

CONSOLIDATED FINANCIAL SUMMARY

(For the nine months ended December 31, 2005)

February 16, 2006

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo, Osaka
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/e/>

1. Premises

- (1) Adoption of Simple Accounting Method: None
 (2) Changes in Method of Accounting: Yes. Accounting standards of impairment of fixed assets have been applied since the three months ended June 30, 2005.
 (3) Scope of Consolidation and Application of Equity Method:
 Number of consolidated subsidiaries: 16
 Number of non-consolidated subsidiaries accounted for by the equity method: 0
 Number of affiliates accounted for by the equity method: 2
 (4) Changes in Scope of Consolidation and Application of Equity Method: None

2. Consolidated Operating Results for the Nine Months Ended December 31, 2005 (April 1, 2005 - December 31, 2005)

(1) Results of Operations

Note: Since the company was established on April 1, 2004, there are no comparative data from the previous term of the nine months ended December 31, 2004 and the year ended March 31, 2005. Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent.

	Ordinary Revenues % change	Ordinary Profit % change	Net Income % change
Nine months ended Dec. 31, 2005	¥1,831,931 million 4.3	¥88,104 million 5.8	¥20,574 million (35.0)
Nine months ended Dec. 31, 2004	¥1,756,444 million -	¥83,237 million -	¥31,643 million -
Year Ended March 31, 2005	¥2,316,781 million -	¥108,838 million -	¥37,131 million -

	Net Income per Share	Net Income per Share (Fully Diluted)
Nine months ended Dec. 31, 2005	¥85.21	-
Nine months ended Dec. 31, 2004	¥133.97	-
Year Ended March 31, 2005	¥155.41	-

Notes:

- Equity in net gain of affiliated companies: ¥15 million for the nine months ended December 31, 2005; ¥12 million for the nine months ended December 31, 2004; ¥16 million for the year ended March 31, 2005
- Average number of outstanding shares during the term (consolidated): for the nine months ended December 31, 2005: 241,452,924; for the nine months ended December 31, 2004: 236,184,278; for the fiscal year ended March 31, 2005: 237,486,517
- % change for ordinary revenues and ordinary profit, etc. are presented in comparison with the same term of the previous fiscal year.

(2) Financial Conditions

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
As of Dec. 31, 2005	¥13,765,261 million	¥994,232 million	7.2%	¥4,117.84
As of Dec. 31, 2004	¥12,991,400 million	¥556,089 million	4.3%	¥2,302.93
As of March 31, 2005	¥13,043,431 million	¥582,331 million	4.5%	¥2,410.76

Note: Number of outstanding shares at the end of the term (consolidated): as of December 31, 2005: 241,444,868; as of December 31, 2004: 241,469,455; as of March 31, 2005: 241,461,460

(3) Results of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Term
Nine months ended Dec. 31, 2005	¥61,582 million	¥(196,982) million	¥(15,139) million	¥715,572 million
Nine months ended Dec. 31, 2004	¥(101,608) million	¥327,011 million	¥37,246 million	¥940,234 million
Year Ended March 31, 2005	¥(33,775) million	¥200,155 million	¥27,189 million	¥870,062 million

3. Consolidated Forecasts for the Year Ending March 31, 2006 (April 1, 2005 - March 31, 2006)

	Ordinary Revenues	Ordinary Profit	Net Income
Year ending March 31, 2006	¥2,300,000 million	¥120,000 million	¥29,000 million

Note: Projected net income per share for the year ending March 31, 2006 is ¥120.11.

The above forecasts for the year ending March 31, 2006 reflect the Company's current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses.

4. Financial Review

1. Consolidated Results of Operations

For the nine months ended December 31, 2005, ordinary revenues increased ¥75.4 billion (4.3 percent) from the level of the same term of the previous fiscal year, to ¥1,831.9 billion, which was a total of income from insurance premiums of ¥1,427.6 billion (up 8.5 percent), investment income of ¥346.1 billion (up 44.6 percent), other ordinary income of ¥58.1 billion (down 71.2 percent) and other income.

Ordinary expenses increased ¥70.6 billion (4.2 percent) from the level of the same term of the previous fiscal year, to ¥1,743.8 billion, which was a total of insurance claims and other payments of ¥1,345.2 billion (down 3.4 percent), provision for policy and other reserves of ¥108.2 billion (up 13,419.0 percent), investment expenses of ¥76.3 billion (up 19.8 percent), operating expenses of ¥158.0 billion (up 1.9 percent), and other ordinary expenses of ¥55.9 billion (down 9.3 percent).

As a result, ordinary profit increased by ¥4.8 billion (5.8 percent), to ¥88.1 billion. Ordinary profit increased, due mainly to an improvement of capital gains and losses, including gains on sales of securities resulting from an improved investment environment, such as in a rise in stock prices despite a decrease in income from interest and dividends, attributed to the prolongation of low interest rates.

Extraordinary gains decreased 54.5 percent, to ¥1.3 billion, and extraordinary losses increased 201.8 percent, to ¥29.0 billion. An impairment loss of ¥3.3 billion, provision for reserve for price fluctuations of ¥21.9 billion, and other extraordinary losses of ¥2.0 billion, resulting from the premium severance payment for voluntary retirements by the inter-group reorganization of the in-house sales representatives' channel of T&D Financial Life were included in the extraordinary losses.

After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, net income decreased ¥11.0 billion (35.0 percent), from the level of the same term of the previous fiscal year, to ¥20.5 billion.

Net income decreased, due mainly to an increase in extraordinary losses, including an increase in the provision for reserve for price fluctuations, while ordinary profit increased.

2. Consolidated Financial Position

(1) Balance Sheets

As of December 31, 2005, total assets amounted to ¥13,765.2 billion (up 5.5 percent from March 31, 2005), mainly consisting of securities centered on public and corporate bonds amounting to ¥9,574.0 billion (up 8.4 percent), loans of ¥2,636.6 billion (down 3.6 percent) and cash and deposits of ¥399.8 billion (up 15.7 percent).

Total liabilities were ¥12,769.5 billion (up 2.5 percent), and policy reserves accounting for a substantial portion of them amounted to ¥12,185.4 billion (up 0.8 percent).

Total equity was ¥994.2 billion (up 70.7 percent), of which net unrealized gains on securities was ¥648.1 billion (up 163.0 percent).

(2) Cash Flows

Cash flows for the nine months ended December 31, 2005, were as follows.

Net cash provided by operating activities increased ¥163.1 billion from the level of the same term of the previous fiscal year, amounted to ¥61.5 billion, due mainly to an increase in income from insurance premiums and a decrease in the amount of insurance claims and other payments.

Net cash used in investing activities increased ¥523.9 billion from the level of the same term of the previous fiscal year, amounted to ¥196.9 billion. This was due mainly to a decline in cash flow from investments in loans.

Net cash used in financing activities increased ¥52.3 billion from the level of the same term of the previous fiscal year, and amounted to ¥15.1 billion. This is due mainly to a decrease in sales of treasury stock, dividends paid, and redemptions of commercial paper.

As a result, cash and cash equivalents as of December 31, 2005, totaled ¥715.5 billion, down ¥154.4 billion from the beginning of the fiscal year.

