

FINANCIAL SUMMARY

(For the fiscal year ended March 31, 2017)

<under Japanese GAAP>

May 15, 2017

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/en/>
 Date of Ordinary General Meeting of Shareholders: June 28, 2017
 Projected Filing Date of Securities Report: June 28, 2017
 Projected Starting Date of Dividend Distribution: June 29, 2017
 Supplemental Information for Financial Statements: Available
 Holding of Financial Results Meeting: Yes (for institutional investors and analysts)

1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(1) Results of Operations

Note: Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent. % changes are presented in comparison with the same term of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Profit Attributable to Owners of Parent	% change
FY2016 ended March 31, 2017	¥1,975,784 million	(2.5)	¥157,227 million	(8.3)	¥75,187 million	3.6
FY2015 ended March 31, 2016	¥2,025,925 million	(16.0)	¥171,434 million	(9.3)	¥72,547 million	(23.0)

Note: Comprehensive income was ¥(69,598) million (- %) for the fiscal year ended March 31, 2017, and ¥(84,492) million (- %) for the fiscal year ended March 31, 2016.

	Net Income per Share	Net Income per Share (Fully Diluted)	Ratio of Net Income to Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Ordinary Profit to Ordinary Revenues
FY2016 ended March 31, 2017	¥117.81	¥115.59	6.5%	1.1%	8.0%
FY2015 ended March 31, 2016	¥111.00	¥109.32	5.7%	1.2%	8.5%

Note: Equity in earnings/losses of affiliates was ¥1 million for the fiscal year ended March 31, 2017, and ¥46 million for the fiscal year ended March 31, 2016.

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2017	¥14,891,167 million	¥1,096,772 million	7.3%	¥1,727.69
As of March 31, 2016	¥14,674,207 million	¥1,214,061 million	8.2%	¥1,865.94

Note: Equity was ¥1,092,856 million as of March 31, 2017 and ¥1,210,540 million as of March 31, 2016.

(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
FY2016 ended March 31, 2017	¥343,760 million	¥(534,505) million	¥(48,926) million	¥885,267 million
FY2015 ended March 31, 2016	¥309,441 million	¥(18,563) million	¥(64,208) million	¥1,124,922 million

2. Dividends

	Annual Dividends per Share					Dividends paid for the Year	Payout Ratio for the Year	Dividends on Net Assets (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Year Ended March 31, 2016	-	¥0.00	-	¥30.00	¥30.00	¥19,462 million	27.0%	1.5%
Year Ended March 31, 2017	-	¥15.00	-	¥17.50	¥32.50	¥20,599 million	27.6%	1.8%
Year Ending March 31, 2018 (Forecast)	-	¥17.50	-	¥17.50	¥35.00		29.9%	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

Note: % changes are presented in comparison with the same term of the previous year.

	Ordinary Revenues	Ordinary Profit	Net Income Attributable to Owners of Parent	Net Income per Share
Year ending March 31, 2018	¥1,900,000 million (3.8)%	¥150,000 million (4.6)%	¥74,000 million (1.6)%	¥116.99

4. Notes

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): None

(2) Changes in Accounting Principles, Procedures and Presentation Methods for Consolidated Financial Statements:

1. Changes in accounting policies due to the revision of accounting standards and other regulations: Yes
2. Changes other than 1. above: None
3. Changes in accounting estimates: None
4. Restatement of corrections: None

For details, please refer to the Appendix page 14, "Changes in Accounting Policies."

(3) Number of Outstanding Shares (Common Stock)

1. Number of outstanding shares including treasury stock at the end of the year: as of March 31, 2017: 681,480,000
as of March 31, 2016: 681,480,000
2. Number of treasury stock at the end of the year: as of March 31, 2017: 48,925,774
as of March 31, 2016: 32,723,022
3. Average number of outstanding shares during the term: for the year ended March 31, 2017: 638,194,089
for the year ended March 31, 2016: 653,556,609

* This "FINANCIAL SUMMARY" ("TANSHIN") is not subject to the audit procedure by external auditors.

* Explanation for the proper use of earnings forecasts and other special remarks.

The forward-looking statements made in this document, including the earnings forecasts, are based on current obtained information and certain assumptions which are deemed rational by the Company. The Company offers no assurance that these statements will be realized. Actual results may differ substantially due to various factors.

For details on consolidated earnings forecasts, please refer to the Appendix page 4, "Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)."

Contents of Appendix

I. Overview of Results of Operation, etc.	2
1. Overview of Consolidated Results of Operation and Financial Condition	2
(1) Overview of Consolidated Financial Results for the Year Ended March 31, 2017	2
(2) Overview of Consolidated Financial Conditions and Cash Flows	3
(i) Overview of Balance Sheet	3
(ii) Overview of Cash Flows	3
2. Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)	4
II. Basic Considerations in the Selection of Accounting Policies	4
III. Unaudited Consolidated Financial Statements	5
1. Unaudited Consolidated Balance Sheet	5
2. Unaudited Consolidated Statement of Operation and Unaudited Consolidated Statement of Comprehensive Income	7
3. Unaudited Consolidated Statements of Changes in Net Assets	9
4. Unaudited Consolidated Statement of Cash Flows	12
5. Notes on Going-Concern Assumption	14
6. Changes in Accounting Policies	14
7. U.S. Dollar Amounts	14
8. Notes to Unaudited Consolidated Financial Statements	14
Segment Information	14
Per Share Information	18
Significant Subsequent Events	19

*Supplementary materials for financial statements are available on T&D Holdings' website.

