

# NON-CONSOLIDATED FINANCIAL SUMMARY

(For the fiscal year ended March 31, 2010)

May 19, 2010

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

## 1. Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

### (1) Results of Operations

Note: Amounts of less than one million yen have been eliminated, and percentages have been rounded to the nearest percent.

|                           | Ordinary Revenues<br>% change | Ordinary Profit   |                 |          | Net Income<br>% change |
|---------------------------|-------------------------------|-------------------|-----------------|----------|------------------------|
|                           |                               | % change          | Core Profit     | % change |                        |
| Year ended March 31, 2010 | ¥924,689 million (16.9)       | ¥44,832 million   | ¥50,959 million | 13.2     | ¥14,522 million        |
| Year ended March 31, 2009 | ¥1,112,199 million 11.2       | ¥(63,664) million | ¥45,013 million | (15.2)   | ¥(15,587) million      |

|                           | Net Income Per Share | Net Income Per Share<br>(Fully Diluted) | Ratio of Net Income to<br>Shareholders' Equity | Ratio of Ordinary<br>Profit to Total Assets | Ratio of Ordinary Profit<br>to Ordinary Revenues |
|---------------------------|----------------------|---|--|---|--|
| Year ended March 31, 2010 | ¥5,808.91            | -                                       | 8.0%   | 0.8%  | 4.8%   |
| Year ended March 31, 2009 | ¥(10,297.90)         | -                                       | (7.8%)   | (1.1%)                                      | (5.7%)   |

Notes:

- Core Profit is a measure of a life insurance company's underlying profitability from core insurance operations on a non-consolidated basis, defined as ordinary profit excluding "capital gains and losses" such as gains and losses on sale of securities and devaluation losses on securities and "other one-time gains and losses" such as provision for (reversal of) contingency reserve and write-off of loans.
- % changes 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<br>per Share |
|----------------------|--------------------|------------------|--------------|-------------------------|
| As of March 31, 2010 | ¥5,842,309 million | ¥215,231 million | 3.7%         | ¥86,092.53              |
| As of March 31, 2009 | ¥5,771,192 million | ¥145,742 million | 2.5%         | ¥58,297.09              |

Note: Shareholder's equity: as of March 31, 2010: ¥215,231million; as of March 31, 2009: ¥145,742 million

## 2. Dividends

|                           | Annual Dividends per Share |        |        |           | Dividends Paid<br>for the Year | Payout Ratio | Dividends on<br>Net Assets |
|---------------------------|----------------------------|--------|--------|-----------|--------------------------------|--------------|----------------------------|
|                           | 1Q-End                     | 2Q-End | 3Q-End | Year-End  |                                |              |                            |
| Year ended March 31, 2009 | ¥2,465.00                  | -      | -      | ¥2,465.00 | ¥6,162 million                 | -            | 2.2%                       |
| Year ended March 31, 2010 | ¥3,178.00                  | -      | -      | ¥3,178.00 | ¥7,945 million                 | 54.7%        | 4.4%                       |

## 3. Forecasts for the Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

Taiyo Life's forecasts are omitted. Please refer to T&D Holdings' "Consolidated Forecasts for the Year Ending March 31, 2011" section in this material "Consolidated Financial Summary for the fiscal year ended March 31, 2010".

## 4. Others

### (1) Significant Changes in Accounting Principle and Procedure and Changes in Presentation Method for Consolidated Financial Summary:

Changes due to the revision of accounting standards: Applicable

Changes due to other factors : None

Note: Please refer to T&D Holdings' "Financial Review 5. Others" section in this material "Consolidated Financial Summary for the fiscal year ended March 31, 2010".

### (2) Number of Outstanding Shares (Common Stock):

Number of outstanding shares including treasury stock at the end of the year: as of March 31, 2010: 2,500,000  
 as of March 31, 2009: 2,500,000

Number of treasury stock at the end of the term: None

Average number of outstanding shares during the term: for the fiscal year ended March 31, 2010: 2,500,000  
 for the fiscal year ended March 31, 2009: 1,513,699

