197.6 | 192.6 | 4.9 |
| Intangible fixed assets | 12.4 | 12.4 | (0.0) | Common stock | 62.5 | 62.5 | - |
| Other assets | 68.4 | 71.0 | (2.5) | Capital surplus | 62.5 | 62.5 | - |
| Deferred tax assets | 63.8 | 85.5 | (21.7) | Retained earnings | 72.6 | 67.6 | 4.9 |
| Reserve for possible loan losses | (3.1) | (1.6) | (1.5) | Total valuation and translation adjustments | (11.2) | (46.9) | 35.6 |
| Total assets | 5,769.5 | 5,771.1 | (1.6) | Net unrealized gains on securities | 36.6 | 0.9 | 35.7 |
| | | | | Land revaluation | (47.9) | (47.8) | (0.1) |
| | | | | Total net assets | 186.4 | 145.7 | 40.6 |
| | | | | Total liabilities and net assets | 5,769.5 | 5,771.1 | (1.6) |

-Domestic bonds: decreased mainly due to the shift to foreign bonds
-Domestic stocks: mainly due to a rise in fair value
-Foreign securities: mainly due to increase in foreign bonds

Non-Consolidated Balance Sheets: T&D Financial Life



(Billions of yen)

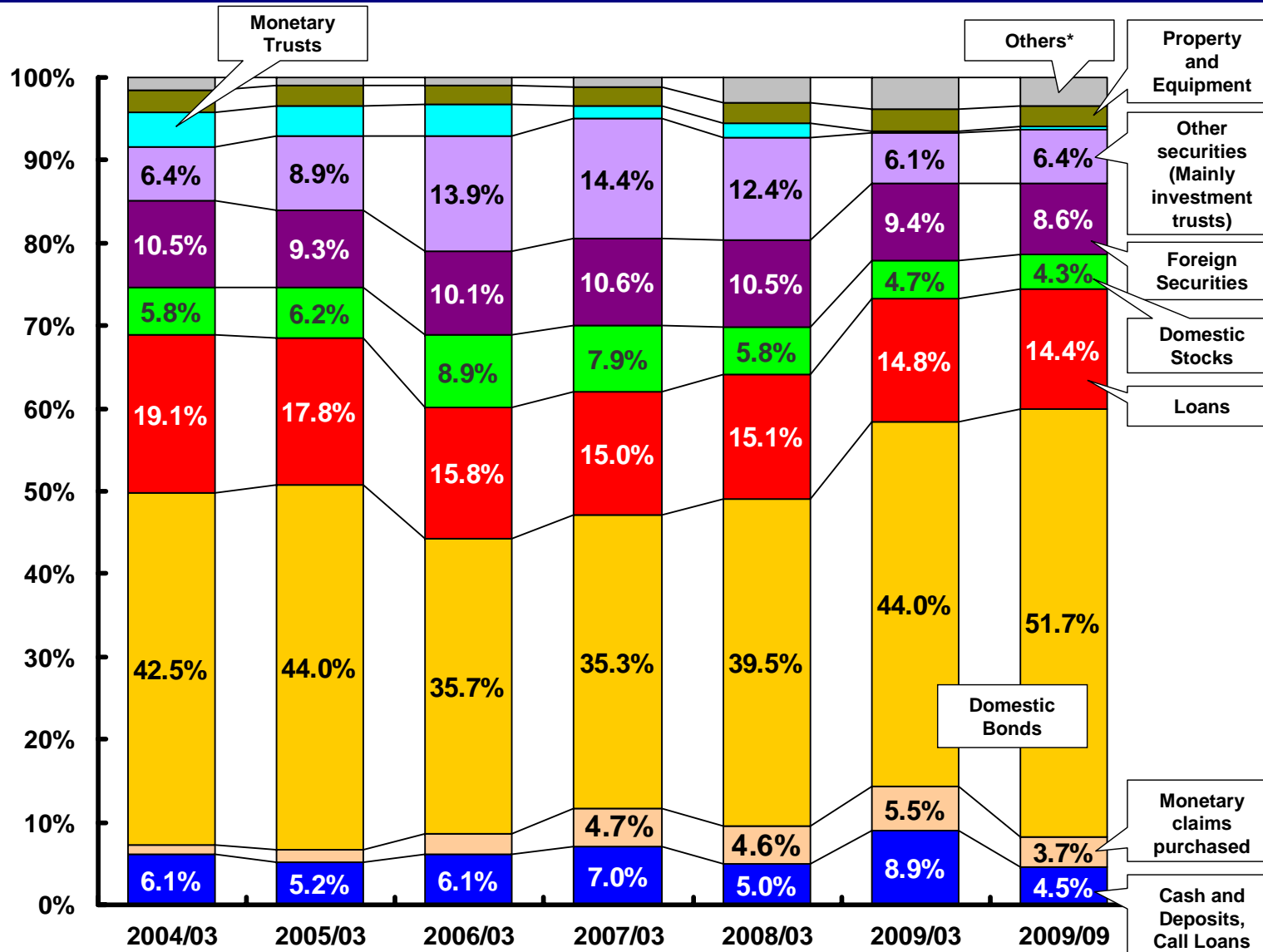
| | As of September 30, 2009 | As of March 31, 2009 | Changes |
|----------------------------------|--------------------------------|-------------------------|--------------|
| Assets | | | |
| Cash and deposits, call loans | 38.6 | 43.0 | (4.3) |
| Monetary trusts | 53.1 | 64.6 | (11.5) |
| Securities | 1,184.5 | 1,024.4 | 160.1 |
| Domestic bonds | 372.6 | 378.5 | (5.8) |
| Domestic stocks | 0.9 | 0.6 | 0.2 |
| Foreign securities | 1.6 | 1.7 | (0.0) |
| Other securities | 809.3 | 643.5 | 165.7 |
| Loans | 6.5 | 6.6 | (0.1) |
| Tangible fixed assets | 0.2 | 0.2 | (0.0) |
| Intangible fixed assets | 2.1 | 2.0 | 0.0 |
| Other assets | 4.8 | 3.4 | 1.3 |
| Deferred tax assets | 16.1 | 16.5 | (0.4) |
| Reserve for possible loan losses | (0.0) | (0.0) | 0.0 |
| Total assets | 1,317.5 | 1,171.1 | 146.4 |

(Billions of yen)

| | As of September 30, 2009 | As of March 31, 2009 | Changes |
|---|--------------------------------|-------------------------|--------------|
| Liabilities | | | |
| Total policy reserves | 1,260.8 | 1,113.0 | 147.7 |
| Policy reserve | 1,255.4 | 1,107.6 | 147.7 |
| Contingency reserve | 21.6 | 17.5 | 4.1 |
| Reserve for price fluctuations | 0.4 | 0.4 | 0.0 |
| Total liabilities | 1,271.8 | 1,124.0 | 147.7 |
| Net assets | | | |
| Total stockholders' equity | 46.4 | 48.2 | (1.8) |
| Common stock | 56.0 | 56.0 | - |
| Capital surplus | 46.0 | 46.0 | - |
| Retained earnings | (55.5) | (53.7) | (1.8) |
| Total valuation and translation adjustments | (0.6) | (1.2) | 0.5 |
| Net unrealized gains on securities | (0.6) | (1.2) | 0.5 |
| Total net assets | 45.7 | 47.0 | (1.3) |
| Total liabilities and net assets | 1,317.5 | 1,171.1 | 146.4 |