I. Overview of Results of Operation, etc.

1. Overview of Consolidated Results of Operation and Financial Conditions

(1) Overview of Consolidated Financial Results for the Year Ended March 31, 2017

For the fiscal year ended March 31, 2017, ordinary revenues decreased ¥50.1 billion or 2.5 percent from the previous fiscal year to ¥1,975.7 billion, which was a total of income from insurance premiums of ¥1,505.2 billion (down 4.4 percent), investment income of ¥402.7 billion (up 6.1 percent), other ordinary income of ¥67.8 billion (down 5.3 percent) and others.

Ordinary expenses decreased ¥35.9 billion or 1.9 percent from the previous fiscal year to ¥1,818.5 billion, which was a total of insurance claims and other payments of ¥1,160.3 billion (down 10.9 percent), provision for policy and other reserves of ¥259.1 billion (up 33.3 percent), investment expenses of ¥130.2 billion (up 68.1 percent), operating expenses of ¥197.6 billion (down 0.7 percent) and other ordinary expenses of ¥71.1 billion (down 11.8 percent).

As a result, ordinary profit decreased 8.3 percent from the previous fiscal year, to ¥157.2 billion. Extraordinary gains increased 83.2 percent to ¥0.3 billion and extraordinary losses increased 20.1 percent to ¥35.3 billion. After accounting for extraordinary gains and losses, provision for reserve for policyholder dividends, and income taxes and others, profit attributable to owners of parent increased ¥2.6 billion, or 3.6 percent from the previous fiscal year to ¥75.1 billion.

Comprehensive income was negative ¥69.5 billion compared to negative ¥84.4 billion of the previous fiscal year, which was a total of profit of ¥75.3 billion (up 3.6 percent) and other comprehensive income of negative ¥144.9 billion (previous fiscal year was ¥157.2 billion)

(i) Ordinary Revenues

	(Billions of yen)		
	Year ended March 31, 2017	Year ended March 31, 2016	Increase (decrease)
Consolidated	1,975.7	2,025.9	(50.1)
Taiyo Life	897.9	873.8	24.0
Daido Life	944.4	935.7	8.6
T&D Financial Life	155.8	218.0	(62.2)

Note: The differences between the consolidated figures and the sum of three companies are due to ordinary revenues of consolidated subsidiaries other than the three companies and adjustments between the consolidated companies, etc.

(ii) Ordinary Profit

	(Billions of yen)		
	Year ended March 31, 2017	Year ended March 31, 2016	Increase (decrease)
Consolidated	157.2	171.4	(14.2)
Taiyo Life	66.6	79.1	(12.4)
Daido Life	82.6	90.3	(7.6)
T&D Financial Life	6.1	1.2	4.9

Note: The differences between the consolidated figures and the sum of three companies are due to ordinary profit of consolidated subsidiaries other than the three companies and adjustments between the consolidated companies, etc.

(iii) Profit attributable to owners of parent

(Billions of yen)

	Year ended March 31, 2017	Year ended March 31, 2016	Increase (decrease)
Consolidated	75.1	72.5	2.6
Taiyo Life	28.9	26.8	2.1
Daido Life	43.1	54.4	(11.3)
T&D Financial Life	2.1	0.4	1.6

Notes:

1. The differences between the consolidated figures and the sum of three companies are due to net income of consolidated subsidiaries other than the three companies and adjustments between the consolidated companies, etc.
2. Figures of the three life insurance companies are net income.

(2) Overview of Consolidated Financial Conditions and Cash Flows

(i) Overview of Balance Sheet

As of March 31, 2017, total assets was ¥14,891.1 billion (up 1.5 percent from March 31, 2016).

The main components of the total assets were securities of ¥11,001.9 billion (up 4.9 percent) which mainly consists of public and corporate bonds, loans of ¥1,685.1 billion (down 4.7 percent), cash and deposits of ¥862.4 billion (down 15.8 percent), monetary trusts of ¥583.4 billion (up 10.9 percent), and tangible assets of ¥319.8 billion (up 1.4 percent).

Total liabilities were ¥13,794.3 billion (up 2.5 percent). Policy reserves accounting for a substantial portion of total liabilities were ¥13,139.2 billion (up 1.9 percent).

Total net assets were ¥1,096.7 billion (down 9.7 percent) of which net unrealized gains on available-for-sale securities were ¥338.8 billion (down 30.5 percent).

As of March 31, 2017, consolidated solvency margin ratio was 1,105.1 percent (1,155.8 percent at the previous fiscal year-end) and the amount of consolidated adjusted net assets was ¥2,592.5 billion (¥2,927.6 billion at the previous fiscal year-end).

(ii) Overview of Cash Flows

Net cash provided by operating activities was ¥343.7 billion, an increase of ¥34.3 billion from the previous fiscal year.

Net cash used in investing activities was ¥534.5 billion, an increase of ¥515.9 billion from the previous fiscal year.