## Taiyo Life Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

|                                  | As of March 31, 2009 | As of March 31, 2010 | Increase<br>(decrease) |
|----------------------------------|----------------------|----------------------|------------------------|
|                                  | Amount               | Amount               | Amount                 |
| <b>Assets:</b>                   |                      |                      |                        |
| Cash and deposits                | 27,616               | 45,264               | 17,647                 |
| Cash                             | 653                  | 630                  | (23)                   |
| Deposit                          | 26,962               | 44,633               | 17,671                 |
| Call loans                       | 98,600               | 104,000              | 5,400                  |
| Monetary claims purchased        | 145,344              | 148,085              | 2,741                  |
| Securities                       | 3,675,663            | 3,832,157            | 156,493                |
| Government bonds                 | 1,280,971            | 1,007,732            | (273,239)              |
| Municipal bonds                  | 394,958              | 381,162              | (13,795)               |
| Corporate bonds                  | 896,613              | 990,574              | 93,960                 |
| Domestic stocks                  | 292,808              | 403,487              | 110,678                |
| Foreign securities               | 805,588              | 1,045,544            | 239,956                |
| Other securities                 | 4,723                | 3,656                | (1,067)                |
| Loans                            | 1,493,880            | 1,425,539            | (68,340)               |
| Policy loans                     | 96,709               | 90,401               | (6,308)                |
| Commercial loans                 | 1,397,170            | 1,335,137            | (62,032)               |
| Tangible fixed assets            | 162,457              | 161,069              | (1,388)                |
| Land                             | 98,491               | 97,461               | (1,029)                |
| Buildings                        | 61,780               | 62,584               | 803                    |
| Lease assets                     | 65                   | 62                   | (2)                    |
| Construction in progress         | 1,671                | 561                  | (1,110)                |
| Other tangible fixed assets      | 448                  | 399                  | (48)                   |
| Intangible fixed assets          | 12,488               | 12,632               | 143                    |
| Software                         | 12,065               | 12,205               | 140                    |
| Other intangible fixed assets    | 422                  | 426                  | 3                      |
| Due from reinsures               | 113                  | 80                   | (32)                   |
| Other assets                     | 71,054               | 62,422               | (8,631)                |
| Accounts receivable              | 25,074               | 9,599                | (15,475)               |
| Prepaid expenses                 | 1,038                | 1,184                | 146                    |
| Accrued income                   | 21,705               | 27,000               | 5,295                  |
| Deposit for rent                 | 9,688                | 3,329                | (6,359)                |
| Margin for futures contracts     | 6,318                | -                    | (6,318)                |
| Derivatives                      | 578                  | 16,899               | 16,321                 |
| Suspense payable                 | 3,538                | 1,200                | (2,337)                |
| Other assets                     | 3,113                | 3,207                | 94                     |
| Deferred tax assets              | 85,592               | 52,839               | (32,753)               |
| Reserve for possible loan losses | (1,618)              | (1,781)              | (163)                  |
| <b>Total assets</b>              | <b>5,771,192</b>     | <b>5,842,309</b>     | <b>71,116</b>          |

(Millions of yen)