3. Operations of Three Life Insurance Companies (Non-consolidated Basis)

(1) Results of Operations

Taiyo Life Insurance Company:

For the nine months ended December 31, 2005, Taiyo Life's ordinary revenues decreased ¥50.1 billion (5.7 percent) from the level of the same term of the previous fiscal year, to ¥828.7 billion, which was a total of income from insurance premiums of ¥619.3 billion (up 7.0 percent), investment income of ¥143.6 billion (up 10.6 percent), and other ordinary income of ¥65.7 billion (down 61.4 percent).

Ordinary expenses decreased ¥64.7 billion (7.5 percent) from the level of the same term of the previous fiscal year, to ¥795.8 billion, which was a total of insurance claims and other payments of ¥668.7 billion (down 7.8 percent), investment expenses of ¥38.2 billion (down 8.8 percent), operating expenses of ¥62.1 billion (down 0.7 percent) and others.

As a result, ordinary profit increased by ¥14.5 billion, or 79.3 percent, to ¥32.9 billion. Ordinary profit increased due mainly to an improvement in capital gains and losses, including gains on sales of securities.

Extraordinary gains decreased 99.0 percent, to ¥0.0 billion, and extraordinary losses increased 118.2 percent, to ¥15.5 billion. The impairment loss of ¥3.0 billion and provision for reserve for price fluctuations of ¥12.1 billion were included in the extraordinary losses.

After accounting for extraordinary gains and losses, provision for reserve for policyholder dividends, and income taxes, net income decreased ¥2.0 billion, or 34.9 percent from the level of the same term of the previous fiscal year, to ¥3.8 billion.

Net income decreased, due mainly to an increase in extraordinary losses, including an increase in the provision for reserve for price fluctuations, while ordinary profit increased.

Daido Life Insurance Company:

For the nine months ended December 31, 2005, Daido Life's ordinary revenues increased ¥0.7 billion (0.1 percent) from the level of the same term of the previous fiscal year, to ¥795.9 billion, which was a total of income from insurance premiums of ¥647.3 billion (down 1.3 percent), investment income of ¥127.6 billion (up 23.6 percent), and other ordinary income of ¥21.0 billion (down 41.6 percent).

Ordinary expenses increased ¥9.4 billion (1.3 percent) from the level of the same term of the previous fiscal year, to ¥735.0 billion, which was a total of insurance claims and other payments of ¥606.0 billion (down 0.6 percent) and investment expenses of ¥36.6 billion (up 61.1 percent), operating expenses of ¥81.8 billion (down 0.4 percent) and others.

As a result, ordinary profit decreased by ¥8.6 billion (12.4 percent), to ¥60.9 billion. Ordinary profit decreased due mainly to a decrease in income from interest and dividends.

Extraordinary gains decreased 86.0 percent, to ¥1.0 billion, and extraordinary losses increased 507.2 percent, to ¥11.0 billion. The impairment loss of ¥0.2 billion and provision for reserve for price fluctuations of ¥9.6 billion were included in the extraordinary losses.

After accounting for extraordinary gains and losses, provision for reserve for policyholder dividends, and income taxes, net income increased ¥0.5 billion, or 2.3 percent from the level of the same term of the previous fiscal year, to ¥23.6 billion. Net income increased, due mainly to a decrease in deferred income taxes, while ordinary profit decreased.

T&D Financial Life Insurance Company:

For the nine months ended December 31, 2005, T&D Financial Life's ordinary revenues increased ¥156.4 billion (172.3 percent) from the level of the same term of the previous fiscal year, to ¥247.2 billion, which was a total of income from insurance premiums of ¥160.9 billion (up 99.1 percent), investment income of ¥77.5 billion (up 948.4 percent), and other ordinary income of ¥8.7 billion (up 243.2 percent).

Ordinary expenses increased ¥160.5 billion (169.4 percent) from the level of the same term of the previous fiscal year, to ¥255.3 billion, which was a total of insurance claims and other payments of ¥70.4 billion (up 24.9 percent), provision for policy and other reserves of ¥158.8 billion (up 704.8 percent), investment expenses of ¥2.9 billion (up 842.1 percent), operating expenses of ¥16.3 billion (up 36.3 percent) and other factors.

As a consequence, ordinary losses increased by ¥4.1 billion (103.0 percent), to ¥8.1 billion. Ordinary losses increased due mainly to an increase in operating expenses. These include agents fees resulting from solid sales of new variable-annuity products guaranteeing minimum living benefits, which were introduced in March 2005.

Extraordinary gains were ¥0.0 billion (down 97.4 percent), and extraordinary losses were ¥2.4 billion (up 278.2 percent). A ¥2.0-billion other extraordinary losses, including premium severance payment for voluntary retirements by the inter-group reorganization of the in-house sales representatives' channel, was included in the extraordinary losses. The company did not post an impairment loss.

After accounting for extraordinary gains and losses, provision for reserve for policyholder dividends, and income taxes, net income decreased ¥19.5 billion from ¥11.3 billion of the same term of the previous fiscal year, and the company posted a net loss of ¥8.2 billion.

Net income decreased, due mainly to an increase in ordinary losses, and deferred income tax returns became negative, resulting from a decline in the positive effect of adopting a consolidation taxation system.

(2) Sales Results

Taiyo Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the nine months ended December 31, 2005, decreased 1.7 percent over the same term of the previous fiscal year, to ¥2,354.1 billion.

The amount of surrender and lapse of individual insurance and annuities increased 16.9 percent over the same term of the previous fiscal year, to ¥1,246.7 billion.

As a consequence, the total policy amount in force of individual insurance and annuities as of December 31, 2005, increased 4.0 percent over the same term-end of the previous fiscal year (increased 3.9 percent from the previous fiscal year-end), to ¥17,626.8 billion.

Daido Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) the nine months ended December 31, 2005, decreased 1.6 percent over the same term of the previous fiscal year, to ¥3,416.8 billion.

The amount of surrender and lapse of individual insurance and annuities decreased 1.3 percent over the same term of the previous fiscal year, to ¥2,342.0 billion.

As a consequence, the total policy amount in force of individual insurance and annuities as of December 31, 2005, increased 0.9 percent over the same term-end of the previous fiscal year (increased 0.9 percent from the previous fiscal year-end), to ¥40,049.8 billion.

T&D Financial Life Insurance Company:

The new policy amount of individual insurance and annuities for the nine months ended December 31, 2005, decreased 40.4 percent over the same term of the previous fiscal year, to ¥136.0 billion.

The amount of surrender and lapse of individual insurance and annuities increased 3.1 percent over the same term of the previous fiscal year, to ¥339.2 billion.

As a consequence, the total policy amount in force of individual insurance and annuities as of December 31, 2005, decreased 7.9 percent over the same term-end of the previous fiscal year (decreased 6.7 percent from the previous fiscal year-end), to ¥2,718.6 billion.

(3) Other Material Items

Taiyo Life Insurance Company:

Taiyo Life's core profit (a measure of underlying profitability from core insurance operations on a non-consolidated basis) for the nine months ended December 31, 2005, recorded ¥26.0 billion, up 9.5 percent from the same term of the previous fiscal year, after compensating for a negative spread of ¥31.8 billion (up 2.9 percent).

As of December 31, 2005, Taiyo Life's solvency margin ratio (a measure of insurance companies' financial soundness) was 1,083.9 percent, up 218.2 percent from the 865.7 percent at the end of the previous fiscal year. The value of adjusted net assets (adjusted assets at fair value less liabilities, excluding quasi-equity liabilities) amounted to ¥757.3 billion, up ¥293.0 billion from the ¥464.2 billion posted at the previous fiscal year-end.

