

December 25, 2003
Taiyo Life Insurance Company
(Security Code: 8796)
Daido Life Insurance Company
(Security Code: 8799)

**Merger of Daido Life Customer Services Co., Ltd. and
Taiyo Life Office Support Co., Ltd.
(Establishment of Administrative Service Company)**

At the meetings held on December 25, 2003, Board of Directors of Taiyo Life Insurance Company (Taiyo Life; Masahiro Yoshiike: Representative Director and President) and Daido Life Insurance Company (Daido Life; Naoteru Miyato: Representative Director and President) passed a resolution to merge Daido Life Customer Services Co., Ltd. and Taiyo Life Office Support Co., Ltd. and form T&D Customer Services Co., Ltd. (a specialized administrative service company) effective April 1, 2004.

1. Objectives

The administrative operations units of Taiyo Life and Daido Life will be merged as part of the management integration process of T&D Life Group. Through this merger, we intend to improve customer service in terms of speed and quality of administrative operations and to reduce overall cost through the integration of overlapping operations for enhanced competitiveness. We expect total cost reduction of approximately 6.0 billion yen in the following three years mainly through reallocation of work force within T&D Life Group.

2. Merger Method

- (1) Daido Life Customer Services Co., Ltd. (wholly owned by Daido Life), the surviving company, will merge with Taiyo Life Office Support Co., Ltd. (wholly owned by Taiyo Life), and change its name to T&D Customer Services Co., Ltd.
- (2) A part of employees belonging to Customer Service Dept. of Taiyo Life (Business Service Div., Customer Service Center, a part of Claims & Benefits Div., and a part of Policy Service, Conservation & Premium Receipts Div.) will be transferred to the new subsidiary and their operations will be also transferred.

3. Overview of the Companies to be Merged (as of September 30, 2003)

Trade Name	Daido Life Customer Services Co., Ltd.	Taiyo Life Office Support Co., Ltd.
Principal Business	Back office services	Back office services
Date of establishment	April 2, 1984	July 1, 1994
Address of Head Office	Nishi-ku, Osaka-shi, Osaka	Urawa-ku, Saitama-shi, Saitama Prefecture
Representative	Yoshio Teragaki	Kinya Hongo
Capital	10 million yen	30 million yen
Total Assets	189 million yen	62 million yen
No. of Directors and Employees	290	80
Shareholders	Daido Life Insurance Company 100%	Taiyo Life Insurance Company 100%

4. Overview of the New Company (Date of merger: April 1, 2004)

Trade Name	T&D Customer Services Co., Ltd.														
Principal Business	Back office services														
Address of Head Office	4-2-18, Harigaya, Urawa-ku, Saitama-shi, Saitama Prefecture														
Representative	Kinya Hongo: Representative Director and President														
Capital	10 million yen														
No. of Employees	Approx. 800														
Main Shareholders	<table border="1"> <thead> <tr> <th>Shareholder</th> <th>Number of Shares Held</th> <th>Percentage Ownership</th> </tr> </thead> <tbody> <tr> <td>Daido Life</td> <td>80</td> <td>50.0 %</td> </tr> <tr> <td>Taiyo Life</td> <td>80</td> <td>50.0 %</td> </tr> <tr> <td>Total</td> <td>160</td> <td>100.0 %</td> </tr> </tbody> </table>			Shareholder	Number of Shares Held	Percentage Ownership	Daido Life	80	50.0 %	Taiyo Life	80	50.0 %	Total	160	100.0 %
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