

FINANCIAL SUMMARY

(For the fiscal year ended March 31, 2016)

<under Japanese GAAP>

May 13, 2016

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, 2016
 Projected Filing Date of Securities Report: June 28, 2016
 Projected Starting Date of Dividend Distribution: June 29, 2016
 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, 2016 (April 1, 2015 - March 31, 2016)

(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
FY2015 ended March 31, 2016	¥2,025,925 million	(16.0)	¥171,434 million	(9.3)	¥72,547 million	(23.0)
FY2014 ended March 31, 2015	¥2,412,165 million	15.7	¥188,943 million	1.5	¥94,215 million	19.3

Note: Comprehensive income: ¥(84,492) million (- %) for the fiscal year ended March 31, 2016; ¥351,230 million (up 197.9%) for the fiscal year ended March 31, 2015.

	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
FY2015 ended March 31, 2016	¥111.00	¥109.32	5.7%	1.2%	8.5%
FY2014 ended March 31, 2015	¥141.35	¥141.18	8.0%	1.3%	7.8%

Note: Equity in net gain of affiliated companies: ¥46 million for the fiscal year ended March 31, 2016; ¥38 million for the fiscal year ended March 31, 2015.

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2016	¥14,674,207 million	¥1,214,061 million	8.2%	¥1,865.94
As of March 31, 2015	¥14,664,705 million	¥1,344,950 million	9.1%	¥2,018.12

Note: Equity as of March 31, 2016: ¥1,210,540 million; as of March 31, 2015: ¥1,341,738 million.

(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
FY2015 ended March 31, 2016	¥309,441 million	¥(18,563) million	¥(64,208) million	¥1,124,922 million
FY2014 ended March 31, 2015	¥616,760 million	¥(467,056) million	¥(76,278) million	¥899,524 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, 2015	-	¥0.00	-	¥25.00	¥25.00	¥16,621 million	17.7%	1.4%
Year Ended March 31, 2016	-	¥0.00	-	¥30.00	¥30.00	¥19,462 million	27.0%	1.5%
Year Ending March 31, 2017 (Forecast)	-	¥15.00	-	¥15.00	¥30.00		26.7%	

3. Consolidated Forecasts for the Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

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	¥1,750,000 million (13.6)%	¥164,000 million (4.3)%	¥73,000 million 0.6%	¥112.52

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 of this material "Financial Summary for the Fiscal Year Ended March 31, 2016" page 16 "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, 2016: 681,480,000
as of March 31, 2015: 681,480,000
2. Number of treasury stock at the end of the year: as of March 31, 2016: 32,723,022
as of March 31, 2015: 16,632,735
3. Average number of outstanding shares during the term: for the year ended March 31, 2016: 653,556,609
for the year ended March 31, 2015: 666,540,650

*Information regarding the implementation of audit procedure

This "FINANCIAL SUMMARY" ("Tanshin") is not subject to the audit procedure by external auditors that are based on Financial Instruments and Exchange Act. The audit procedure has not yet finished at the point of releasing this financial summary.

The forecasts for the year ending March 31, 2017 reflect the Company's current analysis of existing information and trends. T&D Holdings offers no assurance that the forecasts will be realized. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses. For more details on consolidated forecasts, please refer to T&D Holdings' "I. Results of Operation 1. (2) Forecasts for the Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)" on page 3 in the Appendix of this material "Financial Summary for the Fiscal Year Ended March 31, 2016."

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

I. Results of Operation

1. Consolidated Results of Operation

(1) Consolidated Financial Results for the Year Ended March 31, 2016

For the fiscal year ended March 31, 2016, ordinary revenues decreased ¥386.2 billion, or 16.0 percent from the previous fiscal year, to ¥2,025.9 billion, which was a total of income from insurance premiums of ¥1,574.5 billion (down 19.6 percent), investment income of ¥379.7 billion (down 1.2 percent), other ordinary income of ¥71.6 billion (up 2.6 percent) and others.

Ordinary expenses decreased ¥368.7 billion, or 16.6 percent from the previous fiscal year to ¥1,854.4 billion, which was a total of insurance claims and other payments of ¥1,302.8 billion (down 7.0 percent), provision for policy and other reserves of ¥194.3 billion (down 59.9 percent), investment expenses of ¥77.4 billion (up 16.6 percent), operating expenses of ¥198.9 billion (down 0.2 percent) and other ordinary expenses of ¥80.7 billion (up 14.2 percent).

As a result, ordinary profit decreased 9.3 percent from the previous fiscal year, to ¥171.4 billion. Extraordinary gains decreased 27.5 percent to ¥0.1 billion and extraordinary losses increased 253.3 percent to ¥29.4 billion. After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, profit attributable to owners of parent decreased ¥21.6 billion, or 23.0 percent from the previous fiscal year, to ¥72.5 billion.

