

# CONSOLIDATED FINANCIAL SUMMARY

(For the six months ended September 30, 2006)

November 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/>  
 Date of Board Meeting for Settlement of Accounts: November 16, 2006  
 Application of U.S. Accounting Standards: No

## 1. Consolidated Operating Results for the Six Months Ended September 30, 2006 (April 1, 2006 – Sep. 30, 2006)

### (1) Results of Operations

*Note: 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
Six months ended Sep. 30, 2006	¥1,110,683 million	(8.5)	¥83,291 million	32.4	¥27,805 million	47.8
Six months ended Sep. 30, 2005	¥1,213,326 million	(0.1)	¥62,893 million	7.3	¥18,809 million	(27.7)
Year Ended March 31, 2006	¥2,444,295 million	5.5	¥136,846 million	25.7	¥35,545 million	(4.3)

	Net Income per Share	Net Income per Share (Fully Diluted)
Six months ended Sep. 30, 2006	¥112.91	-
Six months ended Sep. 30, 2005	¥77.90	-
Year Ended March 31, 2006	¥146.19	-

Notes:

- Equity in net gain of affiliated companies: ¥14 million for the six months ended September 30, 2006; ¥12 million for the six months ended September 30, 2005; ¥22 million for the year ended March 31, 2006
- Average number of outstanding shares during the term (consolidated): six months ended September 30, 2006: 246,266,882; six months ended September 30, 2005: 241,455,798; year ended March 31, 2006: 241,664,575
- Changes in method of accounting: Applicable
- % 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	Net Assets	Equity Ratio	Net Assets per Share
As of September 30, 2006	¥13,811,844 million	¥982,323 million	7.1%	¥3,982.71
As of September 30, 2005	¥13,384,178 million	¥798,204 million	6.0%	¥3,305.88
As of March 31, 2006	¥13,986,233 million	¥1,080,098 million	7.7%	¥4,384.93

*Note: Number of outstanding shares at the end of the term (consolidated): as of September 30, 2006: 246,261,148; as of September 30, 2005: 241,449,580; as of March 31, 2006: 246,271,247*

### (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
Six months ended Sep. 30, 2006	¥37,751 million	¥87,648 million	¥(1,865) million	¥954,773 million
Six months ended Sep. 30, 2005	¥18,099 million	¥(118,418) million	¥(15,438) million	¥751,756 million
Year Ended March 31, 2006	¥138,640 million	¥(196,333) million	¥27,346 million	¥834,403 million

### (4) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 16  
 Number of non-consolidated subsidiaries accounted for by the equity method: None  
 Number of affiliates accounted for by the equity method: 2

## 2. Consolidated Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

	Ordinary Revenues	Ordinary Profit	Net Income
Year ending March 31, 2007	¥2,280,000 million	¥105,000 million	¥26,000 million

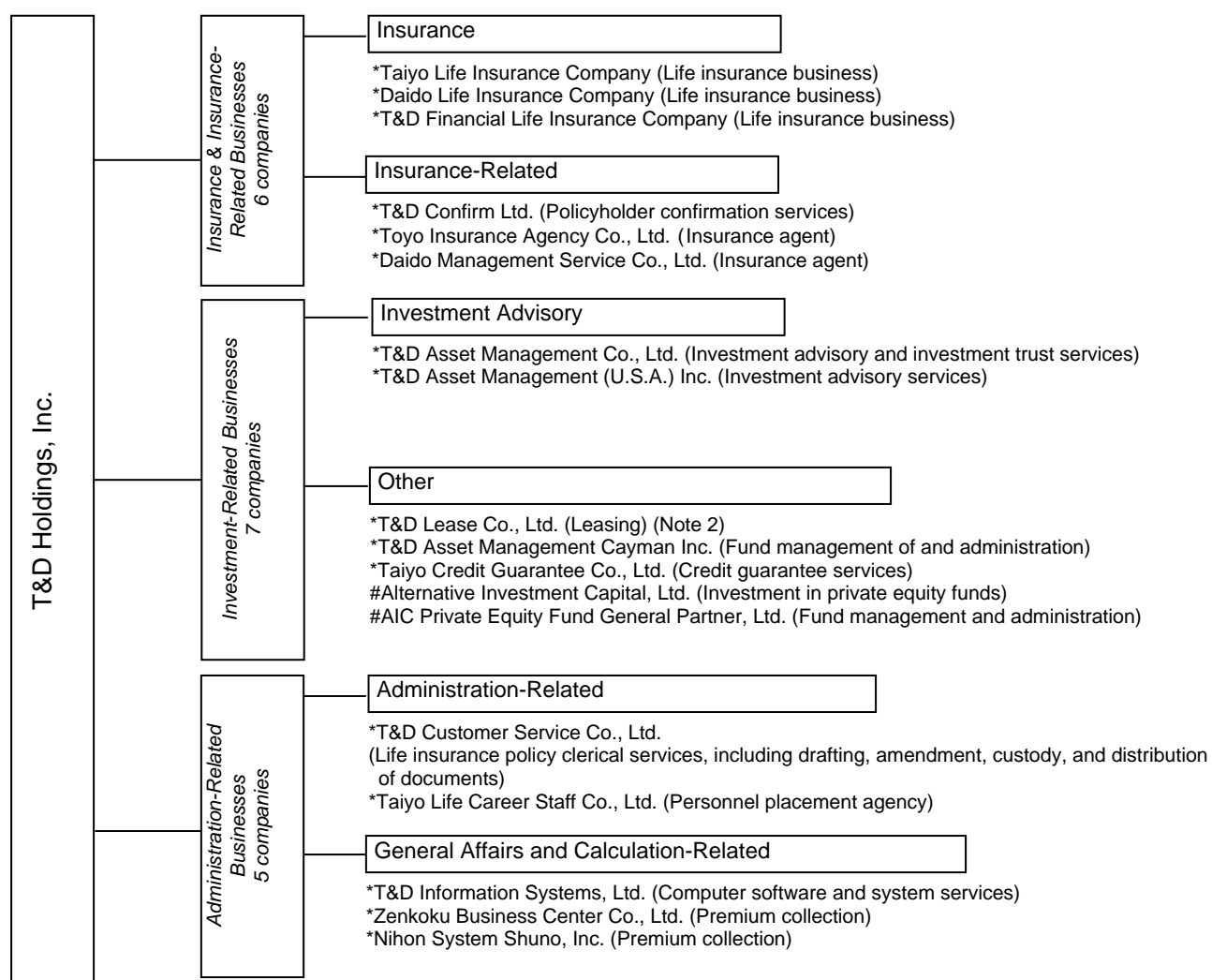
Notes:

- The above forecasts have not been changed from the previous forecasts announced on May 17, 2006.
- Projected net income per share for the year ending March 31, 2007 is ¥105.57.