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

General Account Assets Composition: Daido Life

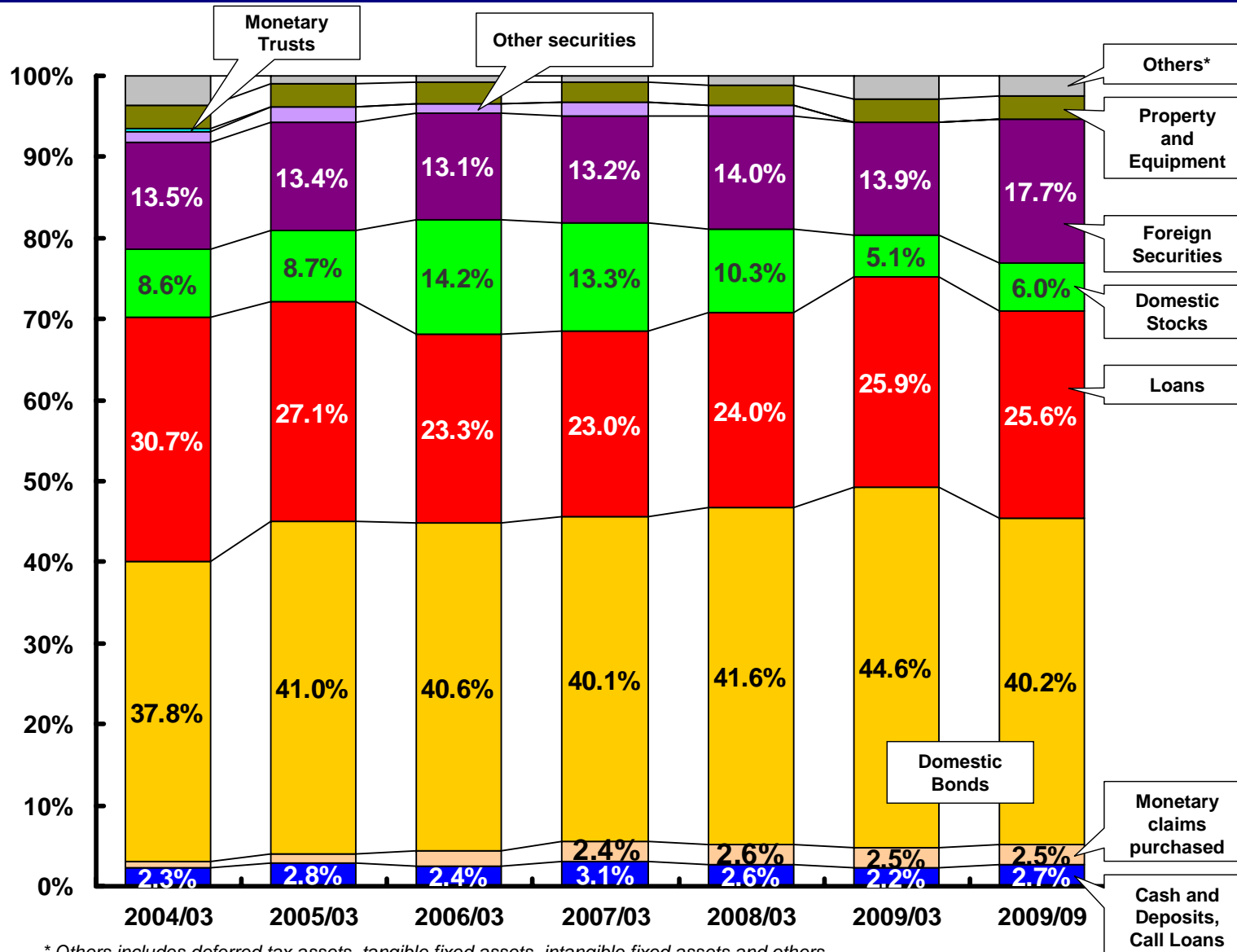


Net Exposure to Domestic Stocks **
8.2%
 (2009/03 8.3%)
 (2008/03 14.5%)

Net Exposure to Foreign Currency ***
2.7%
 (2009/03 2.5%)
 (2008/03 3.4%)

* Others includes deferred tax assets, tangible fixed assets, intangible fixed assets and others.
 ** Net exposure to domestic stocks adjusting the hedging position and including investment trusts
 *** Net foreign currency exposure adjusting for hedges

General Account Assets Composition: Taiyo Life



Net Exposure to Domestic Stocks **
4.7%
 (2009/03 3.1%)
 (2008/03 10.9%)

Net Exposure to Foreign Currency ***
2.8%
 (2009/03 2.6%)
 (2008/03 5.2%)

* Others includes deferred tax assets, tangible fixed assets, intangible fixed assets and others.
 ** 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, 2009 | As of March 31, 2009 | Changes | As of Sep 30, 2009 | As of March 31, 2009 | Changes |
| Foreign securities | 469.0 | 512.5 | (43.5) | 1,018.8 | 804.1 | 214.7 |
| Foreign bonds | 156.7 | 158.7 | (1.9) | 801.1 | 575.9 | 225.1 |
| Foreign stocks and others* | 312.2 | 353.7 | (41.5) | 217.7 | 228.1 | (10.4) |
| Hedge funds | 73.4 | 93.3 | (19.9) | 56.1 | 61.7 | (5.5) |
| Private equity funds | 109.4 | 113.7 | (4.3) | 12.5 | 14.0 | (1.4) |
| Other securities | 352.7 | 331.3 | 21.4 | 5.9 | 4.7 | 1.2 |
| Domestic investment trusts | 325.1 | 305.4 | 19.6 | 2.1 | 0.9 | 1.1 |
| REIT | 3.2 | 3.3 | (0.1) | 1.7 | - | 1.7 |
| Others | 27.6 | 25.8 | 1.7 | 3.7 | 3.7 | 0.0 |
| Private equity funds | 13.9 | 14.3 | (0.3) | 2.4 | 2.5 | (0.0) |

* Foreign stocks and others excluding hedge funds and private equities for Daido and Taiyo are mainly described as below: 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, 2009) | | Taiyo Life (As of September 30, 2009) | |
|---|---|---------------|---|---------------|
| Government bonds | 16.9 | 10.8% | 698.2 | 87.2% |
| BBB and above | 16.9 | 10.8% | 698.2 | 87.2% |
| Supranational bonds | 3.3 | 2.1% | 46.5 | 5.8% |
| BBB and above | 3.3 | 2.1% | 46.5 | 5.8% |
| Government-related organizations' bond and public entities' bond | 0.2 | 0.2% | 40.4 | 5.1% |
| BBB and above | 0.2 | 0.2% | 40.4 | 5.1% |
| Municipal bonds | 0.0 | 0.0% | - | - |
| BBB and above | 0.0 | 0.0% | - | - |
| Corporate bonds | 136.2 | 86.9% | 15.7 | 2.0% |
| BBB and above | 135.8 | 86.6% | 15.7 | 2.0% |
| Total | 156.7 | 100.0% | 801.1 | 100.0% |

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

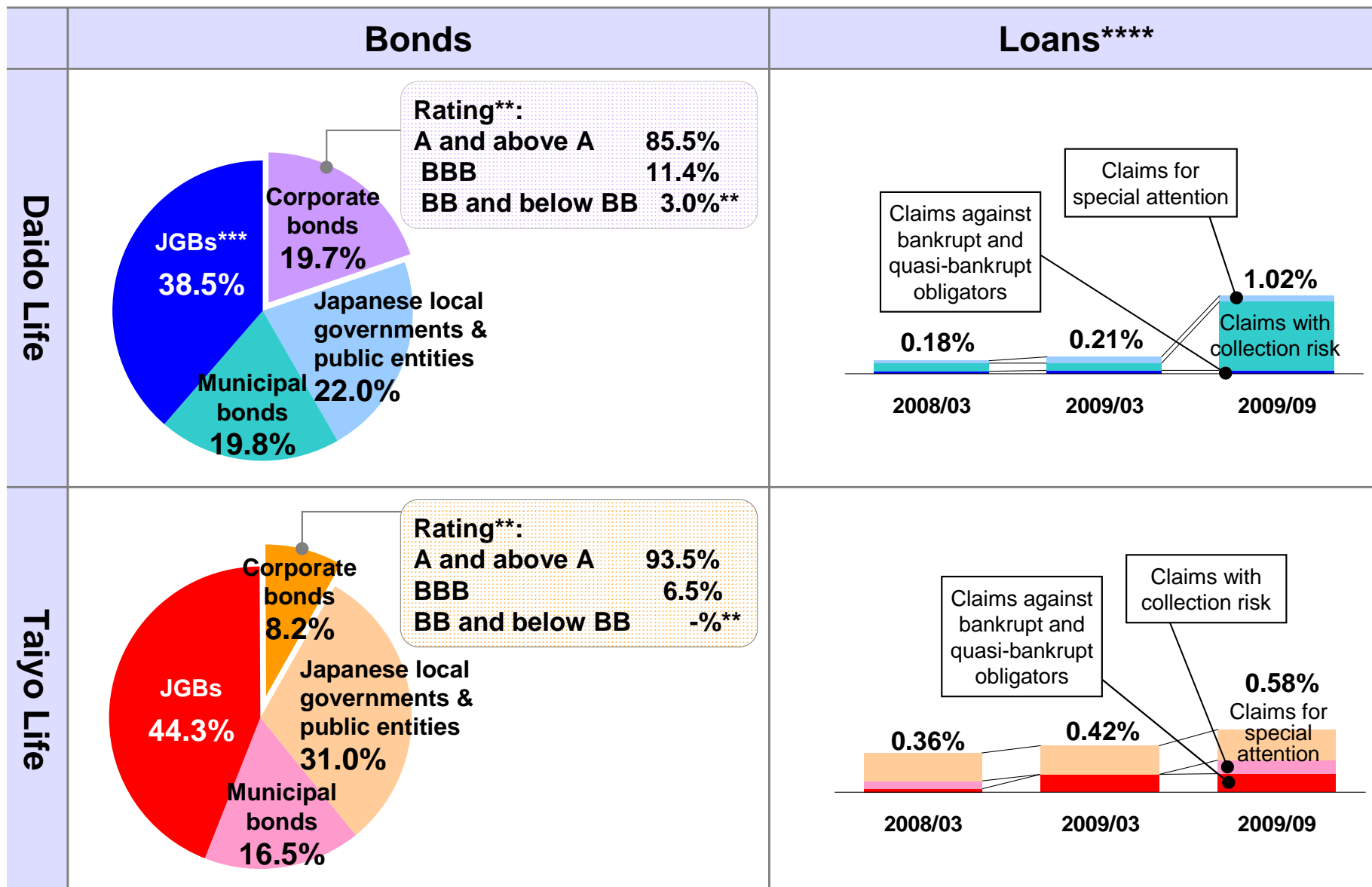
Breakdown of Devaluation Losses on Securities

(Billions of yen)

| | Daido Life 1H 2009 | Taiyo Life 1H 2009 |
|----------------------------|-----------------------|-----------------------|
| Domestic bonds | 1.8 | - |
| Domestic stocks | 0.4 | 0.3 |
| Foreign securities | 4.5 | - |
| Foreign bonds | - | - |
| Foreign stocks and others | 4.5 | - |
| Private equity funds | 4.5 | - |
| Other securities | 0.2 | - |
| Domestic investment trusts | - | - |
| REIT | - | - |
| Others | 0.2 | - |
| Private equity funds | 0.2 | - |
| Total | 7.4 | 0.3 |