Daido Life Insurance Company:

Daido Life posted ¥68.1 billion in its core profit for the nine months ended December 31, 2005, a decrease of 8.8 percent from the same term of the previous fiscal year, after compensating for a negative spread of ¥26.1 billion (up 36.5 percent).

As of December 31, 2005, Daido Life's solvency margin ratio was 1,252.8 percent, up 215.6 percent from the 1,037.2 percent at the end of the previous fiscal year. The value of adjusted net assets amounted to ¥1,018.1 billion, up ¥348.5 billion from the ¥669.6 billion posted at the previous fiscal year-end.

T&D Financial Life Insurance Company:

Due mainly to amortization of goodwill of ¥4.8 billion (0.0 percent) and a negative spread of ¥3.4 billion (down 5.6 percent), T&D Financial Life marked a loss of ¥5.7 billion (up 77.4 percent) in its core profit for the nine months ended December 31, 2005.

As of December 31, 2005, T&D Financial Life's solvency margin ratio was 1,066.7 percent, up 345.0 percent from the 721.7 percent at the end of the previous fiscal year. Furthermore, the value of adjusted net assets amounted to ¥37.9 billion, down ¥3.2 billion from the ¥41.1 billion posted at the end of the previous fiscal year.

(4) Financial Position

Taiyo Life Insurance Company:

As of December 31, 2005, total assets amounted to ¥6,539.3 billion (up 4.2 percent from March 31, 2005), mainly consisting of securities centered on public and corporate bonds amounting to ¥4,489.5 billion (up 10.0 percent), loans of ¥1,593.0 billion (down 6.2 percent), property and equipment of ¥170.1 billion (down 3.6 percent), monetary claims purchased of ¥106.1 billion (up 27.4 percent), and call loans of ¥96.3 billion (down 36.0 percent).

Total liabilities were ¥6,131.0 billion (up 1.2 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,877.9 billion (down 0.7 percent).

Total equity was ¥408.2 billion (up 85.8 percent), of which net unrealized gains on securities was ¥291.4 billion (up 176.5 percent).

Daido Life Insurance Company:

As of December 31, 2005, total assets amounted to ¥6,300.8 billion (up 5.3 percent from March 31, 2005), mainly consisting of securities centered on public and corporate bonds amounting to ¥4,310.9 billion (up 4.3 percent), loans of ¥1,046.4 billion (up 0.6 percent), cash and deposits of ¥264.6 billion (up 13.7 percent), monetary trusts of ¥233.6 billion (up 8.8 percent), monetary claims purchased of ¥174.3 billion (up 95.9 percent), and property and equipment of ¥142.9 billion (down 2.9 percent).

Total liabilities were ¥5,752.6 billion (up 1.5 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,464.9 billion (down 0.4 percent).

Total equity was ¥548.1 billion (up 72.4 percent), of which net unrealized gains on securities was ¥356.3 billion (up 152.5 percent).

T&D Financial Life Insurance Company:

As of December 31, 2005, total assets amounted to ¥873.9 billion (up 20.2 percent from March 31, 2005), mainly consisting of securities amounting to ¥780.0 billion (up 24.9 percent), cash and deposits of ¥46.8 billion (up 10.5 percent), and loans of ¥14.1 billion (down 4.1 percent).

Total liabilities were ¥856.7 billion (up 22.0 percent), and policy reserves accounting for a substantial portion of them amounted to ¥841.6 billion (up 22.9 percent).

Total equity was ¥17.1 billion (down 31.4 percent), of which net unrealized gains on securities was ¥0.2 billion (¥(0.1) billion as of March 31, 2005).

4. Forecasts for the Year Ending March 31, 2006 (Apr. 1, 2005 – Mar. 31, 2006)

Based on business results for the nine months ended December 31, 2005, earnings forecasts for the fiscal year ending March 31, 2006, were revised as follows.

(1) Consolidated

(Billions of Yen)

	Previous Forecast (A) (as of May 19, 2005)	Revised Forecast (B)	Amount of Change (A) - (B)	Percentage of Change (%)
Ordinary Revenues	2,170.0	2,300.0	130.0	6.0
Ordinary Profit	95.0	120.0	25.0	26.3
Net Income	26.0	29.0	3.0	11.5

Principal reasons for the revisions to earnings forecasts:

Ordinary Profit

Due mainly to an improved investment environment, such as in a rise in stock prices, an improvement of capital gains and losses (including gains on sales of securities) is expected, and therefore the forecast for consolidated ordinary profit for the fiscal year ending March 31, 2006, is revised upward by ¥25.0 billion (or 26.3 percent) from the initially-predicted ¥95.0 billion to ¥120.0 billion.

Net Income

Although ordinary profit is expected to be larger by ¥25.0 billion than the previous forecast, additional internal reserves (for price fluctuations and contingencies) are expected to be set aside, and therefore the forecast of consolidated net income for the fiscal year ending March 31, 2006, is revised upward by ¥3.0 billion (or 11.5 percent) from the initially-predicted ¥26.0 billion to ¥29.0 billion.

Reference: Forecasts for the Year Ending March 31, 2006, of Three Life Insurance Companies (Non-consolidated Basis)

(Billions of Yen)

	Taiyo Life	Daido Life	T&D Financial Life
Ordinary Revenues	1,060.0	1,030.0	260.0
change	20.0	50.0	50.0
Ordinary Profit	41.0	91.0	(13.0)
change	11.0	15.0	-
Core Profit	34.0	89.0	(10.0)
change	1.0	3.0	2.0
Net Income	4.0	36.0	(12.0)
change	1.0	4.0	(2.0)

Note: "change" represents the amount change from the previous forecasts announced on May 19, 2005.

(2) Non-consolidated forecasts for T&D Holdings

The earnings forecasts for the fiscal year ending March 31, 2006, have not changed from those announced on May 19, 2005, as follows.

(Billions of Yen)

	Operating Income	Ordinary Profit	Net Income
Year-End	13.0	11.0	11.0

5. Dividend Forecast for the Year Ending March 31, 2006

T&D Holdings' basic profit distribution policy is to retain necessary internal reserves for the group as a whole, in order to maintain a sound business base for the subsidiaries. T&D Holdings also pursues policies aimed at increasing shareholder value and paying stable dividends.

In consideration of these policies, we have revised the dividend forecast from ¥45 to ¥55 per share for the fiscal year ending March 31, 2006.

(Yen)

	Previous Forecast (as of May 19, 2005)	Revised Forecast	(Reference) Fiscal year ended March 31, 2005
Annual Dividend per Share	¥45	¥55	¥45
Interim	-	-	-
Year-End	¥45	¥55	¥45

Unaudited Consolidated Condensed Quarterly Financial Statements

T&D Holdings, Inc.