**The above forecasts for the year ending March 31, 2007 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.**

## I. Subsidiaries and Affiliates

T&D Holdings, Inc. (“T&D Holdings” and the “Company”), was established on April 1, 2004, as a holding company through the joint transfer of the stock of Taiyo Life Insurance Company (“Taiyo Life”), Daido Life Insurance Company (“Daido Life”), and T&D Financial Life Insurance Company (“T&D Financial Life”) (collectively, referred to below as the “Three Life Insurance Companies”). T&D Holdings and its subsidiaries (referred to below as the “T&D Life Group” or the “Group”) comprise the holding company, 16 subsidiaries and 2 affiliated companies as of September 30, 2006. Centered on the life insurance business, the Group’s operations are outlined below:



*Notes:*

1. Companies marked by \* are consolidated subsidiaries, and companies marked by # are affiliated companies accounted for by the equity method.
2. T&D Taiyo Daido Lease Co., Ltd. was renamed T&D Lease Co., Ltd. on August 1, 2006.

## ***II. Management Principles and Goals***

### ***1. Basic Management Principles***

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and societies the Group’s four management visions are as follows:

- (1) Aim to provide the best products and services to increase customer satisfaction.
- (2) Aim to increase the value of the Group by expanding and creating value in areas where the Group can take full advantage of its strengths.
- (3) Broadly fulfill our social responsibilities with high ethical standards and strict compliance practices.
- (4) Aim to be an energetic group whose employees are encouraged to be creative and to take action.

### ***2. Basic Profit Distribution Policy***

T&D Holdings’ basic policy is to retain necessary internal reserves for the Group as a whole while seeking to maintain a sound business base for the subsidiaries. T&D Holdings simultaneously pursues policies aimed at increasing shareholder value and paying stable dividends. The Company plans to pay a dividend of ¥55 per share in fiscal year 2006 ending March 31, 2007.

### ***3. Management Goals***

The T&D Life Group aims at sustainable growth in its Embedded Value (EV)\*, which is a yardstick to evaluate the corporate value of a life insurance company. Crucial for EV enhancement are “solid growth in new policy amount and the expansion of policy amount in force” as well as “attainment of higher managerial efficiency.” Based on a time-driven management style, the Group will meet the said crucial challenges and strive to enhance its corporate value.

\*Embedded value (EV) is the sum of adjusted book value calculated from the balance sheet, and existing business value, calculated from existing policies in force. In Europe and Canada, along with other information, EV is used to evaluate the corporate value of a stock life insurance company.

### ***4. Medium-Term Management Strategy***

T&D Life Group is pursuing the following five group strategies, along with the philosophies of “growing and expanding the insurance business” by further leveraging the unique strengths inherent in the business models of each of the Three Life Insurance Companies and “increasing operational efficiency and strategic concentration of investment ” through consolidation of the Group’s management resources.

#### **(1) Growing and expanding the life insurance business**

To grow and expand the Group’s core business, a life insurance business, through the further reinforcement of the individual strengths of Taiyo Life, Daido Life, and T&D Financial Life — each of which has independent product strategies and sales strategies—within the Group.

#### **(2) Strategically reallocating the Group resources**

To enhance the Group’s corporate value through strategic reallocation of group management resources to fields with high growth potentiality and profitability.

(3) Increasing operational efficiency

To achieve greater efficiency and the provision of high-quality services through the integration of such common group infrastructure as back-office services and systems.

(4) Strengthening profit management and risk management

To win trust from customers by establishing a stronger financial basis through appropriate profit management and risk management.

(5) Expanding the Group presence

To achieve the medium- and long-term growth of the Group by expanding the insurance businesses and entering into new business areas through alliances and M&A.

## ***5. Future Tasks***

The Japanese economy is expected to continue a moderate expansion reflecting a steady trend in domestic and overseas demand, despite the influences of slowdown in the U.S. economy and soaring oil price. In the Japanese life insurance market, competition is expected to intensify in offering new products and services to meet diversifying customer needs for living protection products such as medical, nursing care and annuities, reflecting a changing business environment characterized by liberalization and deregulation in the entire financial sector. In such an environment, the T&D Life Group will strive to realize its management philosophy and win the trust of customers by offering new products and services which will fulfill customer satisfaction. From a broader and long-term viewpoint, the Group will aim at sustainable business growth in harmony with society, and will address “Business Operations to Fulfill its Corporate Social Responsibility (CSR)” through proactive communication with all of its stakeholders.

## ***6. Relationships with the Parent Company***

T&D Holdings does not have the parent company.

### ***III. Financial Review***

#### ***1. Consolidated Results of Operations***

For the six months ended September 30, 2006, ordinary revenues decreased ¥102.6 billion, or 8.5 percent from the level of the same term of the previous fiscal year, to ¥1,110.6 billion, which was a total of income from insurance premiums of ¥881.0 billion (down 8.8 percent), investment income of ¥195.9 billion (down 6.7 percent), other ordinary income of ¥33.6 billion (down 8.9 percent) and others.

Ordinary expenses decreased ¥123.0 billion, or 10.7 percent from the level of the same term of the previous fiscal year, to ¥1,027.3 billion, which were a total of insurance claims and other payments of ¥815.6 billion (down 13.8 percent), provision for policy and other reserves of ¥2.2 billion (down 88.2 percent), investment expenses of ¥72.5 billion (up 66.7 percent), operating expenses of ¥103.0 billion (down 2.1 percent), other ordinary expenses of ¥33.9 billion (down 8.7 percent) and others.

As a result, ordinary profit increased ¥20.3 billion, or 32.4 percent, to ¥83.2 billion. Ordinary profit increased mainly due to an increase in income from interest and dividends.

Extraordinary gains increased 33.5 percent, to ¥0.4 billion, and extraordinary losses increased 10.8 percent, to ¥14.6 billion. Extraordinary losses mainly consisted of impairment loss of ¥1.8 billion (down 43.6 percent), provision for reserve for price fluctuations of ¥10.8 billion (up 57.7 percent) and headquarters removal costs of ¥1.2 billion (-).

After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, net income increased ¥8.9 billion, or 47.8 percent from the level of the same term of the previous fiscal year, to ¥27.8 billion.

#### ***2. Consolidated Financial Position***

##### **(1) Balance Sheets**

As of September 30, 2006, total assets amounted to ¥13,811.8 billion (down 1.2 percent from March 31, 2006), mainly consisting of securities centered on public and corporate bonds amounting to ¥9,686.8 billion (down 1.5 percent), loans of ¥2,451.4 billion (down 2.7 percent), monetary claims purchased of ¥406.1 billion (up 44.8 percent), cash and deposits of ¥360.7 billion (down 19.4 percent) and tangible fixed assets of ¥317.4 billion (down 0.4 percent).

Total liabilities were ¥12,829.5 billion (down 0.6 percent), and policy reserves accounting for a substantial portion of them amounted to ¥12,239.5 billion (down 0.1 percent).

Total net assets were ¥982.3 billion (total shareholders' equity as of March 31, 2006 was ¥1,080.0 billion), of which net unrealized gains on securities was ¥583.8 billion (down 16.3 percent).

##### **(2) Cash Flows**

Cash flows for the six months ended September 30, 2006, were as follows.

Net cash provided by operating activities was ¥37.7 billion in revenue, up ¥19.6 billion from the level of the same term of the previous fiscal year. This was mainly due to an increase in income from interest and dividends and a decrease in insurance claims and other payments.

Net cash provided by investing activities was ¥87.6 billion in revenue, an increase of gain of ¥206.0 billion compared with the expenditure of ¥118.4 billion recorded in the same term of the previous fiscal year. This was mainly due to a decrease in purchase of securities and an increase in sale and redemption of securities.