* Total for Daido includes devaluation losses of monetary claims purchased: 0.4 billion yen

Status of Income Assets



* As of September 30, 2009 ** Categorized based on each company's standard

*** JGBs for Daido include TB (Treasury Discount Bills) **** Based on Insurance Business Law Standard

Securitized Products

(Billions of yen)

| | Daido Life | | | Taiyo Life | | |
|---------------------------------------|--------------------|-------------------------|--------------------------------|--------------------|-------------------------|--------------------------------|
| | Current fair value | Unrealized gains/losses | Realized gains/losses ***** | Current fair value | Unrealized gains/losses | Realized gains/losses ***** |
| Overseas investments | 1.1 | 0.3 | 0.1 | - | - | - |
| CDO ** | 1.1 | 0.3 | 0.1 | - | - | - |
| Domestic investments *** | 482.5 | 1.4 | 4.6 | 325.4 | 2.0 | 3.3 |
| SPEs | - | - | - | - | - | - |
| CDO | 1.6 | (0.0) | 0.0 | 9.0 | 0.0 | 0.0 |
| Other sub-prime and ALT-A exposure | - | - | - | - | - | - |
| CMBS | 34.6 | (3.1) | (0.7) | 8.1 | (0.0) | 0.0 |
| Leveraged finance | 40.4 | - | 1.3 | - | - | - |
| RMBS **** | 342.1 | 3.4 | 3.6 | 217.9 | 1.8 | 2.2 |
| Credit link/loan | 34.4 | 1.4 | 0.3 | 62.9 | - | 0.5 |
| Others | 29.0 | (0.2) | 0.1 | 27.3 | 0.1 | 0.4 |

* As of September 30, 2009 ** CLO Senior and CLO Equity which backed assets are foreign corporate loans and others

***Backed assets are all domestic loans, etc.. Sub-prime related products are none

****Backed assets are loans of Japan Housing Finance Agency and domestic financial institutions

*****Realized gains/losses include interest, dividends and income from real estate for rent.

Unrealized Gains/Losses (General Account): Daido Life



*Securities with market value

(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, 2009 | As of March 31, 2009 | As of Sep 30, 2009 | As of March 31, 2009 | As of Sep 30, 2009 | As of March 31, 2009 | Changes |
| Total | 0.6 | (0.0) | 54.2 | (52.5) | 54.8 | (52.6) | 107.4 |
| Domestic Bonds | 0.6 | (0.0) | 33.7 | 7.1 | 34.4 | 7.0 | 27.3 |
| Domestic Stocks | - | - | 47.7 | 35.9 | 47.7 | 35.9 | 11.7 |
| Foreign Securities | - | - | (8.4) | (18.5) | (8.4) | (18.5) | 10.0 |
| Bonds | - | - | (0.4) | (9.3) | (0.4) | (9.3) | 8.9 |
| Stocks, etc. | - | - | (8.0) | (9.1) | (8.0) | (9.1) | 1.1 |
| Other Securities | - | - | (18.4) | (76.8) | (18.4) | (76.8) | 58.3 |
| Monetary Claims Purchased | - | - | (0.2) | (0.3) | (0.2) | (0.3) | 0.0 |
| Monetary Trusts | - | - | (0.0) | - | (0.0) | - | (0.0) |
| Net Unrealized Gains/Losses on Real Estate | | | | | 30.3 | 30.3 | (0.0) |

*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



*Securities with market value

(Billions of yen)

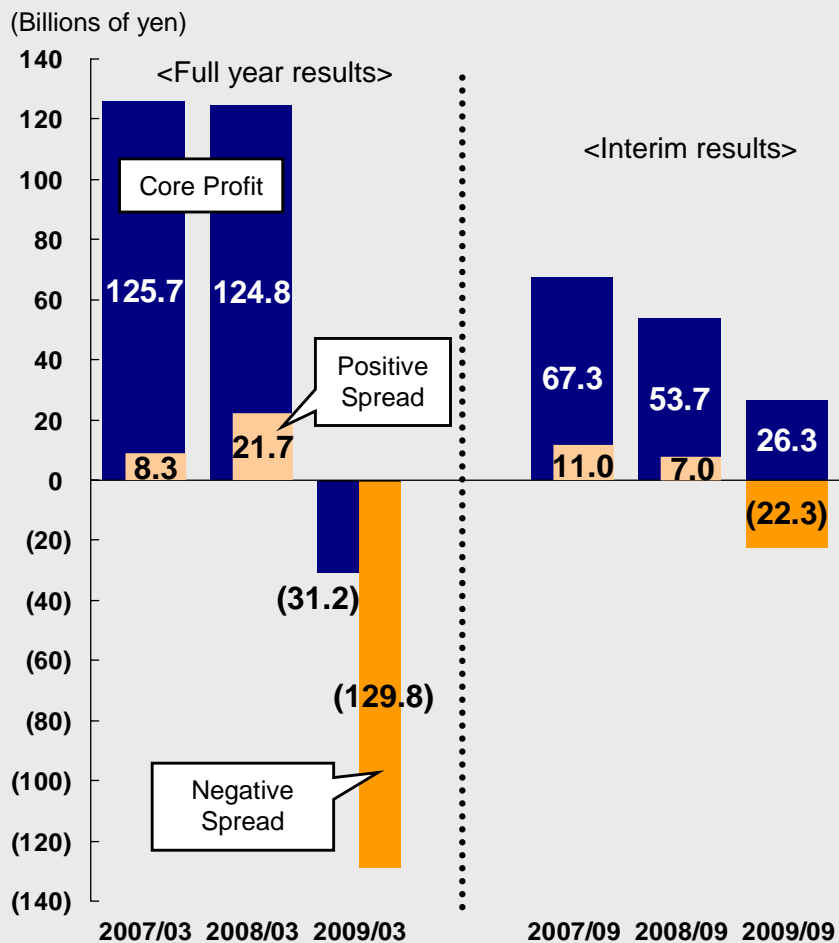
| | Net Unrealized gains/losses on Held-to-maturity securities | | Net Unrealized gains/losses on Policy-reserve-matching bonds | | Net Unrealized gains/losses on Available-for-sale securities | | Total | | |
|---|--|----------------------|--|----------------------|--|----------------------|--------------------|----------------------|--------------|
| | As of Sep 30, 2009 | As of March 31, 2009 | As of Sep 30, 2009 | As of March 31, 2009 | As of Sep 30, 2009 | As of March 31, 2009 | As of Sep 30, 2009 | As of March 31, 2009 | Changes |
| Total | 5.9 | 2.5 | 30.9 | 16.9 | 59.6 | 4.6 | 96.4 | 24.1 | 72.3 |
| Domestic Bonds | 4.7 | 2.0 | 30.9 | 16.9 | 15.3 | 19.4 | 51.0 | 38.4 | 12.5 |
| Domestic Stocks | - | - | - | - | 58.2 | 8.6 | 58.2 | 8.6 | 49.5 |
| Foreign Securities | - | - | - | - | (14.1) | (23.2) | (14.1) | (23.2) | 9.1 |
| Bonds | - | - | - | - | (2.5) | (4.1) | (2.5) | (4.1) | 1.5 |
| Stocks, etc. | - | - | - | - | (11.6) | (19.1) | (11.6) | (19.1) | 7.5 |
| Other Securities | - | - | - | - | 0.0 | (0.1) | 0.0 | (0.1) | 0.1 |
| Monetary Claims Purchased | 1.1 | 0.4 | - | - | 0.1 | (0.1) | 1.2 | 0.3 | 0.9 |
| Monetary Trusts | - | - | - | - | - | - | - | - | - |
| Net Unrealized Gains/Losses on Real Estate | | | | | | | 21.5 | 22.3 | (0.7) |

*Net unrealized gains/ losses on real estate is basically calculated based on the appraisal price.

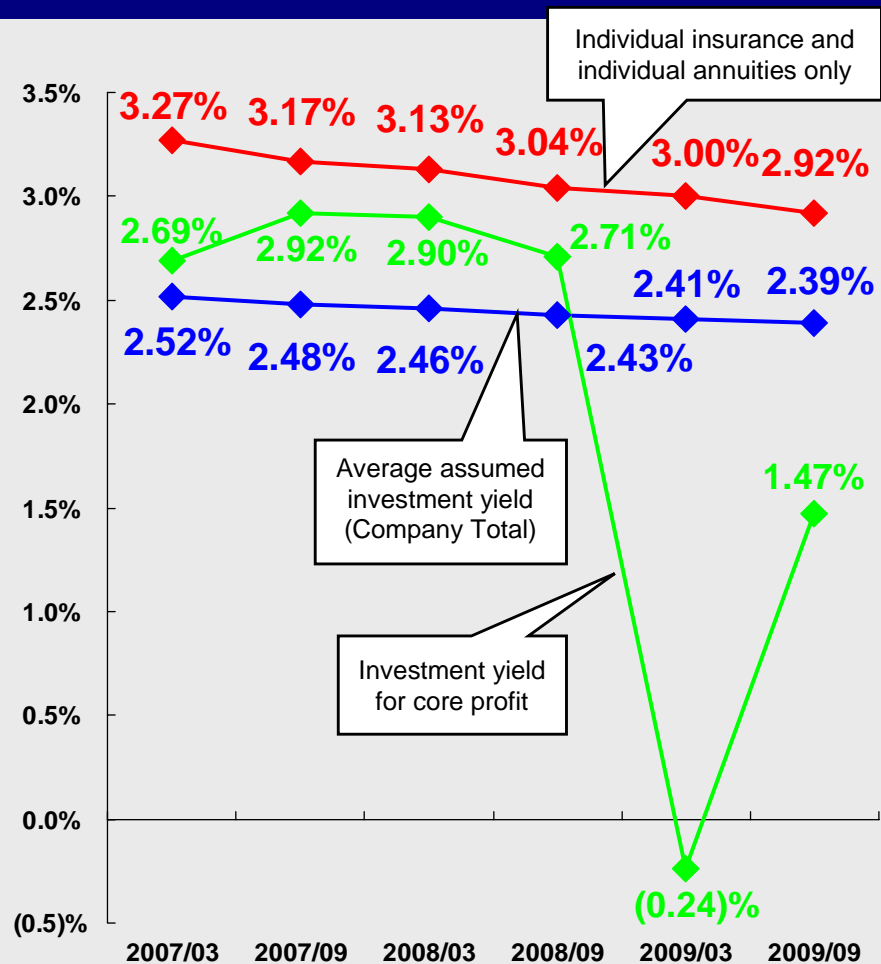
**Less important properties are calculated based on the posted price.