Table of Contents

Unaudited Consolidated Condensed Balance Sheets
Unaudited Consolidated Condensed Statements of Operations
Unaudited Consolidated Condensed Statements of Surplus
Unaudited Consolidated Condensed Statements of Cash Flows
Notes to Unaudited Consolidated Condensed Quarterly Financial Statements

Unaudited Consolidated Condensed Balance Sheets

	As of December 31,		Increase (decrease)		As of
	2004	2005			March 31,
	<i>(Millions of yen)</i>		<i>(Millions of</i>	<i>%)</i>	<i>2005</i>
			<i>yen)</i>		<i>(Millions of</i>
					<i>yen)</i>
Assets:					
Cash and deposits	¥ 642,582	¥ 399,825	¥ (242,756)	(37.8)%	¥ 345,565
Call loans	202,064	166,360	(35,704)	(17.7)	225,631
Monetary claims purchased	153,796	280,518	126,722	82.4	172,339
Monetary trusts	210,340	241,006	30,666	14.6	221,864
Securities	8,472,262	9,574,079	1,101,817	13.0	8,828,614
Loans	2,769,971	2,636,617	(133,354)	(4.8)	2,735,442
Property and equipment	341,914	320,216	(21,698)	(6.3)	333,102
Due from agencies	1,566	1,489	(76)	(4.9)	1,536
Due from reinsurers	5,102	7,395	2,293	44.9	6,081
Other assets	170,841	138,027	(32,813)	(19.2)	162,640
Deferred tax assets	25,950	593	(25,356)	(97.7)	13,071
Deferred tax assets on land revaluation	1,812	4,121	2,309	127.4	2,868
Reserve for possible loan losses	(6,802)	(4,991)	1,811	(26.6)	(5,327)
Total assets	¥12,991,400	¥13,765,261	¥ 773,860	6.0%	¥13,043,431
Liabilities:					
Policy reserves:					
Reserve for outstanding claims	¥ 75,294	¥ 66,590	¥ (8,703)	(11.6)%	¥ 75,033
Policy reserve	11,772,857	11,920,828	147,970	1.3	11,813,292
Reserve for policyholder dividends	210,215	198,039	(12,176)	(5.8)	204,665
Total policy reserves	12,058,367	12,185,458	127,090	1.1	12,092,991
Due to agencies	341	1,077	735	215.1	993
Due to reinsurers	837	834	(2)	(0.3)	758
Commercial paper	-	15,000	15,000	-	20,000
Subordinated bond	20,000	20,000	-	-	20,000
Other liabilities	200,146	161,612	(38,533)	(19.3)	168,323
Reserve for employees' retirement benefits	109,701	107,915	(1,785)	(1.6)	110,917
Reserve for directors' and corporate auditors' retirement benefits	2,910	3,244	334	11.5	3,042
Reserve for price fluctuations	41,559	64,595	23,035	55.4	42,669
Deferred tax liabilities	6	209,822	209,815	3,334,908.3	1
Total liabilities	12,433,870	12,769,560	335,689	2.7	12,459,696
Minority interests	1,440	1,468	27	1.9	1,403
Stockholder's equity:					
Common stock:					
Authorized – 966,000,000 shares					
Issued – 241,500,000 shares	100,000	100,000	-	-	100,000
Capital surplus	87,515	87,516	1	0.0	87,515
Retained earnings	175,104	190,816	15,712	9.0	180,592
Land revaluation	(33,094)	(31,948)	1,145	(3.5)	(32,037)
Net unrealized gains on securities	226,695	648,114	421,418	185.9	246,458
Translation adjustment	16	26	9	56.5	(6)
Treasury stock	(148)	(292)	(144)	97.0	(190)
Total stockholder's equity	556,089	994,232	438,143	78.8	582,331
Total liabilities, minority interests and stockholder's equity	¥12,991,400	¥13,765,261	¥ 773,860	6.0%	¥13,043,431

See notes to unaudited consolidated condensed quarterly financial statements.

Unaudited Consolidated Condensed Statements of Operations

	Nine months ended December 31,		Increase (decrease)		Year ended March 31, 2005
	2004	2005	(Millions of yen)	(%)	(Millions of yen)
Ordinary revenues:					
Income from insurance premiums	¥1,315,399	¥1,427,618	¥ 112,219	8.5%	¥1,798,983
Investment income:					
Interest, dividends and income from real estate for rent	183,350	168,919	(14,431)	(7.9)	254,274
Gains from monetary trusts, net	3,782	-	(3,782)	(100.0)	3,846
Gains on investments in trading securities, net	1,098	15,067	13,968	1,271.4	4,885
Gains on sales of securities	41,256	60,121	18,865	45.7	56,116
Gains on redemptions of securities	163	467	304	186.0	165
Other investment income	2,316	2,028	(288)	(12.4)	3,454
Gains on separate accounts, net	7,461	99,535	92,074	1,234.0	13,395
Total investment income	239,430	346,139	106,709	44.6	336,139
Other ordinary income:					
Reversal of policy reserve	151,321	-	(151,321)	(100.0)	110,886
Other ordinary income	50,281	58,157	7,876	15.7	70,756
Total other ordinary income	201,603	58,157	(143,445)	(71.2)	181,643
Equity in net income of affiliated companies	12	15	3	24.6	16
Total ordinary revenues	1,756,444	1,831,931	75,486	4.3	2,316,781
Ordinary expenses:					
Insurance claims and other payments:					
Insurance claims	636,638	615,862	(20,775)	(3.3)	812,219
Annuity payments	106,756	115,644	8,887	8.3	136,486
Insurance benefits	227,510	219,738	(7,771)	(3.4)	321,420
Surrender payments	304,316	282,223	(22,092)	(7.3)	395,426
Other payments	116,642	111,758	(4,884)	(4.2)	160,081
Total insurance claims and other payments	1,391,863	1,345,226	(46,636)	(3.4)	1,825,635
Provision for policy and other reserves:					
Provision for policy reserve	-	107,536	107,536	-	-
Interest portion of reserve for policyholder dividends	801	761	(39)	(5.0)	1,055
Total provision for policy and other reserves	801	108,297	107,496	13,419.0	1,055
Investment expenses:					
Interest expense	1,239	1,246	6	0.5	1,646
Losses from monetary trusts net	-	1,316	1,316	-	-
Losses on sales of securities	20,437	16,103	(4,333)	(21.2)	33,222
Devaluation losses on securities	3,824	590	(3,233)	(84.5)	3,761
Amortization of securities	0	1	1	2,584.5	0
Losses from derivatives, net	25,096	43,416	18,319	73.0	33,300
Foreign exchange losses, net	3,692	3,845	152	4.1	4,907
Write-off of loans	28	57	29	103.9	76
Depreciation of real estate for rent	4,319	4,051	(267)	(6.2)	5,813
Other investment expenses	5,091	5,714	622	12.2	9,308
Total investment expenses	63,730	76,344	12,614	19.8	92,037
Operating expenses	155,143	158,035	2,891	1.9	205,681
Other ordinary expenses	61,668	55,921	(5,746)	(9.3)	83,534
Total ordinary expenses	1,673,206	1,743,826	70,619	4.2	2,207,943
Ordinary profit	¥ 83,237	¥ 88,104	¥ 4,866	5.8%	¥ 108,838

Unaudited Consolidated Condensed Statements of Operations (continued)

	Nine months ended December 31,		Increase (decrease)		Year ended March 31,
	2004	2005	(Millions of yen)	(%)	2005 (Millions of yen)
Extraordinary gains:					
Gains on sale of property and equipment	¥ 124	¥ 847	¥ 723	580.0%	¥ 963
Reversal of reserve for possible loan losses	2,705	325	(2,380)	(88.0)	3,020
Recoveries of bad debts previously written-off	134	204	70	52.5	158
Reversal of reserve for losses on sale of loans	64	—	(64)	(100.0)	64
Total extraordinary gains	3,029	1,377	(1,651)	(54.5)	4,207
Extraordinary losses:					
Losses on sale, disposal and devaluation of property and equipment	6,599	1,711	(4,887)	(74.1)	11,982
Impairment loss	—	3,370	3,370	—	—
Provision for reserve for price fluctuations	2,953	21,925	18,972	642.4	4,063
Other	82	2,071	1,988	2,418.7	82
Total extraordinary losses	9,635	29,078	19,443	201.8	16,128
Provision for reserve for policyholder dividends	34,019	29,413	(4,605)	(13.5)	44,977
Income before income taxes	42,612	30,990	(11,622)	(27.3)	51,940
Income taxes:					
Current	(512)	15,393	15,906	—	1,607
Deferred	11,394	(5,076)	(16,470)	—	13,081
Minority interests	87	99	11	13.7	120
Net income	¥ 31,643	¥ 20,574	¥ (11,069)	(35.0)%	¥ 37,131

See notes to unaudited consolidated condensed quarterly financial statements.