Net cash used in financing activities was ¥1.8 billion, down ¥13.5 billion from the level of the same term of the previous fiscal year. This was mainly because income from short-term debenture was posted at this term, while dividends paid increased.

As a result, cash and cash equivalents as of September 30, 2006 totaled ¥954.7 billion, up ¥120.3 billion from the beginning of the fiscal year.

### **(3) Equity Ratio and Market Capitalization Ratio**

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Equity ratio (Equity / Total assets) × 100)	6.0%	7.1%	7.7%
Market capitalization ratio (Market capitalization / Total assets) × 100)	12.2%	15.2%	16.2%

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

#### **(1) Results of Operations**

##### ***Taiyo Life Insurance Company:***

For the six months ended September 30, 2006, Taiyo Life's ordinary revenues decreased ¥57.1 billion, or 9.9 percent from the level of the same term of the previous fiscal year, to ¥518.6 billion, which was a total of income from insurance premiums of ¥363.3 billion (down 14.2 percent), investment income of ¥116.3 billion (up 28.5 percent), and other ordinary income of ¥38.9 billion (down 37.0 percent).

Ordinary expenses decreased ¥74.5 billion, or 13.5 percent from the level of the same term of the previous fiscal year, to ¥478.9 billion, which was a total of insurance claims and other payments of ¥386.5 billion (down 17.7 percent), investment expenses of ¥34.7 billion (up 44.6 percent), operating expenses of ¥39.5 billion (down 4.9 percent) and others.

As a result, ordinary profit increased ¥17.3 billion, or 77.9 percent, to ¥39.7 billion. Ordinary profit increased mainly due to an increase in income from interest and dividends, and an improvement in capital gains and losses, including gains on sales of securities.

Extraordinary gains decreased 13.3 percent, to ¥0.0 billion, and extraordinary losses decreased 26.1 percent, to ¥4.9 billion. Extraordinary losses mainly consisted of impairment loss of ¥1.3 billion (down 55.7 percent), and provision for reserve for price fluctuations of ¥3.3 billion (up 0.2 percent).

Net income increased ¥12.3 billion, or 259.8 percent from the level of the same term of the previous fiscal year, to ¥17.1 billion.

##### ***Daido Life Insurance Company:***

For the six months ended September 30, 2006, Daido Life's ordinary revenues decreased ¥34.0 billion, or 6.1 percent from the level of the same term of the previous fiscal year, to ¥524.4

billion, which was a total of income from insurance premiums of ¥432.0 billion (down 0.8 percent), investment income of ¥79.2 billion (down 4.9 percent), and other ordinary income of ¥13.0 billion (down 67.1 percent).

Ordinary expenses decreased ¥42.8 billion, or 8.3 percent from the level of the same term of the previous fiscal year, to ¥470.3 billion, which was a total of insurance claims and other payments of ¥381.2 billion (down 11.9 percent) and investment expenses of ¥25.4 billion (up 37.3 percent), operating expenses of ¥55.9 billion (up 1.7 percent) and others.

As a result, ordinary profit increased ¥8.8 billion, or 19.5 percent, to ¥54.0 billion. Ordinary profit increased mainly due to an increase in income from interest and dividends.

Extraordinary gains increased 9.5 percent, to ¥0.4 billion, and extraordinary losses increased 106.5 percent, to ¥8.8 billion. Extraordinary losses mainly consisted of impairment loss of ¥0.5 billion (up 94.1 percent), and provision for reserve for price fluctuations of ¥7.4 billion (up 115.3 percent).

Net income decreased ¥0.4 billion, or 2.0 percent from the level of the same term of the previous fiscal year, to ¥19.5 billion. This was due to an increase in extraordinary losses such as provision for reserve for price fluctuations and deferred income taxes, while ordinary profit increased.

#### ***T&D Financial Life Insurance Company:***

For the six months ended September 30, 2006, T&D Financial Life's ordinary revenues decreased ¥57.6 billion, or 38.7 percent from the level of the same term of the previous fiscal year, to ¥91.3 billion, which was a total of income from insurance premiums of ¥85.6 billion (down 20.4 percent), investment income of ¥2.6 billion (down 93.1 percent), and other ordinary income of ¥3.1 billion (down 8.8 percent).

Ordinary expenses decreased ¥56.9 billion, or 36.7 percent from the level of the same term of the previous fiscal year, to ¥98.1 billion, which was a total of insurance claims and other payments of ¥47.8 billion (up 10.2 percent), provision for policy and other reserves of ¥27.5 billion (down 71.0 percent), investment expenses of ¥13.7 billion (up 547.5 percent), and operating expenses of ¥7.8 billion (down 21.4 percent) and others.

As a consequence, ordinary losses increased ¥0.6 billion, or 11.1 percent, to ¥6.7 billion.

Extraordinary gains were ¥0.0 billion (up 865.9 percent), and extraordinary losses were ¥0.9 billion (down 57.7 percent). Extraordinary losses mainly consisted of headquarter removal costs of ¥0.8 billion (-).

Net loss decreased ¥0.4 billion, or 7.8 percent from the same term of the previous fiscal year, to ¥5.8 billion. This was due to a decrease in extraordinary losses, while ordinary losses increased.

## **(2) Sales Results**

#### ***Taiyo Life Insurance Company:***

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the six months ended September 30, 2006, decreased 20.3 percent compared with the same term of the previous fiscal year, to ¥1,176.5 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 7.8 percent compared with the same term of the previous fiscal year, to ¥749.4 billion.

As a consequence, the total policy amount in force of individual insurance and annuities as of September 30, 2006, increased 2.4 percent from the level of the same term-end of the previous

fiscal year (increased 0.9 percent from the previous fiscal year-end), to ¥17,749.2 billion.

***Daido Life Insurance Company:***

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the six months ended September 30, 2006 increased 4.4 percent compared with the same term of the previous fiscal year, to ¥2,239.2 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities increased 12.1 percent compared with the same term of the previous fiscal year, to ¥1,765.4 billion.

As a consequence, the total policy amount in force of individual insurance and annuities as of September 30, 2006 increased 0.5 percent from the level of the same term-end of the previous fiscal year (decreased 0.0 percent from the previous fiscal year-end), to ¥39,990.1 billion.

***T&D Financial Life Insurance Company:***

The new policy amount of individual insurance and annuities for the six months ended September 30, 2006 decreased 47.5 percent compared with the same term of the previous fiscal year, to ¥54.0 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 37.9 percent compared with the same term of the previous fiscal year, to ¥138.8 billion.

As a consequence, the total policy amount in force of individual insurance and annuities as of September 30, 2006, decreased 9.1 percent from the level of the same term-end of the previous fiscal year (decreased 5.1 percent from the previous fiscal year-end), to ¥2,529.2 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 six months ended September 30, 2006, recorded ¥27.7 billion, up 69.9 percent compared with the same term of the previous fiscal year, after compensating for a negative spread of ¥12.6 billion (down 42.2 percent).

As of September 30, 2006, Taiyo Life's solvency margin ratio (a measure of insurance companies' financial soundness) was 1,016.6 percent, down 28.6 points from the 1,045.2 percent at the end of the previous fiscal year. Furthermore, the value of adjusted net assets (adjusted assets at fair value less liabilities, excluding quasi-equity liabilities) amounted to ¥686.2 billion, down ¥71.3 billion from the ¥757.5 billion posted at the previous fiscal year-end.