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

Amount of Core Profit and Negative Spread



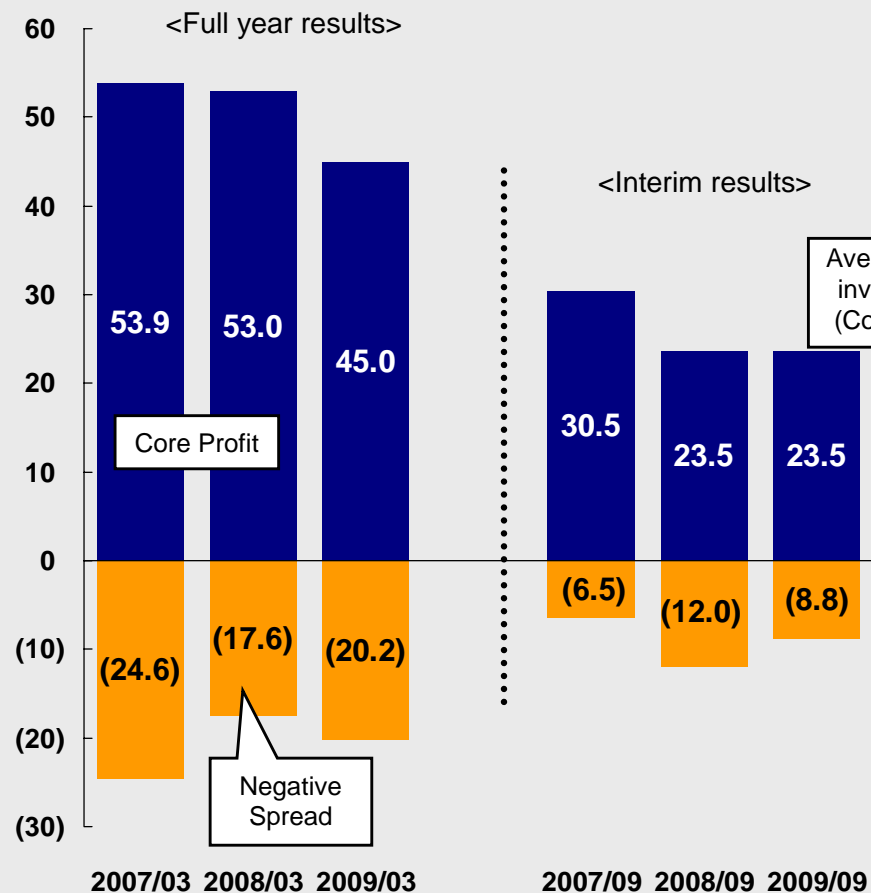
Average Assumed Investment Yield



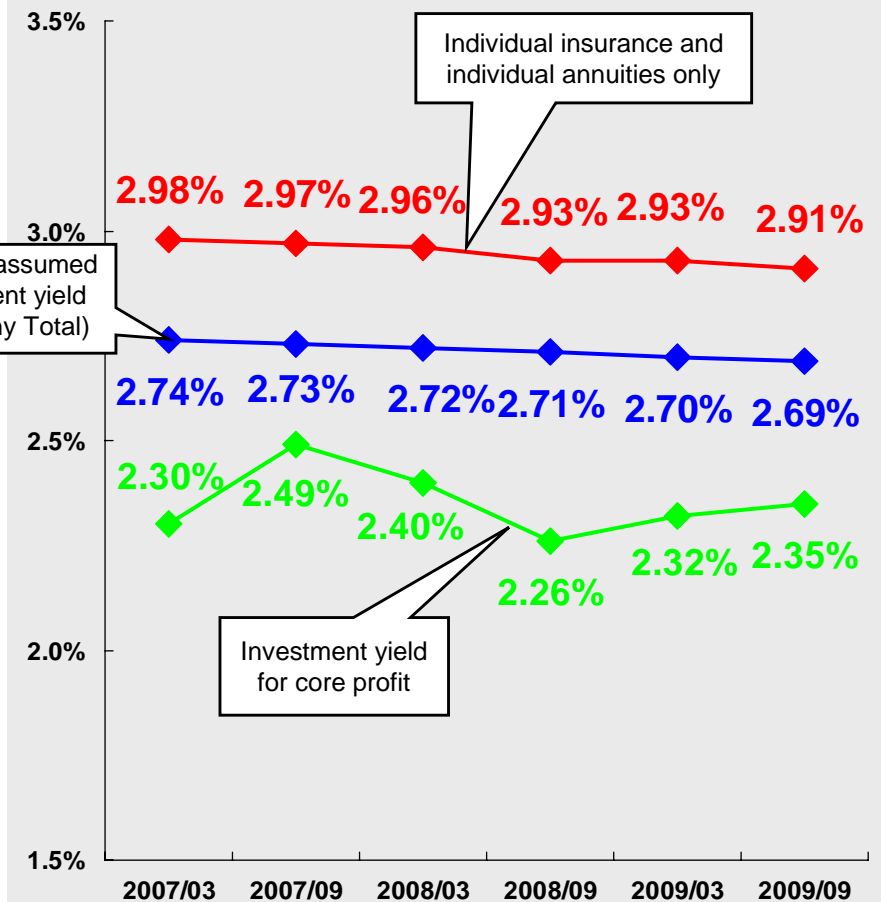
Core Profit/Negative Spread, Average Assumed Investment Yield: Taiyo Life