Comprehensive income was negative ¥84.4 billion compared to ¥351.2 billion of the previous fiscal year, which was a total of profit of ¥72.7 billion (down 22.9 percent) and other comprehensive income of negative ¥157.2 billion (previous fiscal year was ¥256.8 billion).

(i) Ordinary Revenues

(Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2015	Increase (decrease)
Consolidated	2,025.9	2,412.1	(386.2)
Taiyo Life	873.8	1,061.1	(187.2)
Daido Life	935.7	981.0	(45.3)
T&D Financial Life	218.0	382.1	(164.0)

Note: Consolidated amount does not equal to the sum of three companies because the consolidated amount includes the ordinary revenues of its subsidiaries other than three companies as well as consolidated adjustments.

(ii) Ordinary Profit

(Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2015	Increase (decrease)
Consolidated	171.4	188.9	(17.5)
Taiyo Life	79.1	67.6	11.5
Daido Life	90.3	97.4	(7.1)
T&D Financial Life	1.2	22.4	(21.2)

Note: Consolidated amount does not equal to the sum of three companies because the consolidated amount includes the ordinary profit of its subsidiaries other than three companies as well as consolidated adjustments.

(iii) Profit attributable to owners of parent

(Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2015	Increase (decrease)
Consolidated	72.5	94.2	(21.6)
Taiyo Life	26.8	27.9	(1.1)
Daido Life	54.4	51.1	3.2
T&D Financial Life	0.4	14.6	(14.1)

Note 1. Consolidated amount does not equal to the sum of three companies because the consolidated amount includes the net income of its subsidiaries other than three companies as well as consolidated adjustments.

2. Figures for the three life insurance companies are net profit.

(2) Forecasts for the Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

Consolidated

(Billions of yen)

	Ordinary revenues	Ordinary profit	Profit attributable to owners of parent
Year-end	1,750	164	73
Change	(13.6%)	(4.3%)	0.6%

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

Ordinary revenues are expected to be ¥1,750 billion, a decrease of approximately ¥280 billion or 13.6 percent from the fiscal year ended March 31, 2016. Ordinary profit is expected to be ¥164 billion, a decrease of approximately ¥7 billion or 4.3 percent from the fiscal year ended March 31, 2016. After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, profit attributable to owners of parent is expected to be ¥73 billion, an increase of approximately ¥0.5 billion or 0.6 percent from the fiscal year ended March 31, 2016.

2. Consolidated Financial Position

(1) Balance Sheet

As of March 31, 2016, total assets was ¥14,674.2 billion (up 0.1 percent from March 31, 2015).

The main components of the total assets were securities of ¥10,492.6 billion (down 3.3 percent) which mainly consists of public and corporate bonds, loans of ¥1,767.8 billion (down 5.1 percent), cash and deposits of ¥1,024.6 billion (up 206.6 percent), monetary trusts of ¥525.9 billion (up 20.2 percent), and tangible assets of ¥315.4 billion (up 4.8 percent).

Total liabilities were ¥13,460.1 billion (up 1.1 percent). Policy reserves accounting for a substantial portion of total liabilities were ¥12,892.4 billion (up 1.5 percent).

Total net assets were ¥1,214.0 billion (down 9.7 percent) of which net unrealized gains on securities were ¥487.2 billion (down 25.0 percent).

As of March 31, 2016, consolidated solvency margin ratio (a measure of insurance companies' financial soundness) was 1,155.8 percent (1,220.7 percent at the end of the previous fiscal year) and the amount of consolidated adjusted net assets was ¥2,927.6 billion (¥2,645.5 billion at the end of the previous fiscal year).

For details on consolidated solvency margin ratio, please refer to “V. Others (Reference) Status of Insurance Claims Paying Ability (Consolidated Solvency Margin Ratio)” on page 22 in the Appendix of this material “Financial Summary for the Fiscal Year Ended March 31, 2016”.

(2) Cash Flows

Cash flows for the fiscal year ended March 31, 2016, were as follows.

Net cash provided by operating activities was ¥309.4 billion, a decrease of ¥307.3 billion from the previous fiscal year.

Net cash used in investing activities was ¥18.5 billion, a decrease of ¥448.4 billion from the previous fiscal year.

Net cash used by financing activities was ¥64.2 billion, a decrease of ¥12.0 billion from the level of the previous fiscal year.

As a result, cash and cash equivalents as of March 31, 2016 totaled ¥1,124.9 billion (¥899.5 billion at the end of the previous fiscal year), an increase of ¥225.3 billion from the beginning of the fiscal year.