***Daido Life Insurance Company:***

Daido Life posted ¥59.7 billion in its core profit for the six months ended September 30, 2006, an increase of 36.8 percent compared with the same term of the previous fiscal year, after compensating for a negative spread of ¥5.2 billion (down 67.9 percent).

As of September 30, 2006, Daido Life's solvency margin ratio was 1,199.1 percent, down 55.3 points from the 1,254.4 percent at the end of the previous fiscal year. Furthermore, the value of adjusted net assets amounted to ¥1,001.9 billion, down ¥60.4 billion from the ¥1,062.3 billion posted at the previous fiscal year-end.

***T&D Financial Life Insurance Company:***

T&D Financial Life marked a loss of ¥3.2 billion (down 28.3 percent) in its core profit for the six months ended September 30, 2006, after compensating for a negative spread of ¥2.0 billion (up 1.1 percent).

As of September 30, 2006, T&D Financial Life's solvency margin ratio was 1,559.0 percent, down 352.8 points from the 1,911.8 percent at the end of the previous fiscal year. Furthermore, the value of adjusted net assets amounted to ¥63.3 billion, down ¥1.2 billion from the ¥64.5 billion posted at the end of the previous fiscal year.

**(4) Financial Position**

***Taiyo Life Insurance Company:***

As of September 30, 2006, total assets amounted to ¥6,491.3 billion (down 1.5 percent from March 31, 2006), mainly consisting of securities centered on public and corporate bonds amounting to ¥4,462.8 billion (down 2.1 percent), loans of ¥1,496.6 billion (down 2.6 percent), tangible fixed assets of ¥166.2 billion (down 1.6 percent) and monetary claims purchased of ¥142.4 billion (up 14.5 percent).

Total liabilities were ¥6,120.4 billion (down 0.9 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,872.5 billion (down 0.5 percent).

Total net assets were ¥370.8 billion (total shareholders' equity as of March 31, 2006 was ¥418.5 billion), of which net unrealized gains on securities was ¥255.0 billion (down 19.0 percent).

***Daido Life Insurance Company:***

As of September 30, 2006, total assets amounted to ¥6,302.0 billion (down 1.6 percent from March 31, 2006), mainly consisting of securities centered on public and corporate bonds amounting to ¥4,368.3 billion (down 1.5 percent), loans of ¥959.3 billion (down 2.7 percent), monetary claims purchased of ¥263.7 billion (up 68.8 percent), cash and deposits of ¥228.5 billion (down 24.9 percent), monetary trusts of ¥142.9 billion (down 41.1 percent) and tangible fixed assets of ¥142.9 billion (down 0.0 percent).

Total liabilities were ¥5,754.4 billion (down 1.1 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,459.6 billion (down 0.3 percent).

Total net assets were ¥547.6 billion (total shareholders' equity as of March 31, 2006 was ¥590.2 billion), of which net unrealized gains on securities was ¥329.3 billion (down 14.0 percent).

***T&D Financial Life Insurance Company:***

As of September 30, 2006, total assets amounted to ¥956.3 billion (up 2.4 percent from March 31, 2006), mainly consisting of securities amounting to ¥862.1 billion (up 2.1 percent), cash and deposits of ¥29.0 billion (down 30.2 percent), call loans of ¥20.0 billion (no held as of March 31, 2006) and loans of ¥11.8 billion (down 11.1 percent).

Total liabilities were ¥917.0 billion (up 3.2 percent), and policy reserves accounting for a substantial portion of them amounted to ¥901.9 billion (up 3.1 percent).

Total net assets were ¥39.3 billion (total shareholders' equity as of March 31, 2006 was ¥45.2 billion), of which net unrealized gains on securities was ¥ (0.5) billion (up 11.4 percent).

#### 4. Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

##### (1) Consolidated

The forecasts for the fiscal year ending March 31, 2007 have not been changed from those announced on May 17, 2006, as follows.

(Billions of yen)

	Ordinary revenues	Ordinary profit	Net income
Year-end	2,280	105	26

##### *Reference: Forecasts for the Year Ending March 31, 2007 of Three Life Insurance Companies (Non-consolidated Basis)*

(Billions of yen)

	Taiyo Life	Daido Life	T&D Financial Life
Ordinary revenues	940	1,010	310
Ordinary profit	30	86	(14)
Core profit	38	88	(8)
Net income	4	32	(12)

##### (2) Non-consolidated

The forecasts for the fiscal year ending March 31, 2007 have not been changed from those announced on May 17, 2006, as follows. The projected shareholders' dividends for the fiscal year ending March 31, 2007 remain unchanged.

(Billions of yen)

	Operating income	Ordinary profit	Net income	Annual Dividends per Share		
				Interim	Year-end	
Year-end	16	13	13	-	¥55.00	¥55.00

## Unaudited Consolidated Condensed Balance Sheets

(Millions of yen)