Amount of Core Profit and Negative Spread

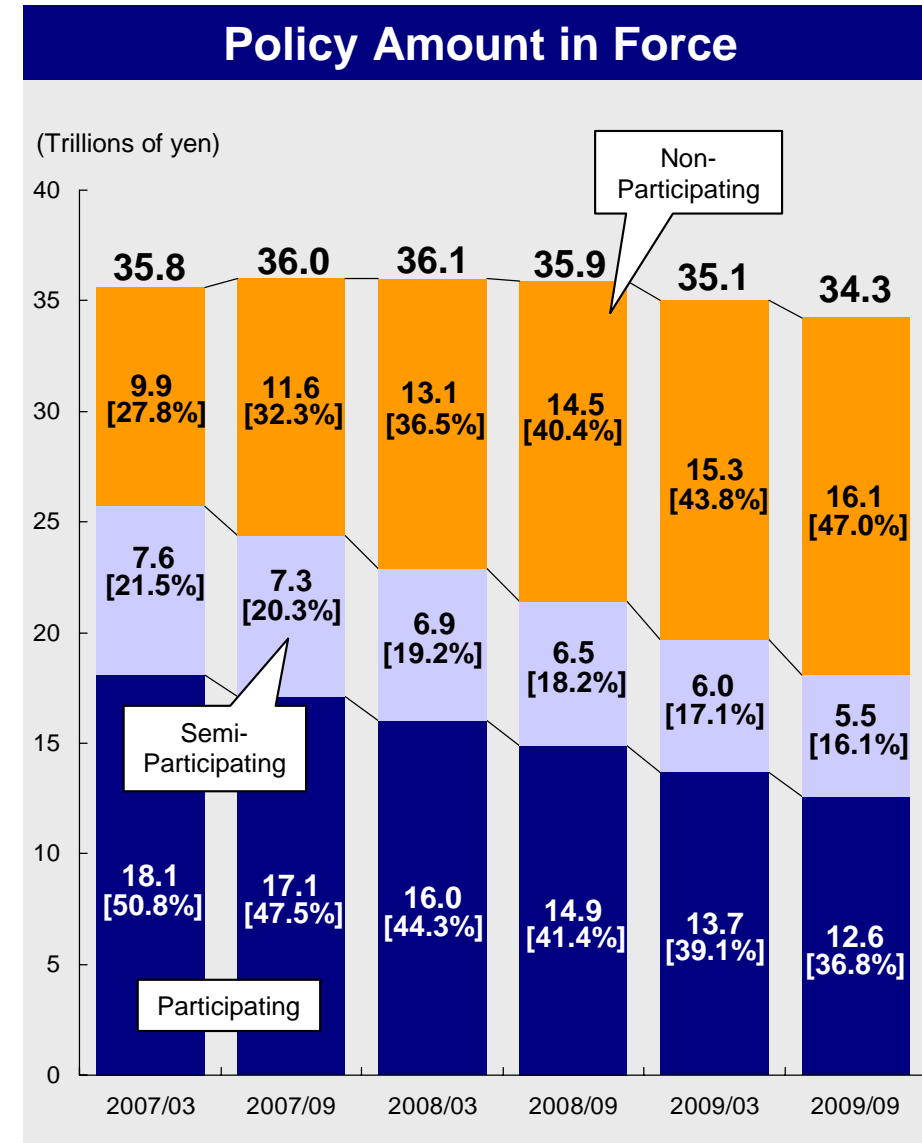
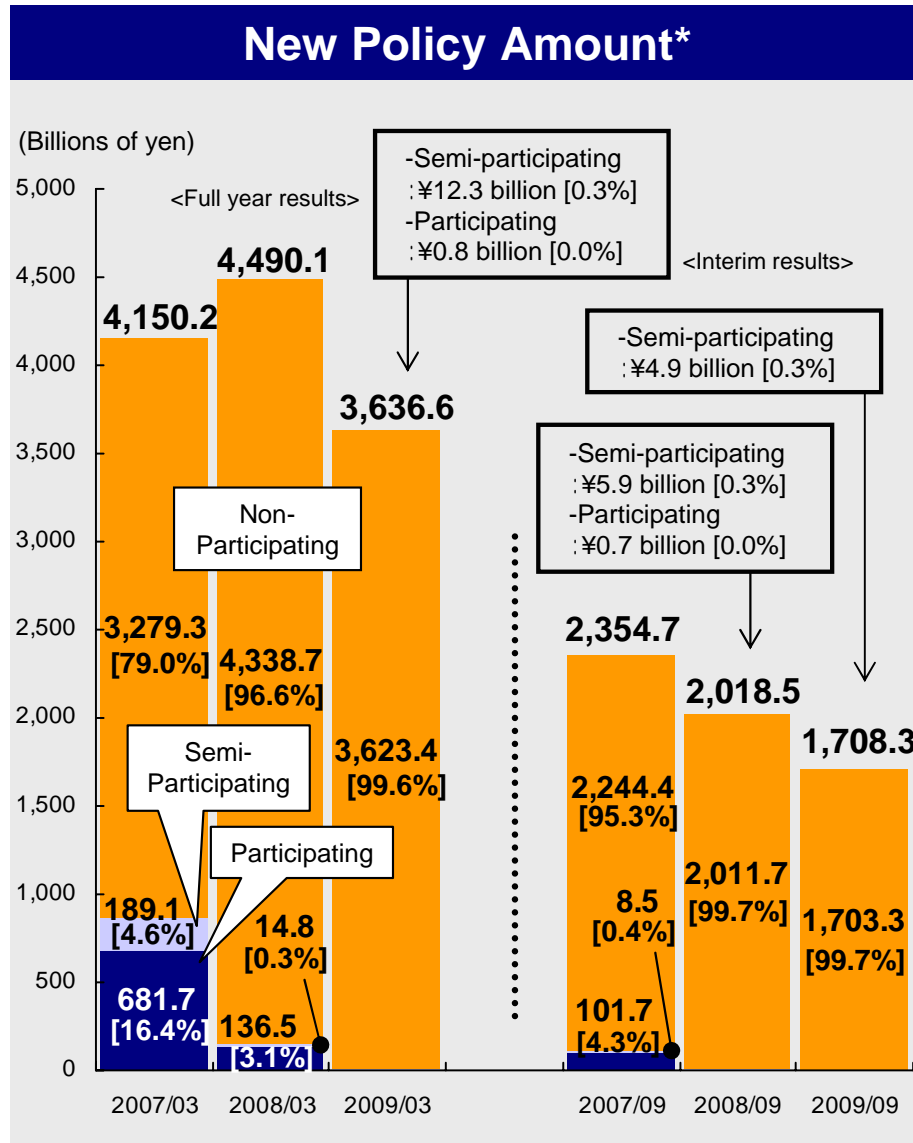
(Billions of yen)



Average Assumed Investment Yield



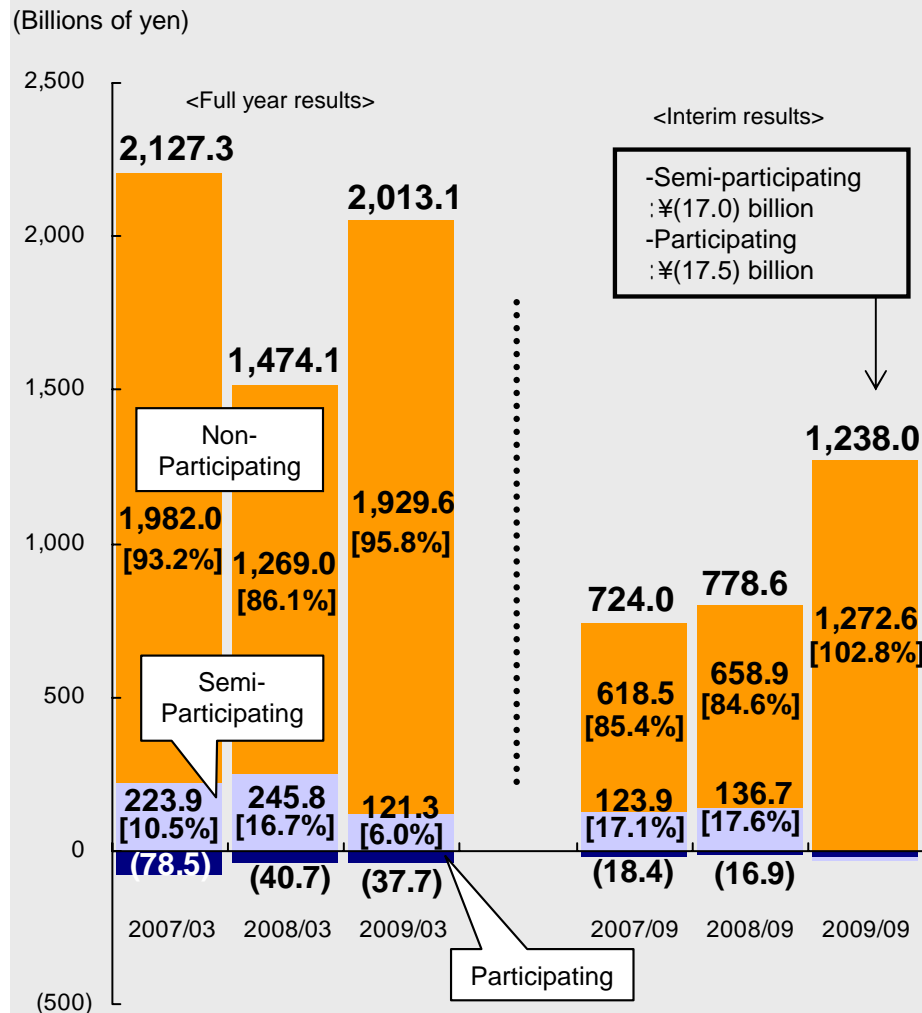
Sales Results by Dividend Type: Daido Life (Individual Term Life Insurance)



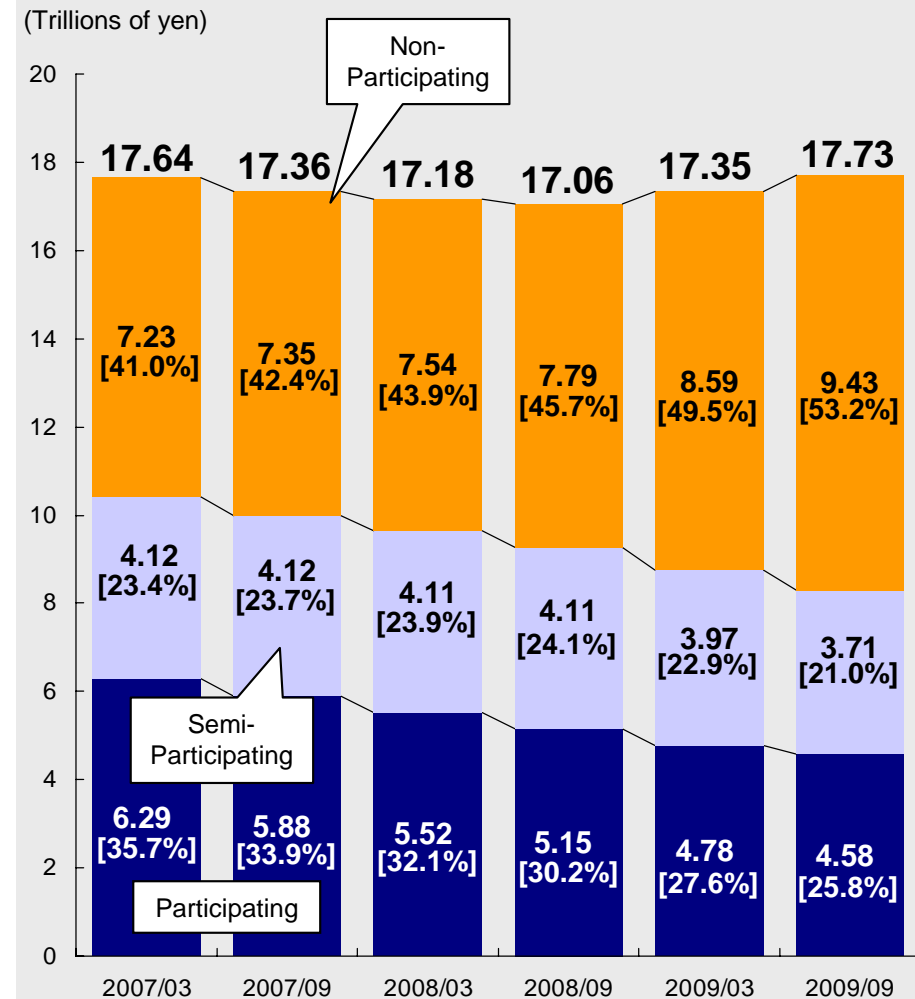
* Net increase from conversion is not included.