Unaudited Consolidated Condensed Statements of Surplus

	Nine months ended December 31,		Year ended March 31,
	2004	2005	2005
	<i>(Millions of yen)</i>		
Capital surplus:			
Balance at beginning of period	¥ 80,054	¥ 87,515	¥ 80,054
Addition:			
Gains on sale of treasury stock	7,461	1	7,461
Balance at end of period	¥ 87,515	¥ 87,516	¥ 87,515
Retained earnings:			
Balance at beginning of period	¥150,637	¥180,592	¥150,637
Additions:			
Net income	31,643	20,574	37,131
Increase in retained earnings due to reversal of land revaluation	–	743	–
Total additions	31,643	21,317	37,131
Deductions:			
Dividends	6,750	10,865	6,750
Bonuses to directors and corporate auditors	180	227	180
Decrease in retained earnings due to reversal of land revaluation	246	–	246
Total deductions	7,177	11,093	7,177
Balance at end of period	¥175,104	¥190,816	¥180,592

See notes to unaudited consolidated condensed quarterly financial statements.

Unaudited Consolidated Condensed Statements of Cash Flows

	Nine months ended December 31,		Year ended March 31,
	2004	2005	2005
	<i>(Millions of yen)</i>		
Net cash used in operating activities	¥(101,608)	¥ 61,582	¥ (33,775)
Net cash provided by investing activities	327,011	(196,982)	200,155
Net cash provided by (used in) financing activities	37,246	(15,139)	27,189
Effect of exchange rate changes on cash and cash equivalents	(2,686)	(3,950)	(3,777)
Net increase (decrease) in cash and cash equivalents	259,963	(154,490)	189,791
Cash and cash equivalents at beginning of period	680,270	870,062	680,270
Cash and cash equivalents at end of period	¥ 940,234	¥ 715,572	¥870,062

See notes to unaudited consolidated condensed quarterly financial statements.

Notes to Unaudited Consolidated Condensed Quarterly Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of presentation

On April 1, 2004, T&D Holdings, Inc. (the “Company”) was established, as a life insurance holding company, through which Taiyo Life Insurance Company (“Taiyo Life”), Daido Life Insurance Company (“Daido Life”) and T&D Financial Life Insurance Company (“T&D Financial Life”) (the “Three Life Companies”), have become wholly-owned subsidiaries, through share transfers. The business combination was accounted for as a pooling of interests.

The Company, including its domestic consolidated subsidiaries, maintains its accounting records and prepares its financial statements in Japanese yen in accordance with the provisions of the Insurance Business Law of Japan (the “Insurance Business Law”) and in conformity with generally accepted accounting principles and practices in Japan.

The accompanying consolidated condensed financial statements are compiled from the quarterly financial statements prepared by the Company in line with the “Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements” (Ministry of Financial Ordinance). In preparing the consolidated condensed financial statements, certain items presented in the original financial statements have been reclassified and summarized for readers outside Japan. These consolidated condensed financial statements have been prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. In addition, the accompanying footnotes include information which is not required under accounting principles and practices generally accepted in Japan, but is presented herein as additional information to the consolidated condensed financial statements.

Amounts of less than one million yen have been eliminated. As a result, yen totals shown herein do not necessarily agree with the sum of the individual amounts.

(b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. All material inter-company balances and transactions are eliminated. The number of consolidated subsidiaries for the nine months ended December 31, 2005 was 16.

Investments in affiliates are accounted for under the equity method. The number of affiliated companies for the nine months ended December 31, 2005 was two.

There are no affiliated companies which are accounted for under the cost method.

The financial statements of subsidiaries located outside Japan are prepared for the nine months ended September 30, 2005. Appropriate adjustments have been made for material transactions between September 30 and December 31, the date of the consolidated financial statements.

1. Summary of Significant Accounting Policies (continued)

(c) Foreign currency translation

(i) Foreign currency accounts

Foreign currency assets and liabilities are translated into Japanese yen at foreign exchange rates prevailing as at December 31, 2005 except for certain hedging instruments and related hedged items, which are translated at the contracted rates of such hedging instruments.

All income and expenses denominated in foreign currencies are translated at the exchange rates prevailing when such transactions are made. Exchange gains and losses are credited or charged to income.

(ii) Foreign currency financial statements of consolidated subsidiaries

Assets, liabilities, income and expenses of the Company's affiliates located outside Japan are translated into Japanese yen at the exchange rates in effect at the balance sheet date in accordance with generally accepted accounting principles and practices in Japan. Gains and losses resulting from translation of foreign currency financial statements are excluded from the statements of operations and are accumulated in minority interests or "Translation Adjustments" in equity.

(d) Investments in securities other than those of subsidiaries and affiliates

Investments in securities other than those of subsidiaries and affiliates are classified as trading, held-to-maturity, available-for-sale securities or policy-reserve-matching bonds. Available-for-sale securities with readily obtainable fair values ("marketable available-for-sale securities") and trading securities are stated at fair value. Unrealized gains and losses on trading securities are reported in the statement of operations. Unrealized gains and losses on marketable available-for-sale securities are reported in a separate component of equity, net of income taxes, unless the decline of the fair value of any particular available-for-sale securities is considered to be a permanent impairment, in which case such declines are recorded as devaluation (impairment) losses and charged to income. Held-to-maturity and available-for-sale securities without readily obtainable fair values are stated at amortized cost. For the purpose of computing realized gains and losses, cost is determined on the moving average method.

Taiyo Life has set up "policy-reserve-matching bonds." The purpose of the policy-reserve-matching bonds is to reflect Taiyo Life's ALM (Asset Liability Management) activity in the financial statements. Taiyo Life holds these bonds to hedge the interest rate risk arising from contracted insurance policies. Policy-reserve-matching bonds are not stated at fair market value but are stated at amortized cost, matching with the accounting treatment of the policy reserve of insurance policies. For the purpose of computing realized gains and losses, cost is determined by the moving average method.

1. Summary of Significant Accounting Policies (continued)

(d) Investments in securities other than those of subsidiaries and affiliates (continued)

Taiyo Life's management and investment policies for policy-reserve-matching bonds include risk management guidelines for monitoring such bonds. Based on the guidelines, Taiyo Life categorizes insurance policies into (1) 'personal insurance policies with maturity less than 25 years,' and (2) policies for 'defined contribution corporate pension insurance' and 'group pure endowment insurance' policies with respect to group annuity insurance.