	As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
	Amount	%	Amount	%	Amount	%
<b>Assets:</b>						
Cash and deposits	393,566	2.9	360,760	2.6	447,376	3.2
Call loans	218,305	1.6	294,500	2.1	192,534	1.4
Monetary claims purchased	246,633	1.8	406,160	2.9	280,577	2.0
Monetary trusts	229,905	1.7	153,130	1.1	250,472	1.8
Securities	9,134,116	68.3	9,686,885	70.1	9,830,655	70.3
Loans	2,685,998	20.1	2,451,437	17.8	2,518,726	18.0
Property and equipment	324,055	2.4	-	-	318,610	2.3
Tangible fixed assets	-	-	317,457	2.3	-	-
Intangible fixed assets	-	-	22,500	0.2	-	-
Due from agencies	1,477	0.0	1,445	0.0	1,548	0.0
Due from reinsurers	6,869	0.1	6,558	0.1	7,196	0.0
Other assets	143,864	1.1	113,549	0.8	141,437	1.0
Deferred tax assets	482	0.0	694	0.0	830	0.0
Deferred tax assets on land revaluation	4,121	0.0	-	-	-	-
Reserve for possible loan losses	(5,220)	(0.0)	(3,236)	(0.0)	(3,732)	(0.0)
<b>Total assets</b>	<b>13,384,178</b>	<b>100.0</b>	<b>13,811,844</b>	<b>100.0</b>	<b>13,986,233</b>	<b>100.0</b>
<b>Liabilities:</b>						
Policy reserves	12,100,241	90.4	12,239,547	88.6	12,250,835	87.6
Reserve for outstanding claims	70,031		70,392		68,674	
Policy reserve	11,831,409		11,980,782		11,985,462	
Reserve for policyholder dividends	198,799		188,372		196,698	
Due to agencies	1,211	0.0	1,240	0.0	849	0.0
Due to reinsurers	619	0.0	508	0.0	549	0.0
Short-term debenture	15,000	0.1	30,000	0.2	20,000	0.1
Subordinated bonds	20,000	0.2	20,000	0.2	20,000	0.1
Other liabilities	178,516	1.3	167,305	1.2	183,379	1.3
Reserve for bonus to directors and corporate auditors	-	-	84	0.0	-	-
Reserve for employees' retirement benefit	110,006	0.8	108,112	0.8	108,382	0.8
Reserve for directors' and corporate auditors' retirement benefits	3,125	0.0	3,590	0.0	3,368	0.0
Reserve for price fluctuations	49,550	0.4	84,845	0.6	73,995	0.6
Deferred tax liabilities	106,262	0.8	163,022	1.2	231,764	1.7
Deferred tax liabilities on land revaluations	-	-	11,262	0.1	11,494	0.1
<b>Total liabilities</b>	<b>12,584,533</b>	<b>94.0</b>	<b>12,829,521</b>	<b>92.9</b>	<b>12,904,619</b>	<b>92.3</b>
<b>Minority interests</b>	<b>1,440</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>1,514</b>	<b>0.0</b>
<b>Stockholders' equity:</b>						
Common stock						
Authorized - 966,000,000 shares						
Issued - 246,330,000 shares	100,000	0.7	-	-	118,595	0.8
Capital surplus	87,515	0.7	-	-	106,104	0.7
Retained earnings	189,051	1.4	-	-	205,889	1.5
Land revaluation	(31,948)	(0.2)	-	-	(47,724)	(0.3)
Net unrealized gains on securities	453,826	3.4	-	-	697,511	5.0
Transaction adjustment	16	0.0	-	-	44	0.0
Treasury stock	(257)	(0.0)	-	-	(322)	(0.0)
<b>Total stockholders' equity</b>	<b>798,204</b>	<b>6.0</b>	<b>-</b>	<b>-</b>	<b>1,080,098</b>	<b>7.7</b>
<b>Total liabilities, minority interests and stockholders' equity</b>	<b>13,384,178</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>13,986,233</b>	<b>100.0</b>
<b>Net assets:</b>						
Common stock						
Authorized - 966,000,000 shares						
Issued - 246,330,000 shares	-	-	118,595	0.8	-	-
Capital surplus	-	-	106,105	0.8	-	-
Retained earnings	-	-	219,868	1.6	-	-
Treasury stock	-	-	(412)	(0.0)	-	-
Total stockholders' equity	-	-	444,157	3.2	-	-
Net unrealized gains on securities	-	-	583,829	4.2	-	-
Gains on deferred hedge	-	-	426	0.0	-	-
Land revaluation	-	-	(47,660)	(0.3)	-	-
Foreign currency translation adjustments	-	-	33	0.0	-	-
Total valuation and translation adjustments	-	-	536,629	3.9	-	-
Minority interests	-	-	1,536	0.0	-	-
<b>Total net assets</b>	<b>-</b>	<b>-</b>	<b>982,323</b>	<b>7.1</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>-</b>	<b>-</b>	<b>13,811,844</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

## Unaudited Consolidated Condensed Statements of Operations

(Millions of yen)

	Six months ended September 30, 2005		Six months ended September 30, 2006		Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
<b>Ordinary revenues</b>	1,213,326	100.0	1,110,683	100.0	2,444,295	100.0
Income from insurance premiums	966,311		881,065		1,902,318	
Investment income	210,036		195,918		465,671	
Interest, dividends and income from real estate for rent	114,824		133,474		236,154	
Gains on investment in trading securities, net	9,561		3,147		22,157	
Gains on sales of securities	35,091		57,927		87,559	
Gains on redemption of securities	467		0		467	
Other investment income	1,391		1,368		2,762	
Gains on separate accounts, net	48,699		-		116,568	
Other ordinary income	36,966		33,685		76,282	
Reversal of policy reserve	-		4,679		-	
Other ordinary income	36,966		29,006		76,282	
Equity in net income of affiliated companies	12		14		22	
<b>Ordinary expenses</b>	1,150,432	94.8	1,027,391	92.5	2,307,448	94.4
Insurance claims and other payments	945,853		815,634		1,746,057	
Insurance claims	441,760		349,896		790,900	
Annuity payments	73,830		79,946		148,093	
Insurance benefits	153,878		146,857		298,774	
Surrender payments	189,353		184,621		369,103	
Other payments	87,030		54,312		139,185	
Provision for policy and other reserves	18,628		2,201		173,171	
Provision for reserve for outstanding claims	-		1,717		-	
Provision for policy reserve	18,117		-		172,169	
Interest portion of reserve for policyholder dividends	511		483		1,001	
Investment expenses	43,501		72,519		103,132	
Interest expenses	823		868		1,663	
Losses from monetary trust, net	920		207		1,055	
Losses on sales of securities	9,954		28,043		26,833	
Devaluation losses on securities	744		1,200		873	
Losses from redemption of securities	1		-		1	
Losses from derivatives, net	21,148		18,772		52,295	
Foreign exchange losses, net	2,393		2,918		5,147	
Write-off of loans	32		15		23	
Depreciation of real estate for rent	2,705		2,446		5,391	
Other investment expenses	4,774		6,216		9,846	
Losses on separate accounts, net	-		11,831		-	
Operating expenses	105,275		103,095		209,728	
Other ordinary expenses	37,173		33,941		75,358	
<b>Ordinary profit</b>	62,893	5.2	83,291	7.5	136,846	5.6
<b>Extraordinary gains</b>	351	0.0	468	0.1	1,883	0.0
Gains on sales of property and equipment	219		-		908	
Gains on sales of fixed assets	-		17		-	
Reversal of reserve for possible loan losses	92		407		606	
Recoveries of bad debts previously written-off	38		43		224	
Other extraordinary gains	-		-		143	
<b>Extraordinary losses</b>	13,209	1.1	14,642	1.3	39,316	1.6
Losses on sales, disposal and devaluation of property and equipment	1,140		-		1,962	
Losses on sales, disposal and devaluation of fixed assets	-		578		-	
Impairment loss	3,370		1,899		3,593	
Provision for reserve for price fluctuations	6,880		10,849		31,325	
Headquarters removal costs	-		1,271		-	
Other extraordinary losses	1,818		44		2,434	
<b>Provision for reserve for policyholder dividends</b>	20,703	1.7	20,638	1.9	44,476	1.8
<b>Income before income taxes</b>	29,331	2.4	48,479	4.4	54,936	2.2
<b>Current income taxes</b>	9,180	0.7	25,449	2.3	30,696	1.2
<b>Deferred income taxes</b>	1,267	0.1	(4,842)	(0.4)	(11,428)	(0.5)
<b>Minority interests</b>	74	0.0	67	0.0	123	0.0
<b>Net income</b>	18,809	1.6	27,805	2.5	35,545	1.5

## Unaudited Consolidated Condensed Statements of Surplus

(Millions of yen)

	Six months ended	Year ended March 31,
	September 30, 2005	2006
	Amount	Amount
<b>Capital surplus:</b>		
Balance at beginning of period	87,515	87,515
Total additions	0	18,589
Issuance of new shares for capital increase	-	18,587
Gains on sale of treasury stock	0	1
<b>Balance at end of period</b>	<b>87,515</b>	<b>106,104</b>
<b>Retained earnings:</b>		
Balance at beginning of period	180,592	180,592
Total additions	19,552	36,391
Net income	18,809	35,545
Increase in retained earnings due to reversal of land revaluation	743	845
Total deductions	11,093	11,093
Dividends	10,865	10,865
Bonus to directors and corporate auditors	227	227
Bonus to directors	201	201
Bonus to corporate auditors	26	26
<b>Balance at end of period</b>	<b>189,051</b>	<b>205,889</b>