II. Management Principles and Goals

1. Corporate Philosophy and Management Vision

With our “Try & Discover” motto for creating value, the T&D Life Group (Group) aims to be a group that contributes to all people and societies. The Group’s two management visions are as follows:

«From the customer’s point of view»

Aim to provide the best products and services to increase customer satisfaction.

«From the shareholder's, investor's and market’s point of view»

Aim to be a major life insurance group with a strong presence in the market by increasing the corporate value stably and sustainably through the new challenges for the growth.

2. Management Goals

The Group aims to sustain the growth of its Embedded Value (EV)*, which is a yardstick to evaluate the corporate value of a life insurance company. Crucial challenges for the sustainable growth of the EV are the “solid growth in the new policy amount and the expansion of the policy amount in force”, “appropriate profit/risk management”, and “attainment of higher managerial efficiency.” Based on a time-driven management style, the Group will meet the said challenges and strive to enhance its corporate value.

* Embedded value (EV) is one of the indices in evaluating the corporate value of life insurance companies which is the sum of adjusted net worth calculated from the balance sheet, which is considered as attributable to shareholders, and value of in-force business calculated from existing policies in force.

3. Medium- to Long-Term Management Strategy

The Group is pursuing to increase the satisfaction of all stakeholders by contributing in solving social issues through life insurance business. For the realization of this goal, we will promote the following initiatives.

- (1) Fulfill the responsibilities of the public mission of life insurance business and corporate social responsibility for the society including our customers and shareholders.
- (2) Provide products and services which match the customer needs accurately, promptly, kindly and carefully.
- (3) Position the domestic life insurance business as the core and maintain and develop the group management where Group’s each subsidiary company can maximize its strength under the holding company.
- (4) Pursue opportunities for alliance and M&A in order to strengthen and expand the core domestic life insurance business.
- (5) By utilizing the integrated management of profit, risk, and capital strategically, secure financial soundness and improve capital efficiency.

4. Future Tasks

Japanese economy’s gradual recovery is expected to continue amid an improvement in employment and personal income together with the effect of economic policies. On the other hand,

there are still concerns that a downturn in overseas economy such as developing and resource-rich nations could put a downward pressure on the domestic economy.

Under such circumstances, the domestic long-term government bond yields have declined further due to the decision of the introduction of negative interest rate policy by the Bank of Japan in January 2016. As a life insurance company, further sophistication in product strategy and asset management strategy becomes necessary.

Considering the current economic environment, the Group will continue to realize the stable and sustainable increase of corporate value by promoting growth through the domestic life insurance business which is the Group's core business, based on the business platform strengthened during the period of the previous medium-term management plan.

III. 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 IFRS4 "Insurance Contracts", which will have a significant impact on insurance companies, and the comparability with our peer companies

IV. Unaudited Consolidated Financial Statements

1. Unaudited Consolidated Balance Sheet

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2015	2016
Assets:			
Cash and deposits	¥ 1,024,692	¥ 334,191	\$ 9,093,831
Call loans	2,673	329,876	23,722
Monetary claims purchased	269,668	339,927	2,393,227
Monetary trusts	525,902	437,622	4,667,221
Securities	10,492,605	10,847,399	93,118,617
Loans	1,767,891	1,863,837	15,689,487
Tangible fixed assets:			
Land	175,322	173,662	1,555,936
Buildings	120,846	106,846	1,072,475
Lease assets	932	676	8,279
Construction in progress	15,124	17,526	134,225
Other tangible fixed assets	3,248	2,445	28,827
Total tangible fixed assets	315,475	301,158	2,799,745
Intangible fixed assets:			
Software	22,472	19,811	199,435
Lease assets	377	4	3,349
Other intangible fixed assets	1,177	1,252	10,451
Total intangible fixed assets	24,027	21,068	213,236
Due from agencies	746	746	6,629
Due from reinsurers	691	405	6,140
Other assets	251,286	190,196	2,230,087
Deferred tax assets	602	501	5,349
Reserve for possible loan losses	(2,057)	(2,225)	(18,258)
Total assets	¥ 14,674,207	¥ 14,664,705	\$ 130,229,036