Taiyo Life identifies the corresponding policy-reserve-matching bonds for each category of insurance policies, which may be adjusted based upon the changing characteristics of Taiyo Life's underlying policies. Taiyo Life also periodically examines the duration matching effectiveness, by comparison of the bond's duration with that of underlying policies.

(e) Reserve for possible loan losses

The reserve for possible loan losses is established in accordance with the Three Life Companies' Self-Assessment Guidelines. With respect to loans to borrowers subject to bankruptcy and similar proceedings, the Three Life Companies provide specific reserves in the amount of the loan balance less amounts collectible from collateral, guarantees and by other means. For loans to borrowers not yet bankrupt but highly likely to fall into bankruptcy, management determines and provides for the necessary specific reserve amount based on an overall assessment of the borrowers' ability to pay after subtracting the amount collectible from collateral, guarantees and by other means. With respect to other loans, the Three Life Companies provide for a general reserve by applying the historical loan loss ratio determined over a fixed period. Each loan is subject to asset assessment by the business-related division in accordance with the Three Life Companies' Self-Assessment Guidelines, and the results of the assessment are reviewed by the internal auditing division, which is independent from the business-related division, before the reserve amount is finally determined.

Other consolidated subsidiaries also provide for their reserve for possible loan losses using the same procedures as the Three Life Companies. The provision of the reserve is based on the results of self-assessment procedures and also provides for an amount, if considered necessary by management, by applying the historical loan-loss ratio determined over a fixed period.

(f) Reserve for price fluctuations

Pursuant to requirements under the Insurance Business Law, the Three Life Companies maintain a reserve for price fluctuations primarily related to stocks, bonds and foreign currency-denominated assets which are exposed to losses due to market price fluctuations. This reserve may only be used to reduce deficits arising from price fluctuations on those assets. For the nine months, the Company provides three quarter of the estimated annual reserve.

1. Summary of Significant Accounting Policies (continued)

(g) Policy reserve

Pursuant to requirements under the Insurance Business Law, the Three Life Companies maintain a policy reserve for the fulfillment of future obligations under life insurance contracts. The reserve of the accompanying consolidated financial statements is established pursuant to the net level premium method. This method assumes a constant or level amount of net insurance premiums over the term of the relevant policy in calculating the amount of the reserve required to fund all future policy benefits. The net insurance premium is the portion of the premium covering insurance underwriting risk, based on factors such as mortality rates, investment yield and policy cancellation rates, and excluding the portion covering administrative expenses. The net level premium reserve is calculated using interest and mortality rates set by the Financial Services Agency. For policies issued after April 2001, the net level premium reserve is calculated using an annual 1.5% interest rate and the mortality rate specified in the Life Insurance Companies Standard Mortality Table 1996. Such calculation is not necessarily in accordance with the gross premium basis.

For the calculation of the reserve for the insurance contracts whose condition were changed under Article 69-4-4 of the Enforcement Regulation of the Insurance Business Law, T&D Financial Life applies Zillmer Method of which period is the premium paying year of the contracts.

In addition to the above, in order to provide for any extraordinary risks which might arise in the future, the Three Life Companies are required to maintain a contingency reserve at an amount determined based on requirements under the Insurance Business Law.

(h) Reserve for employees' retirement benefits

The Company and its consolidated subsidiaries maintain non-contributory defined benefit plans covering substantially all employees. Under the plans, qualified employees are entitled to lump-sum or annuity payments based on their current rate of pay and length of service at retirement or termination of employment for reasons other than dismissal.

The Company and its consolidated subsidiaries set up a reserve for employees' retirement benefits under the defined benefit plans based on the actuarial calculation value of the retirement benefit obligations and the pension assets. The attribution of retirement benefits to periods of employees' service is made based on the benefit/years-of service approach.

Unrecognized net actuarial gains or losses and gains on plan amendments are charged or credited to income when incurred.

(i) Reserve for directors' and corporate auditors' retirement benefits

The Company and certain domestic consolidated subsidiaries have maintained retirement benefit plans covering all directors and corporate auditors. Under the plans, all directors and corporate auditors are entitled to lump-sum or annuity payments based on their current rate of pay and length of service at retirement.

1. Summary of Significant Accounting Policies (continued)

(i) Reserve for directors' and corporate auditors' retirement benefits (continued)

The Company and these certain domestic consolidated subsidiaries set up a reserve for directors' and corporate auditors' retirement benefits under the defined benefit plans based on an actuarial calculation of the value of the retirement benefit obligations. The attribution of retirement benefits to periods of consignees' service is made based on the benefit/years-of service approach.

For nine months, the Company provides three quarter of the estimated annual provision.

(j) Income taxes

The Company adopts the consolidated corporate-tax system. The consolidated corporate-tax system allows companies to pay taxes based on the combined profits or losses of a parent company and its wholly owned domestic subsidiaries. Due to the adoption of the consolidated corporate-tax system, a portion of valuation allowance for deferred tax assets was reduced in respect of certain consolidated subsidiaries' tax loss carryforwards for which there had been uncertainty regarding realization.

The provision for income taxes is based on income recognized for financial statement purposes, which includes deferred income taxes representing the effects of temporary differences between income recognized for financial reporting purposes and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between assets and liabilities for financial reporting purposes and tax purposes using the statutory tax rate.

(k) Property and equipment

Property and equipment, including real estate for rent, are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method for buildings acquired on and after April 1, 1998 and by the declining-balance method for other property and equipment, based on estimated useful lives ranging from 3 to 50 years for buildings and structures and from 2 to 20 years for equipment.

(l) Software

Development costs for internally used software, which are included in other assets, are capitalized and amortized under the straight-line method over their estimated useful lives of 5 years.

(m) Goodwill

The excess of cost over underlying net assets at acquisition, which is included in other assets, is amortized under the straight-line method over 5 years.

1. Summary of Significant Accounting Policies (continued)

(n) Leases

Under Japanese accounting standards for leases, finance leases that have been deemed to transfer ownership of the leased property to the lessee (“ownership-transfer finance lease”) are capitalized by the lessee, while other finance leases (“non-ownership-transfer finance lease”) are permitted to be accounted for as operating lease transactions.

The Company and its consolidated subsidiaries treat all non-ownership-transfer finance leases as operating leases. Accordingly, leased assets with respect to non-ownership-transfer finance leases where the Company is the lessee are not recognized in the accompanying balance sheet and lease payments are charged to expense when incurred. Non-ownership-transfer finance leases where the Company is lessor are not treated as finance transactions and related leased assets are included in other assets in the accompanying balance sheets. Depreciation of leased assets is computed by the straight-line method over the respective lease period. Lease income is recognized when incurred.

(o) Land revaluation

Taiyo Life revalued its land for operating purposes as of March 31, 2002, as permitted by the Land Revaluation Law (“the Law”), which became effective in 1998. In accordance with provisions under the Law and related ordinances, the revaluation is a one-time event and subsequent valuation gains/losses after the initial revaluation are not reflected to the financial statements but are disclosed if additional valuation losses are subsequently recognized after the initial revaluation. Net revaluation gains or losses are not charged to income but are reported as a separate component of equity, net of income taxes. In case the Company sells a part of such revalued land, related revaluation gains or losses are transferred to retained earnings. Book values of land for operating use before and after revaluation as of March 31, 2002 were ¥143,340 million and ¥110,220 million, respectively.