## Unaudited Consolidated Condensed Statements of Changes in Net Assets

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance as of March 31, 2006	118,595	106,104	205,889	(322)	430,266
<b>Changes in the period</b>					
Dividends			(13,544)		(13,544)
Bonus to directors and corporate auditors			(216)		(216)
Net income			27,805		27,805
Acquisition of treasury stock				(91)	(91)
Disposal of treasury stock		1		2	3
Reversal of land revaluation			(64)		(64)
Net changes of items other than stockholders' equity					-
<b>Total changes in the period</b>	-	1	13,979	(89)	13,890
<b>Balance as of September 30, 2006</b>	<b>118,595</b>	<b>106,105</b>	<b>219,868</b>	<b>(412)</b>	<b>444,157</b>

	Valuation and translation adjustments					Minority interests	Total net assets
	Net unrealized gains on securities	Gains on deferred hedge	Land revaluation	Foreign currency translation adjustments	Total		
Balance as of March 31, 2006	697,511	-	(47,724)	44	649,831	1,514	1,081,613
<b>Changes in the period</b>							
Dividends							(13,544)
Bonus to directors and corporate auditors							(216)
Net income							27,805
Acquisition of treasury stock							(91)
Disposal of treasury stock							3
Reversal of land revaluation							(64)
Net changes of items other than stockholders' equity	(113,682)	426	64	(11)	(113,201)	21	(113,180)
<b>Total changes in the period</b>	<b>(113,682)</b>	<b>426</b>	<b>64</b>	<b>(11)</b>	<b>(113,201)</b>	<b>21</b>	<b>(99,289)</b>
<b>Balance as of September 30, 2006</b>	<b>583,829</b>	<b>426</b>	<b>(47,660)</b>	<b>33</b>	<b>536,629</b>	<b>1,536</b>	<b>982,323</b>

## Unaudited Consolidated Condensed Statements of Cash Flows

(Millions of yen)

	Six months ended	Six months ended	Year ended March 31,
	September 30, 2005	September 30, 2006	2006
	Amount	Amount	Amount
<b>Cash flows from operating activities:</b>			
Income before income taxes	29,331	48,479	54,936
Depreciation of real estate for rent	2,705	2,446	5,391
Other depreciation and amortization	10,412	7,075	20,903
Impairment loss	3,370	1,899	3,593
Increase (decrease) in reserve for outstanding claims	(5,002)	1,717	(6,358)
Increase (decrease) in policy reserve	18,117	(4,679)	172,169
Increase in interest portion of reserve for policyholder dividends	511	483	1,001
Increase in provision for reserve for policyholder dividends	20,703	20,638	44,476
Decrease in reserve for possible loan losses	(100)	(495)	(716)
Increase in reserve for bonus to directors and corporate auditors	-	84	-
Decrease in reserve for employees' retirement benefits	(910)	(270)	(2,534)
Increase in reserve for directors' and corporate auditors' retirement benefits	82	222	326
Increase in reserve for price fluctuations	6,880	10,849	31,325
Interest, dividends and income from real estate for rent	(114,824)	(133,474)	(236,154)
Gains on investment securities	(83,118)	(20,000)	(199,045)
Interest expense	823	868	1,663
Exchange losses	2,492	2,991	5,203
Losses on sale or disposal of property and equipment	621	-	667
Losses on sale or disposal of tangible fixed assets	-	502	-
Equity in net income of affiliated companies	(12)	(14)	(22)
Increase (decrease) in amount due from agencies	59	102	(11)
Increase (decrease) in amount due from reinsurers	(788)	638	(1,115)
Increase (decrease) in other assets (excluding investment activities-related and financing activities-related)	1,721	1,051	(10,766)
Increase (decrease) in amount due to agencies	217	391	(144)
Decrease in amount due to reinsurers	(138)	(40)	(208)
Decrease in other liabilities (excluding investment activities-related and financing activities-related)	(5,791)	(934)	(4,038)
Other, net	25,338	23,680	61,046
Subtotal	(87,299)	(35,785)	(58,411)
Interest, dividends and income from real estate for rent received	120,611	127,828	239,809
Interest paid	(819)	(879)	(1,671)
Policyholder dividends	(27,078)	(29,356)	(53,462)
Other, net	1,629	3,805	6,901
Income taxes received (paid)	11,056	(27,860)	5,474
Net cash provided by operating activities	18,099	37,751	138,640
<b>Cash flows from investing activities:</b>			
Net decrease in short-term investments	-	(0)	19
Investments in monetary claims purchased	(69,394)	(85,251)	(136,593)
Proceeds from sale and redemption of monetary claims purchased	45,993	10,395	77,863
Investments in monetary trusts	(93,700)	(17,500)	(142,200)
Proceeds from monetary trusts	99,346	106,050	144,346
Purchase of securities	(1,287,303)	(1,219,123)	(2,817,782)
Sale and redemption of securities	1,168,453	1,281,425	2,545,276
Investments in loans	(370,780)	(302,286)	(695,338)
Collection of loans	422,225	371,322	913,847
Other, net	(32,063)	(50,226)	(83,459)
Subtotal	(117,224)	94,806	(194,021)
Total of net cash provided by (used in) operating activities and investment transactions as above	(99,124)	132,557	(55,380)
Purchase of property and equipment	(1,644)	-	(5,406)
Purchase of tangible fixed assets	-	(7,791)	-
Proceeds from sale of property and equipment	450	-	3,094
Proceeds from sale of tangible fixed assets	-	634	-
Net cash provided by (used in) investing activities	(118,418)	87,648	(196,333)
<b>Cash flows from financing activities:</b>			
Income from short-term debenture	-	10,000	-
Redemption of short-term debenture	(5,000)	-	-
Proceeds from debt	3,000	4,500	6,750
Repayments of debt	(2,909)	(3,128)	(5,903)
Proceeds from issuance of stocks	-	-	37,183
Purchase of treasury stock	(70)	(91)	(139)
Sale of treasury stock	3	3	7
Dividends paid	(10,429)	(13,117)	(10,520)
Dividends paid to minority interests	(32)	(30)	(32)
Net cash provided by (used in) financing activities	(15,438)	(1,865)	27,346
Effect of exchange rate changes on cash and cash equivalents	(2,549)	(3,164)	(5,312)
Net increase (decrease) in cash and cash equivalents	(118,306)	120,370	(35,659)
Cash and cash equivalents at beginning of year	870,062	834,403	870,062
Cash and cash equivalents at end of year	751,756	954,773	834,403

# NON-CONSOLIDATED FINANCIAL SUMMARY

(For the six months ended September 30, 2006)

November 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/>  
 Date of Board Meeting for Settlement of Accounts: November 16, 2006  
 Application of Share Unit System: Yes (50 shares for a unit)

## 1. Non-Consolidated Operating Results for the Six Months Ended September 30, 2006 (April 1, 2006 – Sep. 30, 2006)

### (1) Results of Operations

Note: 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
Six months ended Sep. 30, 2006	¥14,949 million	22.0	¥13,519 million	23.5	¥13,532 million	23.5
Six months ended Sep. 30, 2005	¥12,255 million	48.9	¥10,948 million	69.7	¥10,961 million	94.1
Year Ended March 31, 2006	¥13,643 million	(47.6)	¥11,216 million	(51.5)	¥10,994 million	(50.8)