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2015	2016
Liabilities:			
Policy reserves:			
Reserve for outstanding claims	¥ 67,914	¥ 73,102	\$ 602,715
Policy reserve	12,719,256	12,524,934	112,879,449
Reserve for policyholder dividends	105,311	109,920	934,610
Total policy reserves	12,892,482	12,707,957	114,416,775
Due to agencies	630	1,009	5,595
Due to reinsurers	641	554	5,689
Short-term debentures	2,999	2,999	26,623
Bonds	50,125	51,100	444,843
Other liabilities	252,087	248,940	2,237,199
Reserve for bonus to directors and audit & supervisory board members	281	243	2,496
Net defined benefit liability	59,730	50,271	530,092
Reserve for directors' and audit & supervisory board members' retirement benefits	78	67	700
Reserve for price fluctuations	175,759	155,190	1,559,812
Deferred tax liabilities	19,894	95,824	176,554
Deferred tax liabilities on land revaluation	5,434	5,598	48,229
Total liabilities	13,460,145	13,319,755	119,454,614
Net assets:			
Common stock	207,111	207,111	1,838,053
Capital surplus	194,550	194,586	1,726,577
Retained earnings	422,422	366,747	3,748,869
Treasury stock	(48,876)	(19,008)	(433,767)
Total stockholders' equity	775,208	749,436	6,879,733
Net unrealized gains (losses) on securities	487,200	649,716	4,323,753
Deferred gains (losses) on hedging instruments	(8,601)	(13,741)	(76,338)
Land revaluation	(43,288)	(43,694)	(384,169)
Foreign currency translation adjustments	21	21	189
Total accumulated other comprehensive income	435,331	592,301	3,863,435
Subscription rights to shares	926	746	8,221
Non-controlling interests	2,595	2,465	23,031
Total net assets	1,214,061	1,344,950	10,774,422
Total liabilities and net assets	¥ 14,674,207	¥ 14,664,705	\$ 130,229,036

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	2015	2016	
Ordinary revenues:				
Income from insurance premiums	¥ 1,574,506	¥ 1,958,055	\$ 13,973,252	
Investment income:				
Interest, dividends and income from real estate for rent	290,725	287,966	2,580,094	
Gains from monetary trusts, net	5,172	-	45,900	
Gains on investments in trading securities, net	-	20,056	-	
Gains on sales of securities	77,403	34,433	686,930	
Gains on redemption of securities	3,198	-	28,385	
Foreign Exchange gains, net	801	1,606	7,110	
Reversal of reserve for possible loan losses	137	148	1,223	
Other investment income	2,268	4,557	20,136	
Gains on separate accounts, net	-	35,455	-	
Total investment income	379,707	384,223	3,369,781	
Other ordinary income:				
Other ordinary income	71,665	69,847	636,010	
Total other ordinary income	71,665	69,847	636,010	
Equity in net income of affiliated companies	46	38	413	
Total ordinary revenues	2,025,925	2,412,165	17,979,458	
Ordinary expenses:				
Insurance claims and other payments:				
Insurance claims	376,421	355,635	3,340,627	
Annuity payments	349,387	457,550	3,100,706	
Insurance benefits	163,812	177,425	1,453,784	
Surrender payments	341,583	351,229	3,031,448	
Other payments	71,693	59,692	636,256	
Total insurance claims and other payments	1,302,899	1,401,534	11,562,824	
Provision for policy and other reserves:				
Provision for reserve for outstanding claims	-	2,423	-	
Provision for policy reserve	194,321	482,607	1,724,545	
Interest portion of reserve for policyholder dividends	65	108	582	
Total provision for policy and other reserves	194,387	485,139	1,725,128	
Investment expenses:				
Interest expenses	909	1,841	8,069	
Losses from monetary trusts, net	-	1,744	-	
Losses on investments in trading securities, net	7,823	-	69,427	
Losses on sales of securities	16,357	6,972	145,165	
Devaluation losses on securities	4,101	1,065	36,402	
Losses from derivatives, net	22,180	33,948	196,842	
Write-off of loans	4	6	43	
Depreciation of real estate for rent	4,991	5,176	44,297	
Other investment expenses	15,533	15,672	137,858	
Losses on separate accounts, net	5,575	-	49,481	
Total investment expenses	77,477	66,427	687,588	
Operating expenses	198,999	199,435	1,766,060	
Other ordinary expenses	80,727	70,686	716,429	
Total ordinary expenses	1,854,490	2,223,222	16,458,030	
Ordinary profit	¥ 171,434	¥ 188,943	\$ 1,521,427	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2015	2016
Extraordinary gains:			
Gains on disposal of fixed assets	¥ 4	¥ 67	\$ 43
State subsidy	158	55	1,410
Compensation for transfer	-	102	-
Total extraordinary gains	163	225	1,453
Extraordinary losses:			
Losses on disposal of fixed assets	1,356	1,028	12,034
Impairment losses	4,203	1,995	37,307
Provision for reserve for price fluctuations	20,568	5,150	182,540
Head office transfer cost	2,591	99	22,997
Other extraordinary losses	718	56	6,377
Total extraordinary losses	29,438	8,331	261,257
Provision for reserve for policyholder dividends	31,920	32,555	283,281
Income before income taxes	110,239	148,281	978,342
Income taxes:			
Current	46,075	44,147	408,902
Deferred	(8,561)	9,755	(75,984)
Total income taxes	37,513	53,903	332,918
Profit	72,726	94,378	645,423
Profit attributable to non-controlling interests	179	163	1,590
Profit attributable to owners of parent	¥ 72,547	¥ 94,215	\$ 643,833

