

FINANCIAL SUMMARY

(For the three months ended June 30, 2017)

<under Japanese GAAP>

August 9, 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/>
 Projected Filing Date of Quarterly Securities Report: August 9, 2017
 Projected Starting Date of Dividend Distribution: -
 Supplemental Information for Quarterly Financial Statements: Available
 Holding of Quarterly Financial Results Meeting: Yes (for institutional investors and analysts) IR Conference Call

1. Consolidated Operating Results for the Three Months Ended June 30, 2017 (April 1, 2017 - June 30, 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
Three months ended June 30, 2017	¥457,298 million	(6.3)	¥37,547 million	(17.4)	¥19,453 million	(22.0)
Three months ended June 30, 2016	¥488,202 million	(12.6)	¥45,445 million	3.8	¥24,955 million	16.5

Note: Comprehensive income was ¥72,160 million (- %) for the three months ended June 30, 2017 and ¥(40,150) million (- %) for the three months ended June 30, 2016.

	Net Income per Share	Net Income per Share (Fully Diluted)
Three months ended June 30, 2017	¥30.81	¥30.22
Three months ended June 30, 2016	¥38.53	¥37.83

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio
As of June 30, 2017	¥14,991,386 million	¥1,141,659 million	7.6%
As of March 31, 2017	¥14,891,167 million	¥1,096,772 million	7.3%

Note: Equity was ¥1,137,244 million as of June 30, 2017 and ¥1,092,856 million as of March 31, 2017.

2. Dividends

	Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Year ended March 31, 2017	-	¥15.00	-	¥17.50	¥32.50
Year ending March 31, 2018	-				
Year ending March 31, 2018 (Forecast)		¥17.50	-	¥17.50	¥35.00

Note: Revisions to previously announced dividend forecasts: None

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, 2017	¥1,900,000 million (3.8)%	¥150,000 million (4.6)%	¥74,000 million (1.6)%	¥116.99

Note: Revisions to previously announced financial forecasts: None

4. Notes

- (1) Changes in Significant Subsidiaries During the Consolidated Cumulative Quarter : None
- (2) Adoption of Special Accounting Method for the Quarterly Consolidated Financial Reporting: None
- (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections:
 1. Changes in accounting policies due to the revision of accounting standards and other regulations: None
 2. Changes other than 1. above: None
 3. Changes in accounting estimates: None
 4. Restatement of corrections: None
- (4) Number of Outstanding Shares (Common Stock)
 1. Number of outstanding shares including treasury shares at the end of the term: as of June 30, 2017: 681,480,000
as of March 31, 2017: 681,480,000
 2. Number of treasury shares at the end of the term: as of June 30, 2017: 59,306,347
as of March 31, 2017: 48,925,774
 3. Average number of outstanding shares during the term: for the three months ended June 30, 2017: 631,313,888
for the three months ended June 30, 2016: 647,624,829

* This “FINANCIAL SUMMARY” (Quarterly “TANSHIN”) is not subject to the quarterly review.

* 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.

Contents of Appendix

1. Unaudited Consolidated Financial Statements	2
(1) Unaudited Consolidated Balance Sheet	2
(2) Unaudited Consolidated Statement of Operation and Unaudited Consolidated Statement of Comprehensive Income	3
(3) Notes on Unaudited Consolidated Financial Statements	4
[Notes on Going-Concern Assumption]	4
[Notes on Material Changes in Shareholders' Equity]	4
[Significant Subsequent Events]	5

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

1. Unaudited Consolidated Financial Statements

(1) Unaudited Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets:		
Cash and deposits	862,425	724,775
Call loans	11,302	10,732
Monetary claims purchased	141,242	134,709
Monetary trusts	583,476	611,758
Securities	11,001,953	11,207,048
Loans	1,685,118	1,709,908
Tangible fixed assets	319,884	321,175
Intangible fixed assets	23,195	23,814
Due from agencies	756	706
Due from reinsurers	3,535	3,340
Other assets	210,889	216,529
Deferred tax assets	49,143	28,615
Reserve for possible loan losses	(1,755)	(1,727)
Total assets	14,891,167	14,991,386
Liabilities:		
Policy reserves	13,139,218	13,150,179
Reserve for outstanding claims	70,065	64,901
Policy reserve	12,976,211	12,995,285
Reserve for policyholder dividends	92,942	89,992
Due to agencies	334	846
Due to reinsurers	1,781	1,852
Short-term debentures	2,999	6,000
Bonds	50,095	50,087
Other liabilities	332,772	370,034
Provision for bonuses to directors and audit & supervisory board members	263	68
Net defined benefit liability	56,547	56,697
Provision for directors' and audit & supervisory board members' retirement benefits	53	46
Reserves under the special laws	204,894	208,475
Reserve for price fluctuations	204,894	208,475
Deferred tax liabilities	7	12
Deferred tax liabilities on land revaluation	5,426	5,426
Total liabilities	13,794,395	13,849,726
Net assets:		
Capital stock	207,111	207,111
Capital surplus	194,522	194,500
Retained earnings	460,683	469,067
Treasury shares	(67,763)	(84,435)
Total shareholders' equity	794,554	786,244
Valuation difference on available-for-sale securities	338,842	391,468
Deferred gains (losses) on hedging instruments	(5,203)	(5,127)
Land revaluation	(35,354)	(35,354)
Foreign currency translation adjustment	17	13
Total accumulated other comprehensive income	298,302	350,999
Subscription rights to shares	1,178	938
Non-controlling interests	2,737	3,476
Total net assets	1,096,772	1,141,659
Total liabilities and net assets	14,891,167	14,991,386