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

New Policy Amount*



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) | 271,058 | 271,058 | 271,058 | |
| Reserve for deferred gain on sale of real estate | - | - | (1,559) | |
| Estimated appropriation paid in cash | - | - | (3,374) | 3. Shareholders' dividends |
| Net unrealized gains (losses) on securities | 11,377 | 18,190 | 16,371 | 1. After-tax, including real estate funds 2. Before-tax 3. 90% of before-tax (100% of before-tax, if losses) |
| Unrealized gains (losses) on loans | 6,463 | - | - | 1. After-tax |
| Deferred gains (losses) on hedging instruments | 258 | 258 | - | 1.2. After-tax |
| Net unrealized gains (losses) on real estate | 14,342 | 30,304 | 25,759 | 1. After-tax, including net unrealized gains/losses on buildings 2. Before-tax 3. 85% of before-tax |
| Reserve for price fluctuations | 42,985 | 42,985 | 42,985 | |
| Contingency reserve | 52,434 | 52,434 | 52,434 | |
| Unallotted portion of reserve for policyholder dividends | 7,353 | 7,353 | 7,353 | |
| Excess amount of policy reserve based on Zillmer method | - | 127,684 | 127,684 | |
| Future profits | - | - | 7,056 | |
| Deferred tax assets for quasi-equity liabilities | (37,111) | - | - | 1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.11%) |
| Deferred tax assets | - | - | 60,133 | |
| General reserve for possible loan losses | 446 | - | 699 | 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. | 2,584 | 672 | - | 1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax |
| Total | 372,194 | 550,944 | 606,603 | |

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) | 197,655 | 197,655 | 197,655 | |
| Reserve for deferred gain on sale of real estate | - | - | - | |
| Estimated appropriation paid in cash | - | - | (3,224) | 3. Shareholders' dividends |
| Net unrealized gains (losses) on securities | 36,696 | 54,549 | 49,094 | 1. After-tax 2. Before-tax 3. 90% of before-tax (100% of before-tax, if losses) |
| Net unrealized gains (losses) on loans | 20,991 | - | - | 1. After-tax |
| Deferred gains (losses) on hedging instruments | 1,345 | (12) | - | 1. After-tax, including net valuation gains/losses on interest rate swaps 2. After-tax |
| Net unrealized gains (losses) on real estate | (12,673) | (26,381) | (15,797) | 1. After-tax, including net unrealized gains/losses on land revaluation and net unrealized gains/losses on buildings 2. Before-tax, including land revaluation on B/S 3. Before-tax, including net unrealized gains/losses on land revaluation |
| Reserve for price fluctuations | 15,995 | 15,995 | 15,995 | |
| Contingency reserve | 77,103 | 77,103 | 77,103 | |
| Unallotted portion of reserve for policyholder dividends | 10,812 | 10,812 | 10,812 | |
| Excess amount of policy reserve based on Zillmer method | - | 41,565 | 41,565 | |
| Future profits | - | - | 1,377 | |
| Deferred tax assets for quasi-equity liabilities | (37,512) | - | - | 1. (Reserve for price fluctuations + Contingency Reserve + Unallotted portion of reserve for policyholder dividends) x (effective tax rate:36.1%) |
| Deferred tax assets | - | - | 39,224 | |
| General reserve for possible loan losses | 937 | - | 1,467 | 1. After-tax 3. Before-tax |
| Subordinated debt | - | - | 54,000 | |
| Net unrealized gains (losses) on subordinated debt | 0 | - | - | 1. After-tax |
| Net unrealized gains (losses) on policy-reserve-matching bonds, etc. | 25,073 | 36,846 | - | 1. After-tax, including net unrealized gains (losses) on stocks of affiliated companies 2. Before-tax |
| Total | 336,425 | 408,134 | 469,275 | |

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) | 46,415 | 46,415 | 46,415 | |
| Reserve for deferred gain on sale of real estate | - | - | - | |
| Estimated appropriation paid in cash | - | - | - | 3. Shareholders' dividend |
| Net unrealized gains (losses) on securities | (486) | (695) | (695) | 1. After-tax 2. Before-tax 3. 90% of before-tax (100% of before-tax, if losses) |
| Net unrealized gains (losses) on loans | 558 | - | - | 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 | 437 | 437 | 437 | |
| Contingency reserve | 21,696 | 21,696 | 21,696 | |
| Unallotted portion of reserve for policyholder dividends | - | - | - | |
| Excess amount of policy reserve based on Zillmer method | - | 20,507 | 31,708 | 2. Excludes due from reinsures related to variable annuities 3. Includes due from reinsures related to variable annuities |
| Future profits | - | - | - | |
| Deferred tax assets for quasi-equity liabilities | (6,640) | - | - | 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 | 2 | - | 3 | 1. After-tax 3. Before-tax |
| Subordinated debt | - | - | - | |
| Net unrealized gains (losses) on subordinated debt | - | - | - | |
| Net unrealized gains (losses) on held-to-maturity securities | 3,373 | 4,819 | - | 1. After-tax 2. Before-tax |
| Total | 65,356 | 93,180 | 99,566 | |

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 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Policy amount in force *1 | 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 | 58,097.1 |
| New policy amount *1, *2 | 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 | 5,991.0 |
| Income from insurance premiums | 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 | 1,654.3 |
| Surrender and lapse amount *1 | 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 | 5,373.2 |
| Core profit | 114.5 | 96.9 | 128.1 | 126.5 | 114.2 | 141.7 | 129.8 | 127.2 | 173.3 | 159.7 | (27.0) |
| Total assets | 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 | 12,413.5 |

*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 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Policy amount in force *1 | 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 | 38,621.8 |
| Individual term life insurance | 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 | 35,105.5 |
| New policy amount *1,*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 | 3,761.6 |
| Individual term life insurance | 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 | 3,627.0 |
| Income from insurance premiums | 1,192.8 | 1,136.9 | 1,072.2 | 1,059.4 | 989.4 | 928.2 | 884.8 | 871.1 | 865.2 | 843.3 | 811.9 |
| Individual insurance and annuities *1 | 702.6 | 684.8 | 686.7 | 662.0 | 684.9 | 641.0 | 664.2 | 667.8 | 673.8 | 669.4 | 653.4 |
| Surrender and lapse amount *1 | 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 | 3,992.4 |
| Surrender and lapse rate (%) | 9.9% | 9.8% | 9.0% | 9.0% | 8.45% | 8.44% | 7.70% | 7.66% | 9.04% | 8.93% | 10.01% |
| Core profit | - | - | 114.2 | 109.8 | 88.7 | 107.3 | 102.7 | 96.1 | 125.7 | 124.8 | (31.2) |
| Number of in-house sales reps. | 6,126 | 5,456 | 4,866 | 5,154 | 5,194 | 5,251 | 4,888 | 4,909 | 4,726 | 4,307 | 4,156 |
| Number of agents | 13,213 | 13,135 | 13,203 | 13,252 | 12,970 | 13,079 | 13,415 | 13,963 | 14,295 | 14,460 | 14,321 |
| Total assets | 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 | 5,471.1 |

*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 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Policy amount in force *1 | 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 | 17,355.2 |
| Individual insurance | 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 | 13,761.7 |
| New policy amount *1,*2 | 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 | 2,013.1 |
| Individual insurance | 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 | 1,906.6 |
| Income from insurance premiums | 1,234.6 | 1,155.2 | 1,097.3 | 1,019.0 | 887.9 | 794.1 | 788.1 | 823.0 | 705.5 | 635.7 | 596.6 |
| Individual insurance and annuities | 1,095.0 | 972.4 | 914.8 | 837.8 | 762.1 | 680.2 | 646.6 | 609.2 | 576.5 | 532.0 | 508.6 |
| Surrender and lapse amount *1 | 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 | 1,245.5 |
| Surrender and lapse rate (%) | 6.06% | 6.60% | 7.91% | 7.97% | 8.66% | 8.92% | 8.86% | 9.69% | 8.55% | 7.64% | 7.25% |
| Core profit | - | - | 13.9 | 13.8 | 28.7 | 37.5 | 33.8 | 38.1 | 53.9 | 53.0 | 45.0 |
| Number of in-house sales reps. | 10,450 | 10,111 | 9,276 | 8,948 | 8,808 | 8,703 | 9,111 | 8,963 | 8,116 | 7,619 | 8,226 |
| Total assets | 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 | 5,771.1 |

*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 | 2009 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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 | 2,120.0 |
| Individual variable annuities | 1.3 | 64.1 | 175.1 | 245.7 | 459.5 | 621.5 | 596.8 | 674.9 |
| New policy amount *2 | 174.3 | 467.5 | 444.0 | 299.7 | 162.7 | 179.5 | 93.3 | 216.2 |
| Individual variable annuities | 1.2 | 65.1 | 90.4 | 60.8 | 128.6 | 179.5 | 93.3 | 216.2 |
| Income from insurance premiums | 35.2 | 127.4 | 156.1 | 126.0 | 208.1 | 240.7 | 134.0 | 245.7 |
| Individual variable annuities | 1.2 | 66.3 | 100.8 | 77.2 | 164.2 | 202.4 | 103.7 | 218.2 |
| Surrender and lapse amount *1 | 722.9 | 606.2 | 518.7 | 425.1 | 418.6 | 242.7 | 165.5 | 135.3 |
| Surrender and lapse rate (%) | 17.05% | 16.75% | 15.65% | 13.56% | 14.37% | 9.11% | 6.56% | 5.98% |
| Core profit | 2.7 | (3.2) | (3.1) | (6.7) | (7.0) | (6.4) | (18.1) | (40.8) |
| Total assets | 598.6 | 613.6 | 682.2 | 727.2 | 934.1 | 1,078.4 | 1,048.9 | 1,171.1 |

*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.