Unaudited Consolidated Statements of Comprehensive Income

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2015	2016
Profit	¥ 72,726	¥ 94,378	\$ 645,423
Other comprehensive income:			
Net unrealized gains on securities	(162,509)	261,950	(1,442,224)
Deferred gains on hedging instruments	5,139	(5,478)	45,615
Land revaluation	155	369	1,377
Foreign currency translation adjustments	0	0	0
Share of other comprehensive income of associates accounted for using the equity method	(4)	9	(41)
Total other comprehensive income	(157,219)	256,851	(1,395,272)
Comprehensive income	¥ (84,492)	¥ 351,230	\$ (749,848)
(Breakdown)			
Comprehensive income attributable to owners of parent	(84,673)	351,065	(751,451)
Comprehensive income attributable to non-controlling interests	180	165	1,602

3. Unaudited Consolidated Statements of Changes in Net Assets

						<i>(Millions of yen)</i>	
	Stockholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains on securities	Deferred gains(losses) on hedging instruments
Year ended March 31, 2015							
Balance at the beginning of the year	¥ 207,111	¥ 194,595	¥ 290,861	¥ (9,049)	¥ 683,519	¥ 387,773	¥ (8,263)
Changes in the period							
Dividends			(16,806)		(16,806)		
Net income			94,215		94,215		
Acquisition of treasury stock				(10,010)	(10,010)		
Disposal of treasury stock		(9)		51	41		
Reversal of land revaluation			(1,523)		(1,523)		
Net changes of items other than stockholders' equity						261,943	(5,478)
Total changes in the period		(9)	75,885	(9,959)	65,917	261,943	(5,478)
Balance at the end of the year	¥ 207,111	¥ 194,586	¥ 366,747	¥ (19,008)	¥ 749,436	¥ 649,716	¥ (13,741)

							<i>(Millions of yen)</i>
	Accumulated other comprehensive income						
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests	Total net assets	
Year ended March 31, 2015							
Balance at the beginning of the year	¥ (45,586)	¥ 6	¥ 333,929	¥ 523	¥ 2,352	¥ 1,020,324	
Changes in the period							
Dividends							(16,806)
Net income							94,215
Acquisition of treasury stock							(10,010)
Disposal of treasury stock							41
Reversal of land revaluation							(1,523)
Net changes of items other than stockholders' equity	1,892	15	258,372	222	113	258,708	
Total changes in the period	1,892	15	258,372	222	113	324,625	
Balance at the end of the year	¥ (43,694)	¥ 21	¥ 592,301	¥ 746	¥ 2,465	¥ 1,344,950	

						<i>(Millions of yen)</i>	
	Stockholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains on 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)		
Net income			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)

							<i>(Millions of yen)</i>
	Accumulated other comprehensive income						
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests	Total net assets	
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)
Net income							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	

<i>(Thousands of U.S. dollars)</i>							
	Stockholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains on securities	Deferred gains(losses) on hedging instruments
Year ended March 31, 2016							
Balance at the beginning of the year	\$ 1,838,053	\$ 1,726,891	\$ 3,254,767	\$ (168,697)	\$ 6,651,015	\$ 5,766,032	\$ (121,954)
Changes in the period							
Dividends			(147,507)		(147,507)		
Net income			643,833		643,833		
Acquisition of treasury stock				(266,375)	(266,375)		
Disposal of treasury stock		(313)		1,305	992		
Reversal of land revaluation			(2,224)		(2,224)		
Net changes of items other than stockholders' equity						(1,442,279)	45,615
Total changes in the period		(313)	494,101	(265,069)	228,718	(1,442,279)	45,615
Balance at the end of the year	\$ 1,838,053	\$ 1,726,577	\$ 3,748,869	\$ (433,767)	\$ 6,879,733	\$ 4,323,753	\$ (76,338)

<i>(Thousands of U.S. dollars)</i>						
	Accumulated other comprehensive income					
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests	Total net assets
Year ended March 31, 2016						
Balance at the beginning of the year	\$ (387,771)	\$ 189	\$ 5,256,496	\$ 6,620	\$ 21,882	\$ 11,936,014
Changes in the period						
Dividends						(147,507)
Net income						643,833
Acquisition of treasury stock						(266,375)
Disposal of treasury stock						992
Reversal of land revaluation						(2,224)
Net changes of items other than stockholders' equity	3,602	0	(1,393,060)	1,600	1,149	(1,390,310)
Total changes in the period	3,602	0	(1,393,060)	1,600	1,149	(1,161,591)
Balance at the end of the year	\$ (384,169)	\$ 189	\$ 3,863,435	\$ 8,221	\$ 23,031	\$ 10,774,422