Net cash used in financing activities was ¥48.9 billion, a decrease of ¥15.2 billion from the previous fiscal year.

As a result, cash and cash equivalents as of March 31, 2017 totaled ¥885.2 billion (¥1,124.9 billion at the previous fiscal year-end), a decrease of ¥239.6 billion from the beginning of the fiscal year.

2. Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

Consolidated Earnings Forecasts for the Year Ending March 31, 2018 are as follows:

(Billions of yen)

	Ordinary revenues	Ordinary profit	Profit attributable to owners of parent
Full year	1,900	150	74
Change	(3.8%)	(4.6%)	(1.6%)

Note: "Change" represents the amount change from the same term of the previous year.

Ordinary revenues are expected to be ¥1,900 billion, a decrease of approximately ¥80 billion or 3.8 percent from the fiscal year ended March 31, 2017.

Ordinary profit is expected to be ¥150 billion, a decrease of approximately ¥7 billion or 4.6 percent from the fiscal year ended March 31, 2017.

Profit attributable to owners of parent, an amount after the addition and subtraction of extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, etc., from ordinary profit of ¥150 billion, is expected to be ¥74 billion, a decrease of approximately ¥1 billion or 1.6 percent from the fiscal year ended March 31, 2017.

II. Basic Considerations in the Selection of Accounting Policies

The Group applies Japanese Generally Accepted Accounting Principles (J-GAAP).

The Group is gathering information to prepare for the future application of International Financial Reporting Standards (IFRS). However, actual application of IFRS will be considered based on the situations such as the status of deliberation of IFRS "Insurance Contracts", which will have a significant impact on insurance companies, and the comparability with our peer companies.

III. Unaudited Consolidated Financial Statements

1. Unaudited Consolidated Balance Sheet

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2017	2017
Assets:			
Cash and deposits	¥ 1,024,692	¥ 862,425	\$ 7,687,189
Call loans	2,673	11,302	100,739
Monetary claims purchased	269,668	141,242	1,258,959
Monetary trusts	525,902	583,476	5,200,791
Securities	10,492,605	11,001,953	98,065,364
Loans	1,767,891	1,685,118	15,020,218
Tangible fixed assets	315,475	319,884	2,851,270
Land	175,322	177,864	1,585,387
Buildings	120,846	122,157	1,088,843
Lease assets	932	714	6,365
Construction in progress	15,124	15,237	135,815
Other tangible fixed assets	3,248	3,910	34,858
Intangible fixed assets	24,027	23,195	206,752
Software	22,472	21,640	192,888
Lease assets	377	383	3,414
Other intangible fixed assets	1,177	1,172	10,449
Due from agencies	746	756	6,744
Due from reinsurers	691	3,535	31,514
Other assets	251,286	210,889	1,879,749
Deferred tax assets	602	49,143	438,036
Reserve for possible loan losses	(2,057)	(1,755)	(15,645)
Total assets	¥ 14,674,207	¥ 14,891,167	\$ 132,731,684

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2017	2017
Liabilities:			
Policy reserves	¥ 12,892,482	¥ 13,139,218	\$ 117,115,776
Reserve for outstanding claims	67,914	70,065	624,527
Policy reserve	12,719,256	12,976,211	115,662,813
Reserve for policyholder dividends	105,311	92,942	828,434
Due to agencies	630	334	2,978
Due to reinsurers	641	1,781	15,882
Short-term debentures	2,999	2,999	26,740
Bonds	50,125	50,095	446,519
Other liabilities	252,087	332,772	2,966,146
Reserve for bonuses to directors and audit & supervisory board members	281	263	2,345
Net defined benefit liability	59,730	56,547	504,035
Reserve for directors' and audit & supervisory board members' retirement benefits	78	53	480
Reserves under the special laws	175,759	204,894	1,826,316
Reserve for price fluctuations	175,759	204,894	1,826,316
Deferred tax liabilities	19,894	7	68
Deferred tax liabilities on land revaluation	5,434	5,426	48,365
Total liabilities	13,460,145	13,794,395	122,955,656
Net assets:			
Capital stock	207,111	207,111	1,846,081
Capital surplus	194,550	194,522	1,733,863
Retained earnings	422,422	460,683	4,106,280
Treasury stock	(48,876)	(67,763)	(604,004)
Total stockholders' equity	775,208	794,554	7,082,220
Net unrealized gains (losses) on available-for-sale securities	487,200	338,842	3,020,256
Deferred gains (losses) on hedging instruments	(8,601)	(5,203)	(46,379)
Land revaluation	(43,288)	(35,354)	(315,127)
Foreign currency translation adjustments	21	17	154
Total accumulated other comprehensive income	435,331	298,302	2,658,902
Subscription rights to shares	926	1,178	10,501
Non-controlling interests	2,595	2,737	24,402
Total net assets	1,214,061	1,096,772	9,776,027
Total liabilities and net assets	¥ 14,674,207	¥ 14,891,167	\$ 132,731,684