Appendix (EEV)

Breakdown of the Group's EEV

(Billions of yen)

| | As of September 30, 2009 | As of March 31, 2009 | Change |
|--|-----------------------------|-------------------------|---------------|
| EEV | 1,136.4 | 866.5 | 269.8 |
| Adjusted net worth | 670.7 | 535.3 | 135.4 |
| Shareholders' equity on the balance sheet * | 411.9 | 410.0 | 1.9 |
| Unrealized gains/losses on securities (after tax) | 80.2 | (34.3) | 114.6 |
| Unrealized gains/losses on loans (after tax) | 28.0 | 17.2 | 10.7 |
| Unrealized gains/losses on real estate (after tax) | 1.6 | 0.7 | 0.9 |
| General reserves for possible loan losses (after tax) | 1.3 | 1.0 | 0.3 |
| Internal reserves as quasi-equity liabilities (after tax) ** | 147.5 | 140.6 | 6.8 |
| Value of in-force business | 465.6 | 331.1 | 134.4 |
| Certainty equivalent value of future profit | 656.3 | 512.7 | 143.6 |
| Time value of financial options and guarantees | (118.8) | (124.0) | 5.2 |
| Frictional cost of capital | (32.5) | (32.1) | (0.3) |
| Allowance for non financial risk | (39.4) | (25.3) | (14.1) |
| value of new business *** | 19.0 | 28.5 | |
| Present value of new business premiums **** | 570.3 | 1,091.4 | |
| Value of new business/present value of new business premiums | 3.3% | 2.6% | |

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

**** 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

Discount Rates and Investment Yields

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

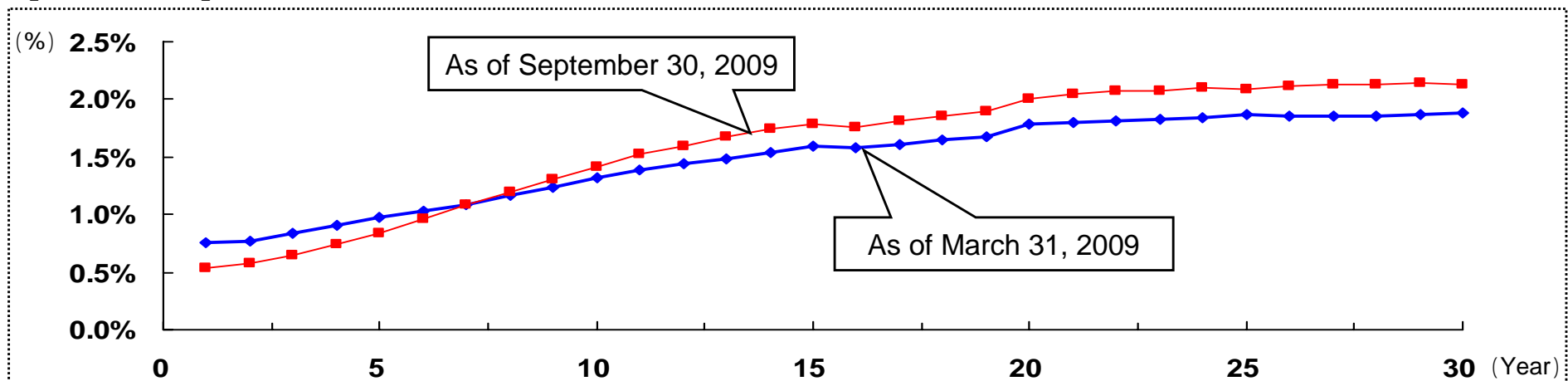
Swap rates

(%)

| | 1 year | 2 year | 3 year | 4 year | 5 year | 10 year | 15 year | 20 year | 25 year | 30 year | 40 year | 50 year |
|--------------------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|
| As of September 30, 2009 | 0.536 | 0.583 | 0.650 | 0.740 | 0.843 | 1.420 | 1.786 | 2.004 | 2.094 | 2.127 | 2.180 | 2.240 |
| As of March 31, 2009 | 0.750 | 0.770 | 0.840 | 0.908 | 0.970 | 1.314 | 1.595 | 1.791 | 1.863 | 1.879 | 1.889 | 1.917 |