4. Unaudited Consolidated Statement of Cash Flows

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2016	2015	2016	
Cash flows from operating activities:				
Income before income taxes	¥ 110,239	¥ 148,281	\$ 978,342	
Depreciation of real estate for rent	4,991	5,176	44,297	
Other depreciation and amortization	10,254	10,305	91,008	
Impairment losses	4,203	1,995	37,307	
Increase (decrease) in reserve for outstanding claims	(5,188)	2,423	(46,044)	
Increase (decrease) in policy reserve	194,321	482,607	1,724,545	
Interest portion of reserve for policyholder dividends	65	108	582	
Provision for reserve for (reversal of) policyholder dividends	31,920	32,555	283,281	
Increase (decrease) in reserve for possible loan losses	(166)	(155)	(1,480)	
Increase (decrease) in reserve for bonus to directors and audit & supervisory board members	38	(18)	339	
Increase (decrease) in net defined benefit liability	9,459	(1,385)	83,951	
Increase (decrease) in reserve for directors' and audit & supervisory board members' retirement benefits	11	1	103	
Increase (decrease) in reserve for price fluctuations	20,568	5,150	182,540	
Interest, dividends and income from real estate for rent	(290,725)	(287,966)	(2,580,094)	
Losses (gains) on investment securities	(46,744)	(81,906)	(414,839)	
Interest expenses	909	1,841	8,069	
Exchange losses (gains)	(1,257)	(1,541)	(11,157)	
Losses (gains) on disposal of tangible fixed assets	1,294	921	11,488	
Equity in losses (income) of affiliated companies	(46)	(38)	(413)	
Decrease (increase) in amount due from agencies	(0)	257	(6)	
Decrease (increase) in amount due from reinsurers	(286)	46	(2,539)	
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(11,767)	(5,376)	(104,433)	
Increase (decrease) in amount due to agencies	(379)	175	(3,366)	
Increase (decrease) in amount due to reinsurers	87	101	772	
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(3,422)	(2,866)	(30,371)	
Others, net	31,805	47,468	282,262	
Subtotal	60,187	358,164	534,146	
Interest, dividends and income from real estate for rent received	300,736	302,216	2,668,943	
Interest paid	(923)	(2,089)	(8,191)	
Policyholder dividends	(36,625)	(36,530)	(325,043)	
Others, net	18,612	48,908	165,177	
Income taxes paid	(32,545)	(53,908)	(288,835)	
Net cash provided by (used in) operating activities	¥ 309,441	¥ 616,760	\$ 2,746,197	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2016	2015	2016
Cash flows from investing activities:			
Net decrease (increase) in short-term investments	¥ 1,200	¥ 50	\$ 10,649
Investments in monetary claims purchased	(2,000)	(4,000)	(17,749)
Proceeds from sale and redemption of monetary claims purchased	31,285	36,869	277,651
Investments in monetary trusts	(82,737)	(227,080)	(734,265)
Proceeds from monetary trusts	200	1,533	1,774
Purchase of securities	(2,098,003)	(1,626,796)	(18,619,133)
Sale and redemption of securities	1,981,004	1,622,894	17,580,796
Investments in loans	(360,390)	(445,797)	(3,198,356)
Collection of loans	458,059	462,395	4,065,139
Others, net	79,743	(259,317)	707,701
Subtotal	8,361	(439,248)	74,208
Total of net cash provided by (used in) operating activities and investment transactions as above	317,803	177,512	2,820,406
Purchase of tangible fixed assets	(26,648)	(27,898)	(236,494)
Proceeds from disposal of tangible fixed assets	64	273	576
Others, net	(342)	(182)	(3,038)
Net cash provided by (used in) investing activities	(18,563)	(467,056)	(164,747)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	0	0	5
Proceeds from issuance of debt	13,600	13,500	120,695
Repayments of debt	(29,746)	(48,343)	(263,986)
Proceeds from issuance of bonds	30,150	-	267,571
Redemption of bonds	(31,100)	(14,000)	(276,002)
Payment of lease obligations	(397)	(606)	(3,527)
Purchase of treasury stock	(30,015)	(10,010)	(266,375)
Sale of treasury stock	0	0	4
Dividends paid	(16,650)	(16,766)	(147,764)
Dividends paid to non-controlling interests	(51)	(52)	(453)
Others, net	0	0	1
Net cash provided by (used in) financing activities	(64,208)	(76,278)	(569,831)
Effect of exchange rate changes on cash and cash equivalents	(1,271)	(1,012)	(11,287)
Net increase (decrease) in cash and cash equivalents	225,397	72,413	2,000,331
Cash and cash equivalents at the beginning of the year	899,524	827,111	7,983,002
Cash and cash equivalents at the end of the year	¥ 1,124,922	¥ 899,524	\$ 9,983,334

5. Notes on Going-Concern Assumption

Not applicable.