2. Unaudited Consolidated Statement of Operation and Unaudited Consolidated Statement of Comprehensive Income

Unaudited Consolidated Statement of Operation

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2016	2017	2017	
Ordinary revenues	¥ 2,025,925	¥ 1,975,784	\$ 17,611,058	
Income from insurance premiums	1,574,506	1,505,234	13,416,836	
Investment income	379,707	402,709	3,589,532	
Interest, dividends and income from real estate for rent	290,725	276,628	2,465,712	
Gains from monetary trusts, net	5,172	5,610	50,013	
Gains on sales of securities	77,403	111,077	990,082	
Gains on redemption of securities	3,198	-	-	
Foreign exchange gains, net	801	1,295	11,544	
Reversal of reserve for possible loan losses	137	292	2,609	
Other investment income	2,268	2,386	21,270	
Gains on separate accounts, net	-	5,418	48,299	
Other ordinary income	71,665	67,838	604,679	
Equity in earnings of affiliates	46	1	11	
Ordinary expenses	1,854,490	1,818,556	16,209,615	
Insurance claims and other payments	1,302,899	1,160,357	10,342,790	
Insurance claims	376,421	349,055	3,111,284	
Annuity payments	349,387	300,940	2,682,421	
Insurance benefits	163,812	152,715	1,361,219	
Surrender payments	341,583	307,840	2,743,923	
Other payments	71,693	49,805	443,942	
Provision for policy and other reserves	194,387	259,134	2,309,781	
Provision for reserve for outstanding claims	-	2,151	19,179	
Provision for policy reserve	194,321	256,954	2,290,352	
Interest portion of reserve for policyholder dividends	65	27	249	
Investment expenses	77,477	130,277	1,161,225	
Interest expenses	909	573	5,107	
Losses on investments in trading securities, net	7,823	587	5,238	
Losses on sales of securities	16,357	57,725	514,529	
Devaluation losses on securities	4,101	853	7,608	
Losses from derivatives, net	22,180	49,712	443,113	
Write-off of loans	4	2	20	
Depreciation of real estate for rent	4,991	4,891	43,601	
Other investment expenses	15,533	15,931	142,005	
Losses on separate accounts, net	5,575	-	-	
Operating expenses	198,999	197,600	1,761,297	
Other ordinary expenses	80,727	71,186	634,520	
Ordinary profit	¥ 171,434	¥ 157,227	\$ 1,401,443	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2016	2017	2017	
Extraordinary gains	¥ 163	¥ 300	\$ 2,674	
Gains on disposal of fixed assets	4	239	2,138	
State subsidy	158	60	535	
Extraordinary losses	29,438	35,367	315,244	
Losses on disposal of fixed assets	1,356	1,098	9,795	
Impairment losses	4,203	4,779	42,606	
Provision for reserve for price fluctuations	20,568	29,134	259,691	
Head office transfer cost	2,591	-	-	
Other extraordinary losses	718	353	3,151	
Provision for reserve for policyholder dividends	31,920	25,374	226,170	
Income before income taxes	110,239	96,786	862,702	
Income taxes (current)	46,075	33,316	296,962	
Income taxes (deferred)	(8,561)	(11,895)	(106,026)	
Total income taxes	37,513	21,421	190,936	
Profit	72,726	75,365	671,765	
Profit attributable to non-controlling interests	179	177	1,585	
Profit attributable to owners of parent	¥ 72,547	¥ 75,187	\$ 670,179	

Unaudited Consolidated Statements of Comprehensive Income

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2016	2017	2017	
Profit	¥ 72,726	¥ 75,365	\$ 671,765	
Other comprehensive income:				
Net unrealized gains (losses) on available-for-sale securities	(162,509)	(148,357)	(1,322,372)	
Deferred gains (losses) on hedging instruments	5,139	3,398	30,292	
Land revaluation	155	-	-	
Foreign currency translation adjustments	0	(0)	(1)	
Share of other comprehensive income of associates accounted for using the equity method	(4)	(5)	(46)	
Total other comprehensive income	(157,219)	(144,963)	(1,292,129)	
Comprehensive income	¥ (84,492)	¥ (69,598)	\$ (620,364)	
(Breakdown)				
Comprehensive income attributable to owners of parent	(84,673)	(69,776)	(621,946)	
Comprehensive income attributable to non-controlling interests	180	177	1,582	

3. Unaudited Consolidated Statements of Changes in Net Assets

						(Millions of yen)	
	Stockholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging instruments
Year ended March 31, 2016							
Balance at the beginning of the year	¥ 207,111	¥ 194,586	¥ 366,747	¥ (19,008)	¥ 749,436	¥ 649,716	¥ (13,741)
Changes in the period							
Dividends			(16,621)		(16,621)		
Profit attributable to owners of parent			72,547		72,547		
Acquisition of treasury stock				(30,015)	(30,015)		
Disposal of treasury stock		(35)		147	111		
Reversal of land revaluation			(250)		(250)		
Net changes of items other than stockholders' equity						(162,515)	5,139
Total changes in the period		(35)	55,675	(29,868)	25,771	(162,515)	5,139
Balance at the end of the year	¥ 207,111	¥ 194,550	¥ 422,422	¥ (48,876)	¥ 775,208	¥ 487,200	¥ (8,601)