(2) Unaudited Consolidated Statement of Operation and Unaudited Consolidated Statement of Comprehensive Income

Unaudited Consolidated Statement of Operation

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary revenues	488,202	457,298
Income from insurance premiums	378,223	340,980
Investment income	92,069	95,949
Interest, dividends and income from real estate for rent	61,731	65,322
Gains from monetary trusts, net	823	6,030
Gains on sales of securities	28,898	21,459
Reversal of reserve for possible loan losses	64	27
Other investment income	551	522
Gains on separate accounts, net	-	2,586
Other ordinary income	17,909	20,327
Equity in earnings of affiliates	-	40
Ordinary expenses	442,756	419,750
Insurance claims and other payments	316,887	308,409
Insurance claims	103,369	93,582
Annuity payments	81,321	76,314
Insurance benefits	40,250	39,383
Surrender payments	78,763	86,304
Other payments	13,183	12,825
Provision for policy and other reserves	22,518	19,079
Provision for policy reserve	22,506	19,074
Interest portion of reserve for policyholder dividends	12	4
Investment expenses	35,016	22,902
Interest expenses	141	138
Losses on investment in trading securities, net	3,959	7
Losses on sales of securities	13,755	5,044
Devaluation losses on securities	1,489	1,033
Losses from derivatives, net	2,958	11,861
Foreign exchange losses, net	3,730	167
Depreciation of real estate for rent	1,199	1,142
Other investment expenses	3,428	3,506
Losses on separate accounts, net	4,354	-
Operating expenses	49,597	52,298
Other ordinary expenses	18,711	17,060
Equity in losses of affiliates	25	-
Ordinary profit	45,445	37,547

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Extraordinary gains	1	0
State subsidy	1	0
Other extraordinary gains	0	-
Extraordinary losses	8,055	3,603
Losses on disposal of fixed assets	14	21
Impairment losses	724	-
Provision for reserve for price fluctuations	7,083	3,581
Other extraordinary losses	232	0
Provision for reserve for policyholder dividends	7,590	6,500
Income before income taxes	29,801	27,443
Income taxes (current)	10,567	7,498
Income taxes (deferred)	(5,763)	483
Total income taxes	4,804	7,981
Profit	24,997	19,462
Profit attributable to non-controlling interests	42	8
Profit attributable to owners of parent	24,955	19,453

Unaudited Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	24,997	19,462
Other comprehensive income:		
Valuation difference on available-for-sale securities	(65,277)	52,626
Deferred gains (losses) on hedging instruments	137	75
Foreign currency translation adjustments	(0)	(0)
Share of other comprehensive income of associates accounted for using the equity method	(7)	(3)
Total other comprehensive income	(65,147)	52,698
Comprehensive income	(40,150)	72,160
(Breakdown)		
Comprehensive income attributable to owners of parent	(40,192)	72,150
Comprehensive income attributable to non-controlling interests	42	9

(3) Notes on Unaudited Consolidated Financial Statements

[Notes on Going-Concern Assumption]

Not applicable.

[Notes for Material Changes in Shareholders' Equity]

Not applicable.

[Significant Subsequent Events]

The Company, at its board of directors meeting held on August 9, 2017, resolved the cancellation of treasury shares pursuant to Article 178 of the Companies Act of Japan.

- | | |
|---|---|
| (1) Type of shares to be cancelled | : Common stock |
| (2) Total number of shares to be cancelled | : 26,480,000 shares (3.89% of total shares outstanding before cancellation) |
| (3) Scheduled date to be cancelled | : August 31, 2017 |
| (4) Total number of outstanding shares after cancellation | : 655,000,000 shares |