|  | As of March 31, 2009 | As of March 31, 2010 | Increase<br>(decrease) |
|--|----------------------|----------------------|------------------------|
|  | Amount               | Amount               | Amount                 |
| <b>Liabilities:</b>  |                      |                      |                        |
| Policy reserves  | 5,477,317            | 5,468,857            | (8,460)                |
| Reserve for outstanding claims                                     | 20,522               | 19,619               | (903)                  |
| Policy reserve   | 5,411,891            | 5,403,793            | (8,097)                |
| Reserve for policyholder dividends                                 | 44,904               | 45,444               | 539                    |
| Due to reinsurers  | 36                   | 31                   | (4)                    |
| Subordinated bonds   | -                    | 14,000               | 14,000                 |
| Other liabilities  | 90,485               | 73,311               | (17,174)               |
| Subordinated payable   | 35,000               | 36,000               | 1,000                  |
| Income taxes payable   | -                    | 139                  | 139                    |
| Accounts payable   | 1,136                | 1,533                | 396                    |
| Accrued expenses   | 9,387                | 9,197                | (190)                  |
| Unearned income  | 611                  | 526                  | (85)                   |
| Deposit received   | 616                  | 1,567                | 951                    |
| Guarantee deposits   | 6,289                | 5,340                | (948)                  |
| Derivatives  | 35,890               | 18,093               | (17,797)               |
| Lease obligations  | 69                   | 67                   | (2)                    |
| Suspense receipt   | 1,480                | 843                  | (637)                  |
| Other liabilities  | 3                    | 3                    | -                      |
| Reserve for bonus to directors and corporate auditors              | 33                   | 57                   | 24                     |
| Reserve for employees' retirement benefits                         | 35,415               | 34,687               | (727)                  |
| Reserve for directors' and corporate auditors' retirement benefits | 1,486                | 1,645                | 159                    |
| Reserve for price fluctuations                                     | 10,000               | 24,058               | 14,058                 |
| Deferred tax liabilities on land revaluation                       | 10,674               | 10,428               | (246)                  |
| <b>Total liabilities</b>   | <b>5,625,450</b>     | <b>5,627,078</b>     | <b>1,627</b>           |
| <b>Net assets:</b>   |                      |                      |                        |
| Common stock   | 62,500               | 62,500               | -                      |
| Capital surplus  | 62,500               | 62,500               | -                      |
| Capital reserve  | 62,500               | 62,500               | -                      |
| Retained earnings  | 67,685               | 70,330               | 2,645                  |
| Other retained earnings  | 67,685               | 70,330               | 2,645                  |
| Provision for advanced depreciation on real estate                 | 582                  | 568                  | (14)                   |
| General reserve  | 40,000               | 40,000               | -                      |
| Unappropriated retained earnings                                   | 27,102               | 29,762               | 2,659                  |
| Total stockholders' equity   | 192,685              | 195,330              | 2,645                  |
| Net unrealized gains on securities                                 | 917                  | 61,956               | 61,038                 |
| Gains on deferred hedge  | (55)                 | 20                   | 76                     |
| Land revaluation   | (47,805)             | (42,076)             | 5,728                  |
| Total valuation and translation adjustments                        | (46,942)             | 19,900               | 66,843                 |
| <b>Total net assets</b>  | <b>145,742</b>       | <b>215,231</b>       | <b>69,488</b>          |
| <b>Total liabilities and net assets</b>                            | <b>5,771,192</b>     | <b>5,842,309</b>     | <b>71,116</b>          |

# Taiyo Life Unaudited Non-Consolidated Statements of Operations

(Millions of yen)