	(Millions of yen)					
	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Year ended March 31, 2016						
Balance at the beginning of the year	¥ (43,694)	¥ 21	¥ 592,301	¥ 746	¥ 2,465	¥ 1,344,950
Changes in the period						
Dividends						(16,621)
Profit attributable to owners of parent						72,547
Acquisition of treasury stock						(30,015)
Disposal of treasury stock						111
Reversal of land revaluation						(250)
Net changes of items other than stockholders' equity	405	0	(156,970)	180	129	(156,660)
Total changes in the period	405	0	(156,970)	180	129	(130,888)
Balance at the end of the year	¥ (43,288)	¥ 21	¥ 435,331	¥ 926	¥ 2,595	¥ 1,214,061

						(Millions of yen)	
	Stockholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging instruments
Year ended March 31, 2017							
Balance at the beginning of the year	¥ 207,111	¥ 194,550	¥ 422,422	¥ (48,876)	¥ 775,208	¥ 487,200	¥ (8,601)
Changes in the period							
Dividends			(28,992)		(28,992)		
Profit attributable to owners of parent			75,187		75,187		
Acquisition of treasury stock				(19,012)	(19,012)		
Disposal of treasury stock		(28)		125	97		
Reversal of land revaluation			(7,934)		(7,934)		
Net changes of items other than stockholders' equity						(148,358)	3,398
Total changes in the period		(28)	38,261	(18,886)	19,345	(148,358)	3,398
				¥ (67,763)			
Balance at the end of the year	¥ 207,111	¥ 194,522	¥ 460,683	3)	¥ 794,554	¥ 338,842	¥ (5,203)

	(Millions of yen)					
	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Year ended March 31, 2017						
Balance at the beginning of the year	¥ (43,288)	¥ 21	¥ 435,331	¥ 926	¥ 2,595	¥ 1,214,061
Changes in the period						
Dividends						(28,992)
Profit attributable to owners of parent						75,187
Acquisition of treasury stock						(19,012)
Disposal of treasury stock						97
Reversal of land revaluation						(7,934)
Net changes of items other than stockholders' equity	7,934	(4)	(137,029)	251	142	(136,635)
Total changes in the period	7,934	(4)	(137,029)	251	142	(117,289)
Balance at the end of the year	¥ (35,354)	¥ 17	¥ 298,302	¥ 1,178	¥ 2,737	¥ 1,096,772

<i>(Thousands of U.S. dollars)</i>							
Year ended March 31, 2017	Stockholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging instruments
Balance at the beginning of the year	\$ 1,846,081	\$ 1,734,118	\$ 3,765,243	\$ (435,661)	\$ 6,909,781	\$ 4,342,638	\$ (76,672)
Changes in the period							
Dividends			(258,422)		(258,422)		
Profit attributable to owners of parent			670,179		670,179		
Acquisition of treasury stock				(169,465)	(169,465)		
Disposal of treasury stock		(255)		1,121	866		
Reversal of land revaluation			(70,719)		(70,719)		
Net changes of items other than stockholders' equity						(1,322,382)	30,292
Total changes in the period		(255)	341,037	(168,343)	172,438	(1,322,382)	30,292
Balance at the end of the year	\$ 1,846,081	\$ 1,733,863	\$ 4,106,280	\$ (604,004)	\$ 7,082,220	\$ 3,020,256	\$ (46,379)

<i>(Thousands of U.S. dollars)</i>						
Year ended March 31, 2017	Accumulated other comprehensive income					
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	\$ (385,847)	\$ 190	\$ 3,880,309	\$ 8,257	\$ 23,132	\$ 10,821,480
Changes in the period						
Dividends						(258,422)
Profit attributable to owners of parent						670,179
Acquisition of treasury stock						(169,465)
Disposal of treasury stock						866
Reversal of land revaluation						(70,719)
Net changes of items other than stockholders' equity	70,719	(36)	(1,221,406)	2,244	1,270	(1,217,891)
Total changes in the period	70,719	(36)	(1,221,406)	2,244	1,270	(1,045,453)
Balance at the end of the year	\$ (315,127)	\$ 154	\$ 2,658,902	\$ 10,501	\$ 24,402	\$ 9,776,027