(p) Derivative financial instruments

Changes in the fair values of the derivatives designated and qualifying as hedges are either charged to income, reported as other assets/liabilities in the balance sheet, or not recognized based on whether such hedges are considered a fair value, cash flow or special hedge. Derivative financial instruments designated in special hedge relationships are not revalued but the contractual rates of the derivative financial instruments are reflected in income or expense measurement of the hedged items. Changes in fair value of derivatives designated as fair value hedges of assets and liabilities are recognized in income as an offset to the fair value adjustments of the related hedged items. The fair value of instruments hedging anticipated transactions and referred to as cash flow hedges are recognized in the balance sheet and are reclassified into income when the related hedged item impacts income.

The effectiveness of the hedging is measured by reference to the market fluctuations or the cash flow fluctuations as they affect the particular hedged item and hedging instrument.

1. Summary of Significant Accounting Policies (continued)

(p) Derivative financial instruments (continued)

Taiyo Life uses deferral hedge and fair value hedge. The special treatment for interest rate swaps is applied only where the interest rate swaps satisfy the requirements for hedge accounting. The hedge instruments and hedge items applied the hedge accounting as of December 31, 2005 are follows.

- a. Hedge instrument: Interest rate swaps
Hedge item: Loans
- b. Hedge instrument: Foreign exchange contracts
Hedge item: Foreign currency denominated bonds
- c. Hedge instrument: Individual stock options
Hedge item: Domestic equities
- d. Hedge instrument: Margin transactions
Hedge item: Domestic equities

Daido Life uses fair value hedge and deferral hedge. The assignment accounting for Foreign exchange contracts with certificates of deposit in foreign currency as the hedge item is applied only where the hedge instrument satisfy the requirements. The hedge instruments and hedge items for Daido Life are follows.

- a. Hedge instrument: Foreign exchange contracts
Hedge item: Foreign currency denominated available for sale securities and certificates of deposit
- b. Hedge instrument: Interest rate swaps
Hedge item: Available for sale bonds

(q) Accounting for consumption taxes

Consumption taxes received or paid by the Company and its domestic subsidiaries are not included in income and expenses. The net of consumption taxes received and paid are separately recorded on the balance sheets. Where consumption taxes paid are not fully credited against consumption taxes received, the non-credited portion is charged as an expense in the period in which the consumption taxes are paid. However, certain non-credited portions of consumption taxes paid such as the purchase of property and equipment are not charged to expense but are deferred as prepaid expenses and amortized against income over a five-year period on a straight-line basis.

(r) Cash and cash equivalents

Cash equivalents consist of highly liquid investments without significant market risk, such as demand deposits and short-term investments with an original maturity of three months or less.

1. Summary of Significant Accounting Policies (continued)

(s) Impairment of fixed assets

Effective the nine months ended December 31, 2005, the Company adopted the “Opinion Concerning Establishment of Accounting Standards for Impairment of Fixed Assets” issued by the Business Accounting Council and Financial Accounting Standard Implementation Guidance No. 6, “Implementation Guidance for Impairment of Fixed assets” issued by Accounting Standard Board of Japan. The effect of this change was to decrease income before income tax by ¥3,370 million for the nine months ended December 31, 2005.

Fixed assets are shown net of impairment losses.

NON-CONSOLIDATED FINANCIAL SUMMARY

(For the nine months ended December 31, 2005)

February 16, 2006

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo, Osaka
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/e/>

1. Premises

- (1) Adoption of Simple Accounting Method: None
- (2) Changes in Method of Accounting: Yes. Accounting standards of impairment of fixed assets have been applied since the three months ended June 30, 2005.

2. Non-Consolidated Operating Results for the Nine Months Ended December 31, 2005 (April 1, 2005 - December 31, 2005)

(1) Results of Operations

Note: Since the company was established on April 1, 2004, there are no comparative data from the previous term of the nine months ended December 31, 2004 and the year ended March 31, 2005. Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent.

	Operating Income	% change	Operating Profit	% change	Ordinary Profit	% change
Nine months ended Dec. 31, 2005	¥12,949 million	44.3	¥11,083 million	66.3	¥11,098 million	89.4
Nine months ended Dec. 31, 2004	¥8,974 million	-	¥6,666 million	-	¥5,858 million	-
Year Ended March 31, 2005	¥26,016 million	-	¥23,144 million	-	¥22,337 million	-

	Net Income	% change	Net Income per Share	Net Income per Share (Fully Diluted)
Nine months ended Dec. 31, 2005	¥10,994 million	79.3	¥45.53	-
Nine months ended Dec. 31, 2004	¥6,130 million	-	¥25.38	-
Year Ended March 31, 2005	¥22,493 million	-	¥92.99	-

Notes:

1. Average number of outstanding shares during the term: for the nine months ended December 31, 2005: 241,452,924; for the nine months ended December 31, 2004: 241,486,096; for the fiscal year ended March 31, 2005: 241,481,037.
2. % change for operating income and operating profit, etc. are presented in comparison with the same term of the previous fiscal year.

(2) Financial Conditions

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
As of Dec. 31, 2005	¥569,368 million	¥554,608 million	97.4%	¥2,297.04
As of Dec. 31, 2004	¥544,653 million	¥538,297 million	98.8%	¥2,229.25
As of March 31, 2005	¥575,331 million	¥554,619 million	96.4%	¥2,296.77

Notes:

1. Number of outstanding shares at the end of the term: as of December 31, 2005: 241,444,868; as of December 31, 2004: 241,469,455; as of March 31, 2005: 241,461,460.
2. Number of treasury stock at the end of the term: as of December 31, 2005: 55,132; as of December 31, 2004: 30,545; as of March 31, 2005: 38,540.

3. Non-Consolidated Forecasts for the Year Ending March 31, 2006 (April 1, 2005 - March 31, 2006)

	Operating Income	Ordinary Profit	Net Income	Annual Dividends per Share	
				Year-End	
Year ending March 31, 2006	¥13,000 million	¥11,000 million	¥11,000 million	¥55.00	¥55.00

Note: Projected net income per share for the year ending March 31, 2006 is ¥45.56.

The above forecasts for the year ending March 31, 2006 reflect the Company's current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses.

T&D Holdings, Inc. Unaudited Non-Consolidated Condensed Balance Sheet

(Millions of yen)

	As of Dec. 31, 2004	As of Dec. 31, 2005	Increase (decrease)		As of March 31, 2005
	Amount	Amount	Amount	% change	Amount
Assets:				%	
Current assets:					
Cash and deposits	3,618	14,770	11,151	308.2	10,549
Other current assets	1,564	15,177	13,613	870.3	25,362
Total current assets	5,183	29,948	24,765	477.8	35,912
Fixed assets:					
Tangible fixed assets	125	119	(6)	(5.4)	123
Intangible fixed assets	6	5	(1)	(15.5)	6
Investments and other assets:	539,337	539,295	(41)	(0.0)	539,289
Investments in subsidiaries	539,066	539,066	-	-	539,066
Other assets	271	229	(41)	(15.4)	223
Total fixed assets	539,470	539,420	(49)	(0.0)	539,419
Total assets	544,653	569,368	24,715	4.5	575,331
Liabilities:					
Current liabilities:					
Short-term debt	5,000	-	(5,000)	(100.0)	-
Other current liabilities	1,283	14,618	13,334	1,039.1	20,613
Total current liabilities	6,283	14,618	8,334	132.7	20,613
Fixed liabilities:					
Reserve for directors' and corporate auditors' retirement	72	142	70	97.1	99
Total fixed liabilities	72	142	70	97.1	99
Total liabilities	6,355	14,760	8,405	132.2	20,712
Stockholders' equity :					
Common stock	100,000	100,000	-	-	100,000
Capital surplus	432,316	432,317	1	0.0	432,316
Retained earnings	6,130	22,583	16,453	268.4	22,493
Treasury stock	(148)	(292)	(144)	97.0	(190)
Total stockholders' equity	538,297	554,608	16,310	3.0	554,619
Total liabilities and stockholders' equity	544,653	569,368	24,715	4.5	575,331