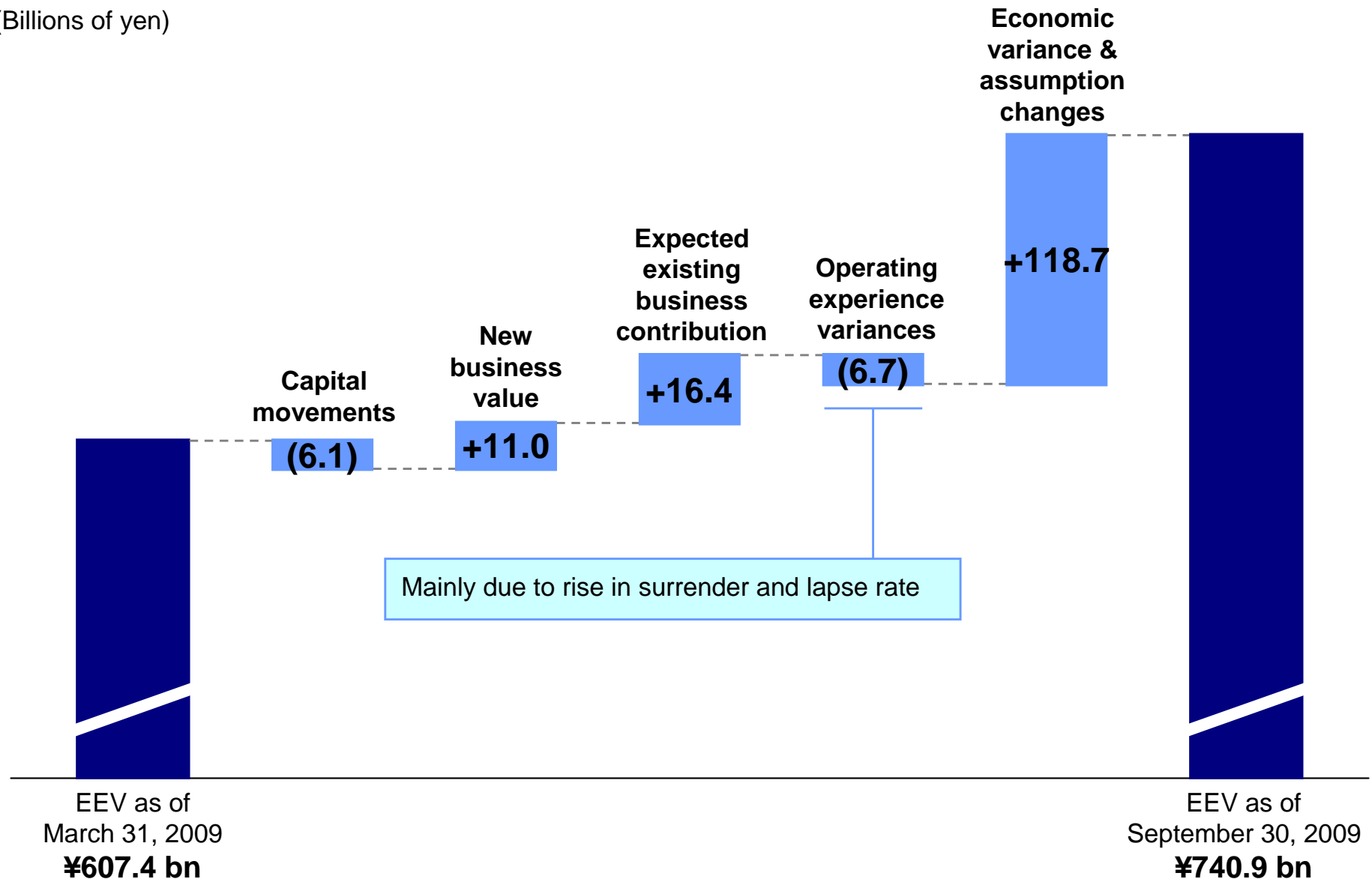
* Source: Bloomberg

[Reference] Yield Curve



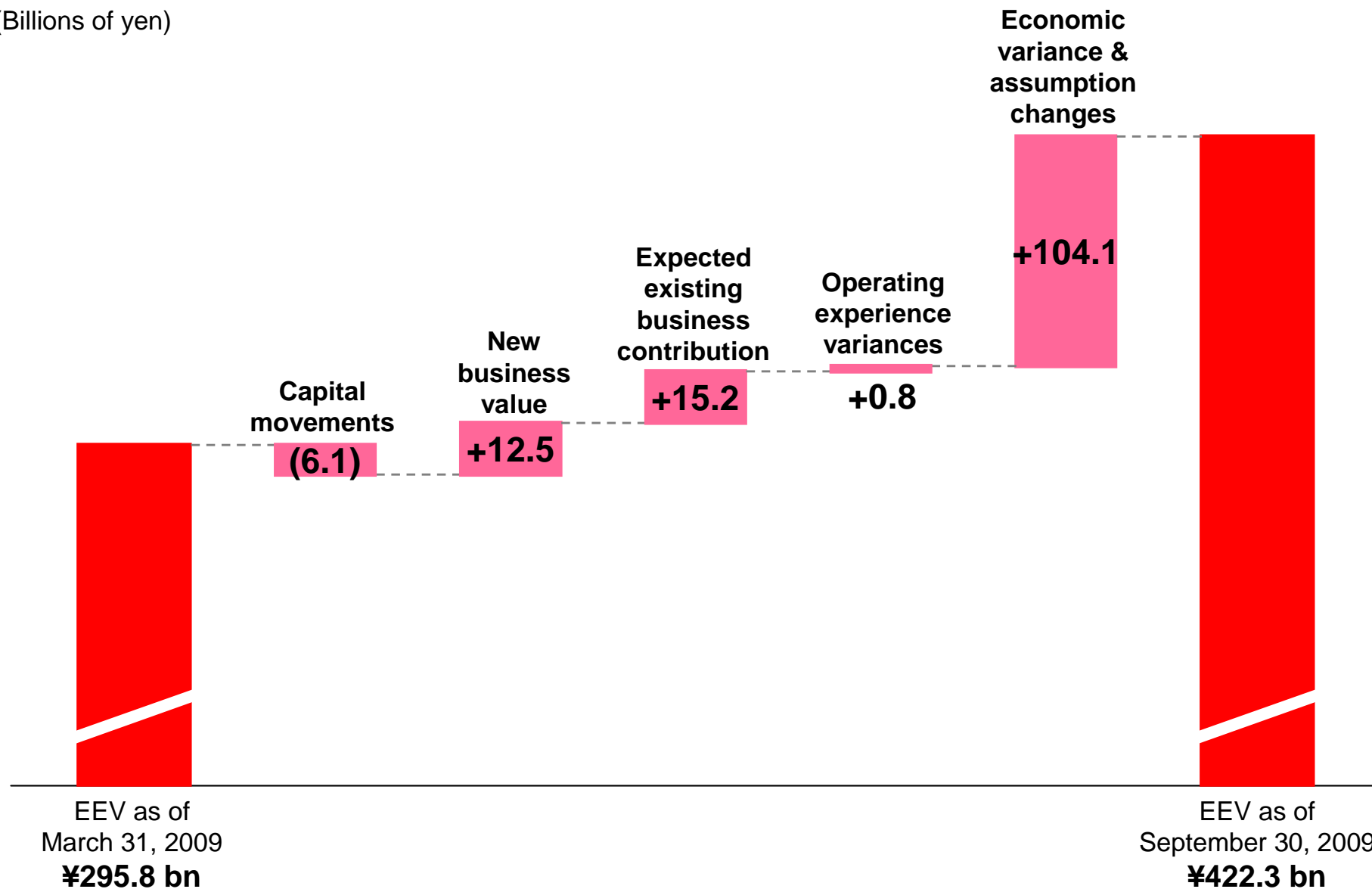
Movement Analysis: Daido Life

(Billions of yen)



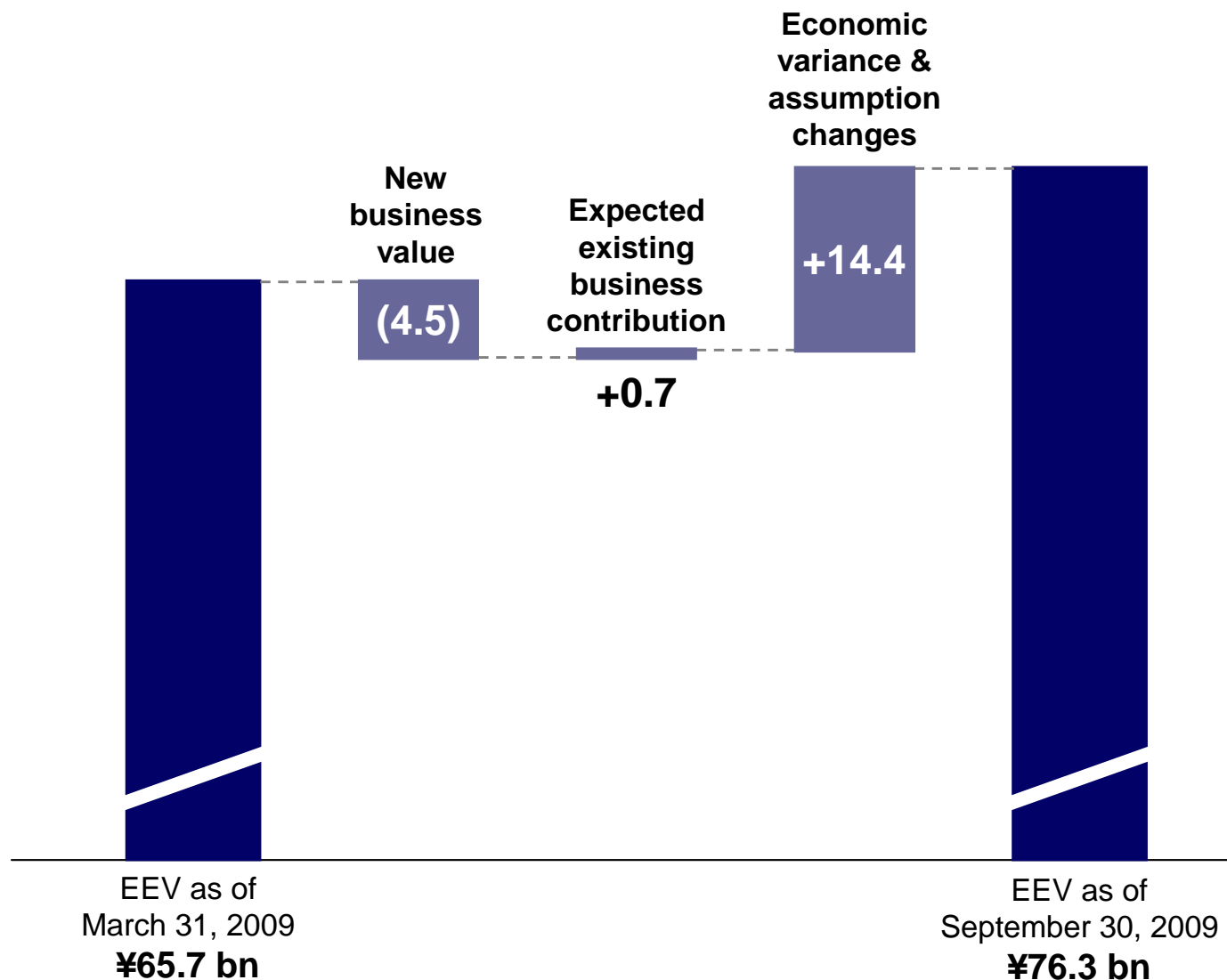
Movement Analysis: Taiyo Life

(Billions of yen)



Movement Analysis: T&D Financial Life

(Billions of yen)



Annualized Expected Return on Assets for Movement Analysis



| | Expected return |
|-----------------------------|---|
| Cash and deposit, call loan | 0.786% : 6 month LIBOR |
| Domestic bond, loan | 6 month LIBOR + credit spread by term and ratings |
| Domestic & foreign equities | 5.286% : 6 month LIBOR + risk premium [4.5%] |
| Foreign bond | 0.786% : 6 month LIBOR |
| Private equity | 8.286% : expected return of domestic equities + risk premium [3.0%] |
| Hedge fund | 4.286% : 6 month LIBOR + risk premium [3.5%] |
| Real estate | 3.786% : 6 month LIBOR + risk premium [3.0%] |

[Reference]

Sensitivities as of March 31, 2009

(Billions of yen)

| | | EEV | Value of new business |
|--|--------|--------------------|-----------------------|
| EEV as of March 31, 2009 (base scenario) | | 866.5 | 28.5 |
| Risk-free rate * [Changes in value of adjusted net worth] | +0.5% | 168.5 [(145.9)] | 11.9 |
| | -0.5% | (223.5) [152.3] | (14.3) |
| Equity and real estate value [Changes in value of adjusted net worth] | -10% | (81.9) [(75.2)] | (0.7) |
| Surrender and lapse rate | x 0.9 | 39.3 | 5.9 |
| Operating maintenance expenses | x 0.9 | 39.2 | 2.7 |
| Claim incidence rate for the life business | x 0.95 | 70.0 | 5.0 |
| Mortality for the annuity business | x 0.95 | (3.3) | 0.0 |
| Change the required capital to 200% solvency margin ratio | | 31.9 | 0.8 |
| Change the required capital to 1,000% solvency margin ratio | | (36.3) | (1.5) |
| Equity implied volatility | x 1.25 | (27.1) | (0.3) |
| Swaption implied volatility | x 1.25 | (27.2) | (0.4) |

* 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.

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

For 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.