	Net Income	% change	Net Income per Share
Six months ended Sep. 30, 2006	¥13,456 million	23.3	¥54.64
Six months ended Sep. 30, 2005	¥10,916 million	80.9	¥45.21
Year Ended March 31, 2006	¥10,930 million	(51.4)	¥45.07

Notes:

- Average number of outstanding shares during the term: six months ended September 30, 2006: 246,266,882; six months ended September 30, 2005: 241,455,798; year ended March 31, 2006: 241,664,575.
- Changes in method of accounting: Applicable
- % 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	Net Assets	Equity Ratio	Net Assets per Share
As of September 30, 2006	¥613,016 million	¥591,482 million	96.5%	¥2,401.85
As of September 30, 2005	¥564,189 million	¥554,564 million	98.3%	¥2,296.81
As of March 31, 2006	¥619,277 million	¥591,698 million	95.5%	¥2,402.47

Notes:

- Number of outstanding shares at the end of the term: as of September 30, 2006: 246,261,148; as of September 30, 2005: 241,449,580; as of March 31, 2006: 246,271,247.
- Number of treasury stock at the end of the term: as of September 30, 2006: 68,852; as of September 30, 2005: 50,420; as of March 31, 2006: 58,753.

## 2. Non-Consolidated Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

	Operating Income	Ordinary Profit	Net Income
Year ending March 31, 2007	¥16,000 million	¥13,000 million	¥13,000 million

Notes:

- The forecasts have not been changed from the previous forecasts announced on May 17, 2006.
- Projected net income per share for the year ending March 31, 2007 is ¥52.79.

### 3. Dividends

	Cash Dividends per Share		
	Interim	Year-End	Annual
Year Ended March 31, 2006	¥-	¥55.00	¥55.00
Year Ending March 31, 2007 (Result)	¥-	-	¥55.00
Year Ending March 31, 2007 (Forecast)	¥-	¥55.00	

The above forecasts for the year ending March 31, 2007 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.

## Unaudited Non-Consolidated Condensed Balance Sheets

(Millions of yen)

	As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
	Amount	%	Amount	%	Amount	%
<b>Assets:</b>						
Current assets:						
Cash and deposits						
Other current assets						
Total current assets		4.4		6.5		7.5
Fixed assets:						
Tangible fixed assets						
Intangible fixed assets						
Investments and other assets						
Investments in subsidiaries	539,066		571,066		571,066	
Other fixed assets	225		1,894		1,871	
Total fixed assets		95.6		93.5		92.5
<b>Total assets</b>		100.0		100.0		100.0
<b>Liabilities:</b>						
Current liabilities:						
Other current liabilities						
Total current liabilities		1.7		3.2		4.2
Fixed liabilities:						
Reserve for directors' and corporate auditors' retirement benefits						
Other fixed liabilities						
Total fixed liabilities		0.0		0.3		0.3
<b>Total liabilities</b>		1.7		3.5		4.5
<b>Stockholders' equity:</b>						
Common stock		17.7		-		19.2
Capital surplus:						
Additional paid-in capital						
Other capital surplus:						
Gains on sale of treasury stock	0	0	-	-	1	1
Total capital surplus		76.6		-		72.8
Retained earnings:						
Unappropriated retained earnings						
Total retained earnings		4.0		-		3.6
Treasury stock		(0.0)		-		(0.1)
<b>Total stockholders' equity</b>		98.3		-		95.5
<b>Total liabilities and stockholders' equity</b>		100.0		-		100.0
<b>Net Assets:</b>						
Stockholders' equity:						
Common stock				118,595	19.3	-
Capital surplus:						
Additional paid-in capital				450,903		-
Other capital surplus				2		-
Total capital surplus				450,906	73.6	-
Retained earnings:						
Unappropriated retained earnings				22,392		-
Total retained earnings				22,392	3.7	-
Treasury Stock				(412)	(0.1)	-
Total stockholders' equity				591,482	96.5	-
<b>Total net assets</b>				591,482	96.5	-
<b>Total liabilities and net assets</b>				613,016	100.0	-

## Unaudited Non-Consolidated Condensed Statement of Operations

(Millions of yen)

	Six months ended September 30, 2005			Six months ended September 30, 2006			Year ended March 31, 2006		
	Amount		%	Amount		%	Amount		%
<b>Operating income:</b>									
Dividends on investments in subsidiaries	10,867			13,546			10,867		
Fees and commissions received from subsidiaries	1,388	12,255	100.0	1,402	14,949	100.0	2,776	13,643	100.0
<b>Operating expenses:</b>									
General and administrative expenses		1,307	10.7		1,429	9.6		2,427	17.8
<b>Operating profit</b>		10,948	89.3		13,519	90.4		11,216	82.2
<b>Non-operating income</b>		13	0.1		13	0.1		17	0.1
<b>Non-operating expenses</b>		-	-		-	-		239	1.7
<b>Ordinary profit</b>		10,961	89.4		13,532	90.5		10,994	80.6
<b>Extraordinary Losses</b>		-	-		124	0.8		-	-
Income before income taxes		10,961	89.4		13,408	89.7		10,994	80.6
Current income taxes	27			(51)			105		
Deferred income taxes	18	45	0.3	3	(48)	(0.3)	(41)	63	0.5
<b>Net income</b>		10,916	89.1		13,456	90.0		10,930	80.1
<b>Unappropriated retained earnings at beginning of period</b>		11,589			-			11,589	
<b>Unappropriated retained earnings at end of period</b>		22,505			-			22,520	

## Unaudited Non-Consolidated Condensed Statements of Changes in Net Assets

(Millions of yen)

	Stockholders' equity								Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Unappropriated retained earnings	Total retained earnings			
Balance as of March 31, 2006	118,595	450,903	1	450,905	22,520	22,520	(322)	591,698	591,698
Changes in the period									
Dividends					(13,544)	(13,544)		(13,544)	(13,544)
Bonus to directors and corporate auditors					(39)	(39)		(39)	(39)
Net income					13,456	13,456		13,456	13,456
Acquisition of treasury stock							(91)	(91)	(91)
Disposal of treasury stock			1	1			2	3	3
Total changes in the period	-	-	1	1	(127)	(127)	(89)	(215)	(215)
<b>Balance as of September 30, 2006</b>	<b>118,595</b>	<b>450,903</b>	<b>2</b>	<b>450,906</b>	<b>22,392</b>	<b>22,392</b>	<b>(412)</b>	<b>591,482</b>	<b>591,482</b>

(Reference)

**Non-Consolidated Financial Data of the Three Life Insurance Companies  
for the Six Months Ended September 30, 2006**

**1. Sales Results (Individual insurance and annuities)**

(Billions of yen)