6. Changes in accounting policies

From the beginning of the subject fiscal year, T&D Holdings, Inc. (the “Company”) has applied accounting standards such as “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereafter “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereafter “Consolidation Accounting Standard”), and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereafter “Business Divestitures Accounting Standard”), recording as capital surplus the variance on changes in equity interests in subsidiaries where the Company retains control, and changing the method for recording acquisition-related expenses as expenses for the consolidated fiscal year.

Also, for business combinations conducted from the beginning of the subject fiscal year, the Company has changed to a method to reflect the revisions to the allocated amount of acquisition cost determined by provisional accounting treatment in the consolidated financial statements for the fiscal year of the date of the business combination. In addition, the Company has made changes to the presentation of account titles such as net income, and changed the presentation of minority interests to non-controlling interests. The consolidated financial statements for the previous fiscal year have been reclassified to reflect the subject changes in presentation.

For the application of the Business Combinations Accounting Standard and other standards, the Company follows the transitional treatment prescribed by Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard, and Article 57-4 (4) of the Business Divestitures Accounting Standard, applying such from the beginning of the subject fiscal year and going forward.

Regarding the Consolidated Statement of Cash Flows for the fiscal year, the method has been changed so that cash flow related to the acquisition and/or sales of shares in subsidiaries not accompanied by a change in the scope of consolidation is presented in the “Cash flows from financing activities” segment, and cash flows pertaining to expenses related to the acquisition of shares in subsidiaries accompanied by a change in the scope of consolidation, or the expenses incurred in relation to the acquisition and/or sales of shares in subsidiaries not accompanied by a change in the scope of consolidation, are presented in the “Cash flow from operating activities” segment.

There is no effect on the consolidated financial statements as a result of these changes.

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 ¥112.68 = U.S.\$1, which was the approximate rate prevailing at March 31, 2016. 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, 2016

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, 2016	Reportable segments				Others	Total	Adjustments	(Millions of yen)
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal				Amount on consolidated financial statements
Ordinary revenues	¥ 872,714	¥ 935,264	¥ 218,035	¥ 2,026,014	¥ 28,287	¥ 2,054,301	¥ (28,376)	¥ 2,025,925
Intergroup transfers	1,173	474	-	1,647	42,362	44,010	(44,010)	-
Total	873,887	935,739	218,035	2,027,662	70,649	2,098,312	(72,386)	2,025,925
Segment income (loss)	79,124	90,307	1,212	170,644	18,437	189,081	(17,647)	171,434
Segment assets	7,084,800	6,152,026	1,359,879	14,596,707	919,556	15,516,263	(842,055)	14,674,207
Segment liabilities	6,603,082	5,488,203	1,289,619	13,380,904	161,685	13,542,589	(82,443)	13,460,145
Others								
Depreciation of real estate for rent	2,354	2,658	-	5,012	-	5,012	(21)	4,991
Depreciation	5,708	3,903	136	9,748	702	10,451	(196)	10,254
Provision for (reversal of) policy reserve	39,665	181,309	(26,902)	194,071	250	194,321	-	194,321
Provision for (reversal of) reserve for policyholder dividends	18,135	13,788	(3)	31,920	-	31,920	-	31,920
Interest, dividends and income from real estate for rent	148,103	136,624	7,425	292,153	16,716	308,869	(18,144)	290,725
Interest expenses	871	32	3	908	29	937	(27)	909
Equity in net income of affiliated companies	-	-	-	-	-	-	46	46
Extraordinary gains	3	13,202	1	13,207	108	13,316	(13,152)	163
Extraordinary losses	20,255	8,789	623	29,667	663	30,331	(892)	29,438
Impairment losses	265	3,938	-	4,203	-	4,203	-	4,203
Provision for reserve for price fluctuations	17,831	2,547	189	20,568	-	20,568	-	20,568
Taxes	13,902	26,455	101	40,459	678	41,138	(3,625)	37,513
Investments in affiliated companies	-	100	-	100	-	100	-	100