T&D Holdings, Inc. Unaudited Non-Consolidated Condensed Statements of Operations

(Millions of yen)

	Nine months ended Dec. 31, 2004	Nine months ended Dec. 31, 2005	Increase (decrease)		Year ended March 31, 2005
	Amount	Amount	Amount	% change	Amount
Operating income:	8,974	12,949	3,975	44.3	26,016
Dividends on investments in subsidiaries	6,750	10,867	4,117	61.0	23,050
Fees and commissions received from subsidiaries	2,224	2,082	(142)	(6.4)	2,966
Operating expenses:	2,308	1,866	(442)	(19.1)	2,872
General and administrative expenses	2,308	1,866	(442)	(19.1)	2,872
Operating profit	6,666	11,083	4,417	66.3	23,144
Non-operating income	15	15	(0)	(0.1)	18
Non-operating expenses	822	-	(822)	(100.0)	825
Ordinary profit	5,858	11,098	5,239	89.4	22,337
Income before income taxes:	5,858	11,098	5,239	89.4	22,337
Current income taxes	(155)	79	235	-	(31)
Deferred income taxes	(115)	25	140	-	(124)
Net income	6,130	10,994	4,863	79.3	22,493
Unappropriated retained earnings at beginning of period	-	11,589	11,589	-	-
Unappropriated retained earnings at end of period	6,130	22,583	16,453	268.4	22,493

(Reference)

Non-Consolidated Financial Data of the Three Life Insurance Companies for the Nine Months Ended December 31, 2005

1. Sales Results (Individual insurance and annuities)

(Billions of Yen)

Nine Months Ended December 31, 2005	Total (Sum of Three Companies)		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
	New Policy Amount	5,907.0	(3.1%)	2,354.1	(1.7%)	3,416.8	(1.6%)	136.0
Surrender and Lapse Amount	3,928.0	4.3%	1,246.7	16.9%	2,342.0	(1.3%)	339.2	3.1%
Surrender and Lapse Rate	-	-	7.35%	0.72point	5.90%	(0.14point)	11.65%	1.15point
Policy Amount in Force	60,395.4	1.4%	17,626.8	4.0%	40,049.8	0.9%	2,718.6	(7.9%)
Annualized Premiums of New Policies	108.5	2.8%	33.6	(9.1%)	64.4	2.1%	10.4	92.5%
3rd Sector Products	14.8	(3.2%)	11.4	2.1%	3.1	12.0%	0.2	(78.4%)
Annualized Premiums of Total Policies	1,464.2	(0.7%)	705.1	(5.0%)	684.3	2.6%	74.6	12.7%
3rd Sector Products	178.1	0.6%	109.1	3.1%	60.9	(1.5%)	8.0	(14.2%)

Notes:

1. New policy amount includes increase from conversion.
2. Surrender and lapse rate is not annualized.
3. % Change is presented in comparison with the same term of the previous fiscal year (hereinafter, same if not mentioned otherwise).

2. Summary of Operations

(Billions of Yen)

Nine Months Ended December 31, 2005	T&D Holdings Consolidated		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Ordinary Revenues	1,831.9	4.3%	828.7	(5.7%)	795.9	0.1%	247.2	172.3%
Income from Insurance Premiums and Others	1,427.6	8.5%	619.3	7.0%	647.3	(1.3%)	160.9	99.1%
Investment Income	346.1	44.6%	143.6	10.6%	127.6	23.6%	77.5	948.4%
Ordinary Expenses	1,743.8	4.2%	795.8	(7.5%)	735.0	1.3%	255.3	169.4%
Insurance Claims and Other Payments	1,345.2	(3.4%)	668.7	(7.8%)	606.0	(0.6%)	70.4	24.9%
Investment Expenses	76.3	19.8%	38.2	(8.8%)	36.6	61.1%	2.9	842.1%
Ordinary Profit (Loss)	88.1	5.8%	32.9	79.3%	60.9	(12.4%)	(8.1)	-
Extraordinary Gains	1.3	(54.5%)	0.0	(99.0%)	1.0	(86.0%)	0.0	(97.4%)
Extraordinary Losses	29.0	201.8%	15.5	118.2%	11.0	507.2%	2.4	278.2%
Provision for Reserve for Policyholder Dividends	29.4	(13.5%)	9.8	13.5%	18.4	(24.1%)	1.1	7.9%
Income before Income Taxes	30.9	(27.3%)	7.5	(21.6%)	32.4	(36.3%)	(11.6)	-
Income Taxes	10.3	(5.2%)	3.7	(0.8%)	8.7	(68.5%)	(3.4)	-
Net Income (Loss)	20.5	(35.0%)	3.8	(34.9%)	23.6	2.3%	(8.2)	-

Notes:

1. T&D Holdings' consolidated figures do not always correspond to the sum of the three companies' figures.
2. Income taxes include current income taxes and deferred income taxes.

3. Key Indicators

(Billions of Yen)

Nine Months Ended December 31, 2005	Total (Sum of Three Companies)		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Core Profit	88.4	(7.2%)	26.0	9.5%	68.1	(8.8%)	(5.7)	-
Amount of Negative Spread	61.4	7.6	31.8	0.9	26.1	6.9	3.4	(0.2)

As of December 31, 2005	Total (Sum of Three Companies)		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change from previous FYE	Amount	Change from previous FYE	Amount	Change from previous FYE	Amount	Change from previous FYE
Solvency Margin Ratio	-	-	1,083.9%	218.2point	1,252.8%	215.6point	1,066.7%	345.0point
Adjusted Net Assets	1,813.4	638.4	757.3	293.0	1,018.1	348.5	37.9	(3.2)
Unrealized Gains/ Losses on Securities	1,040.7	585.9	462.6	275.6	575.2	310.5	2.8	(0.3)
Domestic Bonds	70.0	(55.5)	17.0	(19.8)	51.8	(33.2)	1.2	(2.5)
Domestic Stocks	666.3	416.1	393.5	271.2	272.5	144.7	0.2	0.1
Foreign Securities	44.7	9.3	31.6	8.6	12.9	(0.2)	1.0	0.8
Other Securities	222.5	184.6	20.4	16.2	200.9	167.2	1.1	1.1
Monetary trusts	37.0	31.9	-	-	37.0	31.9	-	-
Unrealized Gains/ Losses on Real Estate	(19.6)	2.8	(9.5)	2.3	(10.0)	0.5	-	-

Notes:

1. These figures include securities held in monetary trusts and do not include securities without readily obtainable fair value.
2. Taiyo Life's net unrealized gains/ losses on real estate is basically calculated based on the posted price and the appraisal price.
3. Daido Life's 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.