Six Months Ended September 30, 2006	Total (Sum of three companies)							
	Total		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
New policy amount	3,469.9	(6.8%)	1,176.5	(20.3%)	2,239.2	4.4%	54.0	(47.5%)
Surrender and lapse amount	2,653.7	1.6%	749.4	(7.8%)	1,765.4	12.1%	138.8	(37.9%)
Surrender and lapse rate	-	-	4.26%	(0.53points)	4.41%	0.44points	5.21%	(2.46points)
Policy amount in force	60,268.6	0.6%	17,749.2	2.4%	39,990.1	0.5%	2,529.2	(9.1%)
Annualized premiums of new policies	67.0	(4.4%)	18.7	(11.9%)	42.0	1.0%	6.2	(13.6%)
3rd sector products	8.8	(4.5%)	6.9	(0.1%)	1.8	(5.4%)	0.0	(100.0%)
Annualized premiums of total policies	1,447.9	(1.1%)	679.7	(4.6%)	690.1	1.7%	78.0	6.9%
3rd sector products	178.4	0.8%	111.5	3.8%	59.8	(2.1%)	7.1	(15.7%)

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).
4. Changes in policy amount in force from the previous fiscal year-end: Total: 0.0%; Taiyo Life: 0.9%; Daido Life: (0.0%); T&D Financial Life: (5.1%)

**2. Summary of Operations**

(Billions of yen)

Six Months Ended September 30, 2006	T&D Holdings Consolidated							
	Total		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Ordinary revenues	1,110.6	(8.5%)	518.6	(9.9%)	524.4	(6.1%)	91.3	(38.7%)
Income from insurance premiums	881.0	(8.8%)	363.3	(14.2%)	432.0	(0.8%)	85.6	(20.4%)
Investment income	195.9	(6.7%)	116.3	28.5%	79.2	(4.9%)	2.6	(93.1%)
Ordinary expenses	1,027.3	(10.7%)	478.9	(13.5%)	470.3	(8.3%)	98.1	(36.7%)
Insurance claims and other payments	815.6	(13.8%)	386.5	(17.7%)	381.2	(11.9%)	47.8	10.2%
Investment expenses	72.5	66.7%	34.7	44.6%	25.4	37.3%	13.7	547.5%
Ordinary profit (losses)	83.2	32.4%	39.7	77.9%	54.0	19.5%	(6.7)	11.1%
Extraordinary gains	0.4	33.5%	0.0	(13.3%)	0.4	9.5%	0.0	865.9%
Extraordinary losses	14.6	10.8%	4.9	(26.1%)	8.8	106.5%	0.9	(57.7%)
Provision for reserve for policyholder dividends	20.6	(0.3%)	7.2	8.5%	12.7	(4.1%)	0.6	(10.5%)
Income before income taxes	48.4	65.3%	27.5	206.9%	32.9	17.2%	(8.3)	(7.2%)
Income taxes	20.6	97.2%	10.4	147.2%	13.4	63.8%	(2.4)	(5.8%)
Net income (loss)	27.8	47.8%	17.1	259.8%	19.5	(2.0%)	(5.8)	(7.8%)

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)

Six Months Ended September 30, 2006	Total (Sum of Three Companies)							
	Total		Taiyo Life		Daido Life		T&D Financial Life	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Core profit	84.2	51.9%	27.7	69.9%	59.7	36.8%	(3.2)	(28.3%)
Amount of negative spread	19.9	(20.3)	12.6	(9.2)	5.2	(11.1)	2.0	0.0

As of September 30, 2006	Total (Sum of Three Companies)							
	Total		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	-	-	1,016.6%	(28.6points)	1,199.1%	(55.3points)	1,559.0%	(352.8points)
Adjusted net asset	1,751.5	(132.9)	686.2	(71.3)	1,001.9	(60.4)	63.3	(1.2)
Net unrealized gains on securities	877.4	(175.5)	379.4	(87.1)	498.6	(89.1)	(0.6)	0.7
Domestic bonds	3.9	16.4	(14.7)	8.4	19.9	6.4	(1.2)	1.4
Domestic stocks	596.4	(150.8)	350.7	(98.1)	245.5	(52.6)	0.1	(0.0)
Foreign securities	52.5	19.4	38.3	13.7	14.2	5.7	(0.0)	(0.0)
Other securities	196.7	(54.2)	6.8	(12.1)	189.4	(41.4)	0.3	(0.6)
Monetary trusts	29.9	(7.7)	-	-	29.9	(7.7)	-	-
Net unrealized gains on real estate	(6.4)	3.1	(3.7)	0.8	(2.7)	2.2	-	-
Adjusted book value on EV	1,140.8	(91.6)	472.4	(42.4)	623.3	(43.8)	45.1	(5.3)

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 on real estate is calculated based on the appraisal price and the posted price.
3. Daido Life's net unrealized gains on real estate is basically calculated based on the appraisal price. Less important properties are calculated based on the posted price.

(Reference)

**Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)**

The earnings forecasts for the year ending March 31, 2007 have not been changed from those announced on May 17, 2006.

**1. T&D Holdings**

**(1) Consolidated**

(Billions of yen)

	Year Ended March 31, 2006	Forecast for the Year Ending March 31, 2007	Percentage of Change (%)
Ordinary Revenues	2,444.2	2,280	(6.7%)
Ordinary Profit	136.8	105	(23.2%)
Net Income	35.5	26	(26.8%)

**(2) Non-Consolidated**

(Billions of yen)

	Year Ended March 31, 2006	Forecast for the Year Ending March 31, 2007	Percentage of Change (%)
Operating Income	13.6	16	17.6%
Ordinary Profit	10.9	13	19.3%
Net Income	10.9	13	19.3%

Projected annual dividend per share for the year ending March 31, 2007 is 55.00 yen.

**2. Three Life Insurance Companies (Non-consolidated Basis)**

(Billions of yen)

	Taiyo Life	Daido Life	T&D Financial Life
Ordinary Revenues	940	1,010	310
% change	(12.7%)	(4.9%)	(0.7%)
Ordinary Profit	30	86	(14)
% change	(36.0%)	(13.5%)	14.8%
Net Income	4	32	(12)
% change	(36.5%)	(17.9%)	5.3%

Note: "% Change" represents the change from the year ended March 31, 2006.

(Billions of yen)

	Sum of Three Companies	Taiyo Life	Daido Life	T&D Financial Life
Core Profit	118	38	88	(8)
% change	(7.2%)	(0.3%)	(8.4%)	14.3%
Income from Insurance Premiums	1,940	770	880	290
% change	2.0%	(6.4%)	1.0%	39.4%
Negative Spread	73	37	32	4
% change	1.1%	(3.9%)	9.2%	(7.0%)
New Policy Amount	6,940	2,270	4,430	240
% change	(4.9%)	(20.0%)	3.2%	47.5%
Policy Amount in Force	60,500	17,750	40,380	2,370
% change	0.4%	0.9%	0.9%	(11.1%)
Surrender and Lapse Rate change	-	8.5% (1.19 points)	7.7% Level-off	12.7% (1.67 points)

Notes:

1. "% Change" represents the change from the year ended March 31, 2006.

2. Policy amount in force, new policy amount and surrender and lapse rate include individual insurance and annuities. The new policy amount includes increase from conversion.

3. Taiyo Life's forecasts for the year ending March 31, 2007 have been revised as follows:

New policy amount: 3,000 billion yen(initial) to 2,270 billion yen(revised); policy amount in force: 18,480 billion yen(initial) to 17,750 billion yen(revised); surrender and lapse rate: 9.5%(initial) to 8.5%(revised)

**The above forecasts for the year ending March 31, 2007 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.**