4. Unaudited Consolidated Statement of Cash Flows

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2016	2017	2017	
Cash flows from operating activities:				
Income before income taxes	¥ 110,239	¥ 96,786	\$ 862,702	
Depreciation of real estate for rent	4,991	4,891	43,601	
Other depreciation and amortization	10,254	11,345	101,128	
Impairment losses	4,203	4,779	42,606	
Increase (decrease) in reserve for outstanding claims	(5,188)	2,151	19,179	
Increase (decrease) in policy reserve	194,321	256,954	2,290,352	
Interest portion of reserve for policyholder dividends	65	27	249	
Provision for reserve for (reversal of) policyholder dividends	31,920	25,374	226,170	
Increase (decrease) in reserve for possible loan losses	(166)	(299)	(2,672)	
Increase (decrease) in reserve for bonuses to directors and audit & supervisory board members	38	(18)	(161)	
Increase (decrease) in net defined benefit liability	9,459	(3,183)	(28,371)	
Increase (decrease) in reserve for directors' and audit & supervisory board members' retirement benefits	11	(25)	(223)	
Increase (decrease) in reserve for price fluctuations	20,568	29,134	259,691	
Interest, dividends and income from real estate for rent	(290,725)	(276,628)	(2,465,712)	
Losses (gains) on investment securities	(46,744)	(57,329)	(511,005)	
Interest expenses	909	573	5,107	
Exchange losses (gains)	(1,257)	(540)	(4,816)	
Losses (gains) on disposal of tangible fixed assets	1,294	656	5,852	
Equity in losses (income) of affiliated companies	(46)	(1)	(11)	
Decrease (increase) in amount due from agencies	(0)	(9)	(86)	
Decrease (increase) in amount due from reinsurers	(286)	(2,794)	(24,905)	
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(11,767)	(7,347)	(65,489)	
Increase (decrease) in amount due to agencies	(379)	(296)	(2,640)	
Increase (decrease) in amount due to reinsurers	87	1,140	10,168	
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(3,422)	3,337	29,747	
Others, net	31,805	58,206	518,819	
Subtotal	60,187	146,888	1,309,279	
Interest, dividends and income from real estate for rent received	300,736	287,630	2,563,780	
Interest paid	(923)	(573)	(5,111)	
Policyholder dividends	(36,625)	(37,713)	(336,158)	
Others, net	18,612	3,648	32,518	
Income taxes paid	(32,545)	(56,119)	(500,214)	
Net cash provided by (used in) operating activities	¥ 309,441	¥ 343,760	\$ 3,064,094	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2017	2017
Cash flows from investing activities:			
Net decrease (increase) in cash and deposits	¥ 1,200	¥ (200)	\$ (1,782)
Investments in monetary claims purchased	(2,000)	(8,500)	(75,764)
Proceeds from sales and redemption of monetary claims purchased	31,285	47,777	425,861
Investments in monetary trusts	(82,737)	(113,277)	(1,009,692)
Proceeds from monetary trusts	200	60,070	535,430
Purchase of securities	(2,098,003)	(2,525,588)	(22,511,710)
Proceeds from sales and redemption of securities	1,981,004	1,843,117	16,428,532
Investments in loans	(360,390)	(345,104)	(3,076,067)
Collection of loans	458,059	429,496	3,828,293
Others, net	79,743	93,832	836,372
Subtotal	8,361	(518,376)	(4,620,526)
Total of net cash provided by (used in) operating activities and investment transactions as above	317,803	(174,616)	(1,556,431)
Purchase of tangible fixed assets	(26,648)	(17,387)	(154,985)
Proceeds from disposal of tangible fixed assets	64	1,575	14,041
Others, net	(342)	(316)	(2,818)
Net cash provided by (used in) investing activities	(18,563)	(534,505)	(4,764,288)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	0	0	0
Proceeds from issuance of debt	13,600	11,700	104,287
Repayments of debt	(29,746)	(12,149)	(108,289)
Proceeds from issuance of bonds	30,150	-	-
Redemption of bonds	(31,100)	-	-
Proceeds from share issuance to non-controlling shareholders	-	13	118
Payment of lease obligations	(397)	(590)	(5,265)
Acquisition of treasury stock	(30,015)	(19,012)	(169,465)
Disposal of treasury stock	0	0	2
Dividends paid	(16,650)	(28,840)	(257,067)
Dividends paid to non-controlling interests	(51)	(48)	(430)
Others, net	0	0	0
Net cash provided by (used in) financing activities	(64,208)	(48,926)	(436,107)
Effect of exchange rate changes on cash and cash equivalents	(1,271)	17	152
Net increase (decrease) in cash and cash equivalents	225,397	(239,654)	(2,136,149)
Cash and cash equivalents at the beginning of the year	899,524	1,124,922	10,026,937
Cash and cash equivalents at the end of the year	¥ 1,124,922	¥ 885,267	\$ 7,890,788

5. Notes on Going-Concern Assumption

Not applicable.

6. Changes in Accounting Policies

In accordance with revisions to the Corporation Tax Act, the Company has applied “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (ASBJ Practical Issues Task Force (PITF) No. 32, issued on June 17, 2016) in this consolidated fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the profit and loss is negligible.

7. U.S. Dollar Amounts

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the readers and have been made, as a matter of arithmetical computation only, at the rate of ¥112.19 = U.S. \$1, which was the approximate rate prevailing at March 31, 2017. The translations should not be construed as representations that such yen amounts have been, could have been or could in the future be converted into U.S. dollars at that or any other rate.

8. Notes to Unaudited Consolidated Financial Statements

Segment Information

[Segment information]

For the year ended March 31, 2017

1. Overview of reportable segments

The reportable segments of the Company are components of the Company about which separate financial information is available. These segments are subject to periodic review to enable the Company’s Board of Directors to decide on allocation of business resources and evaluate business performance.

The Company is a holding company which manages life insurance companies and other subsidiaries and affiliated companies in accordance with the Insurance Business Act. The three life insurance companies, with unique product strategies and sales strategies under the Company, operate life insurance business as the Group’s core business.

The Company’s operations are therefore segmented by each of the life insurance companies and the Company’s three reportable segments are the Taiyo Life Insurance Company segment, the Daido Life Insurance Company segment, and the T&D Financial Life Insurance Company segment.