|  | Year ended March<br>31, 2009 | Year ended March<br>31, 2010 | Increase<br>(decrease) |
|--|------------------------------|------------------------------|------------------------|
|  | Amount                       | Amount                       | Amount                 |
| <b>Ordinary revenues</b>   | 1,112,199                    | 924,689                      | (187,510)              |
| <b>Income from insurance premiums</b>  | 596,626                      | 713,674                      | 117,048                |
| Insurance premiums   | 596,456                      | 713,530                      | 117,074                |
| Ceded reinsurance recoveries   | 169                          | 143                          | (26)                   |
| <b>Investment income</b>   | 232,684                      | 166,805                      | (65,879)               |
| Interest, dividends and income from real estate for rent                                   | 133,329                      | 134,187                      | 858                    |
| Interest income from deposits  | 91                           | 32                           | (59)                   |
| Interest income and dividends from securities  | 91,813                       | 93,035                       | 1,221                  |
| Interest income from loans   | 30,080                       | 30,633                       | 553                    |
| Interest from real estate for rent   | 7,722                        | 7,166                        | (555)                  |
| Other income from interest and dividends   | 3,621                        | 3,319                        | (301)                  |
| Gains on sales of securities   | 97,932                       | 31,525                       | (66,407)               |
| Foreign exchange gains, net  | 1,268                        | -                            | (1,268)                |
| Other investment income  | 154                          | 345                          | 191                    |
| Gains on separate account, net   | -                            | 745                          | 745                    |
| <b>Other ordinary income</b>   | 282,889                      | 44,209                       | (238,679)              |
| Income related to withheld insurance claims and other payments for future annuity payments | 250                          | 381                          | 130                    |
| Income due to withheld insurance payments  | 39,457                       | 32,074                       | (7,382)                |
| Reversal of reserve for outstanding claims   | 1,020                        | 903                          | (117)                  |
| Reversal of policy reserve   | 240,124                      | 8,097                        | (232,027)              |
| Reversal of reserve for employees' retirement benefits                                     | -                            | 727                          | 727                    |
| Other ordinary profit  | 2,036                        | 2,026                        | (10)                   |
| <b>Ordinary expenses</b>   | 1,175,863                    | 879,856                      | (296,007)              |
| <b>Insurance claims and other payments</b>   | 803,743                      | 706,669                      | (97,073)               |
| Insurance claims   | 318,220                      | 298,838                      | (19,381)               |
| Annuity payments   | 151,398                      | 159,217                      | 7,818                  |
| Insurance benefits   | 112,664                      | 104,894                      | (7,770)                |
| Surrender payments   | 100,768                      | 86,031                       | (14,736)               |
| Other payments   | 120,462                      | 57,484                       | (62,977)               |
| Reinsurance premiums   | 228                          | 202                          | (26)                   |
| <b>Provision for policy and other reserves</b>   | 103                          | 77                           | (25)                   |
| Interest portion of reserve for policyholder dividends                                     | 103                          | 77                           | (25)                   |
| <b>Investment expenses</b>   | 241,832                      | 44,943                       | (196,888)              |
| Interest expenses  | 1,552                        | 1,400                        | (151)                  |
| Losses on sales of securities  | 193,121                      | 23,482                       | (169,639)              |
| Devaluation losses on securities   | 23,553                       | 598                          | (22,955)               |
| Losses from derivatives, net   | 16,221                       | 12,657                       | (3,564)                |
| Foreign exchange losses, net   | -                            | 538                          | 538                    |
| Provision for reserve for possible loan losses   | -                            | 163                          | 163                    |
| Write-off of loans   | 78                           | 33                           | (44)                   |
| Depreciation of real estate for rent   | 2,370                        | 2,314                        | (55)                   |
| Other investment expenses  | 3,833                        | 3,753                        | (79)                   |
| Losses on separate accounts, net   | 1,100                        | -                            | (1,100)                |
| <b>Operating expenses</b>  | 79,807                       | 82,764                       | 2,957                  |
| <b>Other ordinary expenses</b>   | 50,377                       | 45,400                       | (4,976)                |
| Payments related to withheld insurance claims  | 36,185                       | 32,264                       | (3,921)                |
| Taxes  | 4,772                        | 5,105                        | 332                    |
| Depreciation   | 4,961                        | 5,523                        | 562                    |
| Provision for reserve for employees' retirement benefits                                   | 2,165                        | -                            | (2,165)                |
| Other ordinary losses  | 2,291                        | 2,507                        | 216                    |
| <b>Ordinary profit (loss)</b>  | (63,664)                     | 44,832                       | 108,496                |

(Millions of yen)

|   | Year ended March<br>31, 2009 | Year ended March<br>31, 2010 | Increase<br>(decrease) |
|---|------------------------------|------------------------------|------------------------|
|   | Amount                       | Amount                       | Amount                 |
| <b>Extraordinary gains</b>                              | 54,232                       | 988                          | (53,243)               |
| Gains on disposal of fixed assets                       | -                            | 891                          | 891                    |
| Reversal for reserve for price fluctuations             | 53,296                       | -                            | (53,296)               |
| Reversal of reserve for possible loan losses            | 933                          | -                            | (933)                  |
| Recoveries of bad debts previously written-off          | 2                            | 8                            | 6                      |
| Other extraordinary gains                               | -                            | 88                           | 88                     |
| <b>Extraordinary losses</b>                             | 688                          | 15,343                       | 14,654                 |
| Losses on disposal of fixed assets                      | 688                          | 1,097                        | 408                    |
| Impairment loss   | -                            | 188                          | 188                    |
| Provision for reserve for price fluctuations            | -                            | 14,058                       | 14,058                 |
| <b>Provision for reserve for policyholder dividends</b> | 2,755                        | 14,869                       | 12,114                 |
| <b>Income (Loss) before income taxes</b>                | (12,875)                     | 15,608                       | 28,483                 |
| <b>Current income taxes</b>                             | (33)                         | (563)                        | (530)                  |
| <b>Income taxes for previous period</b>                 | 644                          | -                            | (644)                  |
| <b>Deferred income taxes</b>                            | 2,101                        | 1,649                        | (451)                  |
| <b>Total income taxes</b>                               | 2,712                        | 1,085                        | (1,626)                |
| <b>Net income (loss)</b>                                | (15,587)                     | 14,522                       | 30,110                 |