Each of the three life insurance companies focuses on different markets. Taiyo Life focuses on the retail households market, Daido Life focuses on the small and medium-sized entities market and T&D Financial Life focuses on over-the-counter sales at financial institutions and other agents, etc. Each company also has different products under its unique marketing strategy.

2. Information on ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

Year ended March 31, 2017	Reportable segments							(Millions of yen)
	Taiyo Life	Daido Life	T&D	Subtotal	Others	Total	Adjustments	Amount on consolidated financial statements
			Financial Life					
Ordinary revenues	¥ 896,757	¥ 943,927	¥ 155,834	¥ 1,996,519	¥ 29,415	¥ 2,025,934	¥ (50,150)	¥ 1,975,784
Intergroup transfers	1,197	504	-	1,702	73,921	75,623	(75,623)	-
Total	897,955	944,431	155,834	1,998,221	103,336	2,101,558	(125,773)	1,975,784
Segment income (loss)	66,642	82,695	6,199	155,537	50,954	206,492	(49,264)	157,227
Segment assets	7,188,371	6,298,188	1,313,747	14,800,307	902,643	15,702,951	(811,783)	14,891,167
Segment liabilities	6,807,381	5,654,175	1,242,846	13,704,402	140,993	13,845,396	(51,001)	13,794,395
Others								
Depreciation of real estate for rent	2,458	2,461	-	4,919	-	4,919	(28)	4,891
Depreciation	6,366	4,146	242	10,755	636	11,391	(46)	11,345
Provision for (reversal of) policy reserve	99,248	203,237	(45,792)	256,693	261	256,954	-	256,954
Provision for (reversal of) reserve for policyholder dividends	11,738	13,636	(1)	25,374	-	25,374	-	25,374
Interest, dividends and income from real estate for rent	138,171	132,370	7,563	278,104	49,281	327,386	(50,757)	276,628
Interest expenses	550	26	0	578	38	617	(44)	573
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	1	1
Extraordinary gains	232	-	-	232	67	300	-	300
Extraordinary losses	19,227	12,450	3,612	35,291	63	35,354	12	35,367
Impairment losses	119	1,352	3,308	4,779	-	4,779	-	4,779
Provision for reserve for price fluctuations	18,021	10,809	303	29,134	-	29,134	-	29,134
Taxes	6,941	13,491	446	20,879	529	21,408	12	21,421
Investments in affiliated companies	49	100	-	149	-	149	-	149
Increase in tangible fixed assets and intangible fixed assets	¥ 11,062	¥ 13,556	¥ 1,611	¥ 26,230	¥ 656	¥ 26,886	¥ (55)	¥ 26,831

	(Thousands of U.S. dollars)							
	Reportable segments							
Year ended March 31, 2017	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Others	Total	Adjustments	Amount on consolidated financial statements
Ordinary revenues	\$ 7,993,204	\$ 8,413,651	\$ 1,389,021	\$ 17,795,877	\$ 262,192	\$ 18,058,070	\$ (447,011)	\$ 17,611,058
Intergroup transfers	10,677	4,492	-	15,170	658,894	674,065	(674,065)	-
Total	8,003,882	8,418,144	1,389,021	17,811,048	921,087	18,732,135	(1,121,077)	17,611,058
Segment income (loss)	594,017	737,101	55,258	1,386,376	454,184	1,840,561	(439,118)	1,401,443
Segment assets	64,073,192	56,138,591	11,710,025	131,921,809	8,045,671	139,967,480	(7,235,796)	132,731,684
Segment liabilities	60,677,257	50,398,211	11,078,047	122,153,515	1,256,737	123,410,253	(454,596)	122,955,656
Others								
Depreciation of real estate for rent	21,914	21,939	-	43,853	-	43,853	(251)	43,601
Depreciation	56,744	36,961	2,161	95,866	5,675	101,541	(413)	101,128
Provision for (reversal of) policy reserve	884,649	1,811,546	(408,171)	2,288,024	2,327	2,290,352	-	2,290,352
Provision for (reversal of) reserve for policyholder dividends	104,631	121,548	(9)	226,170	-	226,170	-	226,170
Interest, dividends and income from real estate for rent	1,231,582	1,179,877	67,412	2,478,872	439,268	2,918,140	(452,428)	2,465,712
Interest expenses	4,907	240	8	5,156	343	5,499	(392)	5,107
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	11	11
Extraordinary gains	2,074	-	-	2,074	599	2,674	-	2,674
Extraordinary losses	171,386	110,980	32,201	314,567	563	315,131	113	315,244
Impairment losses	1,065	12,053	29,486	42,606	-	42,606	-	42,606
Provision for reserve for price fluctuations	160,630	96,351	2,709	259,691	-	259,691	-	259,691
Taxes	61,872	120,251	3,982	186,106	4,718	190,825	111	190,936
Investments in affiliated companies	444	891	-	1,335	-	1,335	-	1,335
Increase in tangible fixed assets and intangible fixed assets	\$ 98,601	\$ 120,834	\$ 14,364	\$ 233,800	\$ 5,852	\$ 239,653	\$ (493)	\$ 239,159

Notes:

- 1. Ordinary revenues instead of net sales are presented here.*
- 2. Adjustments are as follows:*
 - (1) The adjustment of ¥(50,150 million) [\$ (447,011 thousand)] to ordinary revenues is the transferred amount which mainly consists of reversal of policy reserve of ¥45,792 million [\$408,171 thousand] of ordinary revenues which is included in ordinary expenses of the consolidated statement of operation as provision for policy reserves.*
 - (2) The adjustment of ¥(49,264 million) [\$ (439,118 thousand)] to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.*
 - (3) The adjustment of ¥(811,783 million) [\$ (7,235,796 thousand)] to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates.*
 - (4) The adjustment of ¥(51,001 million) [\$ (454,596 thousand)] to segment liabilities is mainly due to the elimination of intersegment receivables and payables.*
- 3. Segment income (loss) is adjusted to align with the ordinary revenues set forth in the consolidated statement of operation.*

[Related information]

For the year ended March 31, 2017

1. Information by product and service

Sales to external customers

	<i>(Millions of yen)</i>				
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	¥ 654,379	¥ 766,336	¥ 80,918	¥ 3,600	¥ 1,505,234
Insurance premiums	654,088	764,993	78,759	3,600	1,501,442
Individual insurance and individual annuities	545,127	699,013	78,603	-	1,322,744
Group insurance	32,808	25,288	-	-	58,096
Group annuities	74,846	39,702	133	-	114,681
Others	1,307	989	22	3,600	5,920
Ceded reinsurance recoveries	¥ 290	¥ 1,342	¥ 2,159	¥ -	¥ 3,792

	<i>(Thousands of U.S. dollars)</i>				
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	\$ 5,832,777	\$ 6,830,699	\$ 721,262	\$ 32,096	\$ 13,416,836
Insurance premiums	5,830,189	6,818,731	702,018	32,096	13,383,036
Individual insurance and individual annuities	4,858,962	6,230,622	700,628	-	11,790,213
Group insurance	292,437	225,403	-	-	517,841
Group annuities	667,138	353,882	1,189	-	1,022,210
Others	11,650	8,823	199	32,096	52,770
Ceded reinsurance recoveries	\$ 2,587	\$ 11,967	\$ 19,244	\$ -	\$ 33,799

Note: Income from insurance premiums instead of net sales is presented here.

2. Information by geographic area

(1) Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operation.

(2) Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) in the consolidated statement of operation.

[Information on impairment losses on fixed assets by reportable segment]

For the year ended March 31, 2017

Information on impairment losses on fixed assets by reportable segment is disclosed in “Segment information.”

[Information on amortization of goodwill and unamortized balance of goodwill by reportable segment]

For the year ended March 31, 2017

Not applicable.

[Information on gains on negative goodwill by reportable segment]

For the year ended March 31, 2017

Not applicable.

Per Share Information

Years ended March 31,	<i>(Yen)</i>		<i>(U.S. dollars)</i>	
	2016	2017	2017	
Net assets per share	¥ 1,865.94	¥ 1,727.69	\$	15.39
Net income per share	111.00	117.81		1.05
Net income per share (fully diluted)	109.32	115.59		1.03

A summary of the net income per share and the net income per share (fully diluted) computations is as follows:

Years ended March 31,	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
	2016	2017	2017	
Net income per share:				
Profit attributable to owners of parent	¥ 72,547	¥ 75,187	\$	670,179
Amount not attributable to common stockholders	-	-		-
Profit attributable to owners of parent attributable to common stockholders	¥ 72,547	¥ 75,187	\$	670,179

<i>(Shares)</i>		
Weighted-average number of common stocks outstanding	653,556,609	638,194,089

Years ended March 31,	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
	2016	2017	2017	
Net income per share (fully diluted):				
Adjusted profit attributable to owners of parent	¥ (16)	¥ (20)	\$	(184)
Amortization of bond premium (after tax)	¥ (16)	¥ (20)	\$	(184)

<i>(Shares)</i>		
Increase in common stock	9,884,916	12,115,431
Convertible Bond	9,094,039	11,104,941
Subscription rights to shares	790,877	1,010,490
Summary of potential shares that are not included in computation of net income per share (fully diluted) due to lack of dilution effect	-	-

A summary of the net assets per share computations is as follows:

As of March 31,	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
	2016	2017	2017	
Net assets	¥ 1,214,061	¥ 1,096,772	\$ 9,776,027	
Deduction from net assets	3,521	3,915	34,904	
Subscription rights to shares	926	1,178	10,501	
Non-controlling interests	2,595	2,737	24,402	
Net assets available to common stockholders	¥ 1,210,540	¥ 1,092,856	\$ 9,741,123	
<i>(Shares)</i>				
The number of common stock outstanding	648,756,978	632,554,226		

Significant Subsequent Events

The Company has resolved at its board of directors meeting held on May 15, 2017, the acquisition of treasury stock under the provision Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same.

1. Reasons for the acquisition of treasury stock

To enhance shareholder return and improve capital efficiency.

2. Details of the acquisition

- | | |
|-------------------------------------|--|
| (1) Type of shares to be acquired | : Shares of common stock |
| (2) Number of shares to be acquired | : Up to 12,000,000 shares |
| (3) Total amount of acquisition | : Up to 17,000 million yen |
| (4) Period of acquisition | : From May 16, 2017 to July 14, 2017 |
| (5) Method of acquisition | : Open-market repurchase by the trust method |