Increase in tangible fixed
assets and intangible
fixed assets

¥ 34,903 ¥ 17,915 ¥ 1,757 ¥ 54,576 ¥ 1,815 ¥ 56,392 ¥ (18,183) ¥ 38,208

	(Thousands of U.S. dollars)							
	Reportable segments							Amount on consolidated financial statements
Year ended March 31, 2016	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Others	Total	Adjustments	
Ordinary revenues	\$ 7,745,072	\$ 8,300,181	\$ 1,934,994	\$17,980,248	\$ 251,040	\$18,231,289	\$ (251,831)	\$17,979,458
Intergroup transfers	10,411	4,213	-	14,624	375,953	390,577	(390,577)	-
Total	7,745,072	8,300,181	1,934,994	17,980,248	251,040	18,231,289	(251,831)	17,979,458
Segment income (loss)	702,203	801,449	10,760	1,514,412	163,628	1,678,041	(156,614)	1,521,427
Segment assets	62,875,407	54,597,328	12,068,508	129,541,244	8,160,774	137,702,019	(7,472,982)	130,229,036
Segment liabilities	58,600,302	48,706,098	11,444,969	118,751,371	1,434,904	120,186,275	(731,661)	119,454,614
Others								
Depreciation of real estate for rent	20,891	23,593	-	44,485	-	44,485	(187)	44,297
Depreciation	50,658	34,639	1,215	86,513	6,237	92,751	(1,742)	91,008
Provision for (reversal of) policy reserve	352,016	1,609,062	(238,754)	1,722,324	2,221	1,724,545	-	1,724,545
Provision for (reversal of) reserve for policyholder dividends	160,946	122,364	(29)	283,281	-	283,281	-	283,281
Interest, dividends and income from real estate for rent	1,314,373	1,212,503	65,895	2,592,772	148,350	2,741,122	(161,027)	2,580,094
Interest expenses	7,735	291	31	8,058	257	8,316	(246)	8,069
Equity in net income of affiliated companies	-	-	-	-	-	-	413	413
Extraordinary gains	33	117,167	9	117,210	966	118,176	(116,723)	1,453
Extraordinary losses	179,763	78,001	5,529	263,294	5,885	269,180	(7,923)	261,257
Impairment losses	2,357	34,949	-	37,307	-	37,307	-	37,307
Provision for reserve for price fluctuations	158,253	22,605	1,681	182,540	-	182,540	-	182,540
Taxes	123,378	234,785	902	359,066	6,025	365,092	(32,173)	332,918
Investments in affiliated companies	-	887	-	887	-	887	-	887
Increase in tangible fixed assets and intangible fixed assets	\$ 309,761	\$ 158,990	\$ 15,599	\$ 484,351	\$ 16,110	\$ 500,461	\$ (161,376)	\$ 339,084

Notes: 1. Ordinary revenues instead of net sales are presented here.

2. Adjustments are as follows:

- (1) The downward adjustment of ¥28,376 million (\$251,831 thousand) to ordinary revenues is the transferred amount which mainly consists of reversal of policy reserve of ¥26,902 million (\$238,754 thousand) of ordinary revenues which is included in ordinary expenses of the consolidated statement of operation as provision for policy reserves.
- (2) The downward adjustment of ¥17,647 million (\$156,614 thousand) to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.
- (3) The downward adjustment of ¥842,055 million (\$7,472,982 thousand) to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates.
- (4) The downward adjustment of ¥82,433 million (\$731,661 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, 2016

1. Information by product and service

Sales to external customers

<i>(Millions of yen)</i>					
Year ended March 31, 2016	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	¥ 657,185	¥ 748,914	¥ 165,436	¥ 2,969	¥ 1,574,506
Insurance premiums	656,909	747,740	165,300	2,969	1,572,919
Individual insurance and individual annuities	508,608	675,827	165,129	-	1,349,565
Group insurance	32,589	26,523	-	-	59,113
Group annuities	114,370	44,392	147	-	158,910
Others	1,341	996	23	2,969	5,330
Ceded reinsurance recoveries	¥ 276	¥ 1,174	¥ 135	¥ -	¥ 1,586

<i>(Thousands of U.S. dollars)</i>					
Year ended March 31, 2016	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	\$ 5,832,317	\$ 6,646,386	\$1,468,198	\$ 26,350	\$ 13,973,252
Insurance premiums	5,829,867	6,635,962	1,466,992	26,350	13,959,173
Individual insurance and individual annuities	4,513,738	5,997,760	1,465,474	-	11,976,973
Group insurance	289,222	235,387	-	-	524,609
Group annuities	1,015,002	393,971	1,308	-	1,410,281
Others	11,904	8,843	210	26,350	47,308
Ceded reinsurance recoveries	\$ 2,449	\$ 10,424	\$ 1,205	\$ -	\$ 14,078

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, 2016

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, 2016

Not applicable.

[Information on gains on negative goodwill by reportable segment]

For the year ended March 31, 2016

Not applicable.

Per Share Information

Years ended March 31,	<i>(Yen)</i>		<i>(U.S. dollars)</i>	
	2016	2015	2016	
Net assets per share	¥ 1,865.94	¥ 2,018.12	\$ 16.55	
Net income per share	111.00	141.35	0.98	
Net income per share (fully diluted)	109.32	141.18	0.97	

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	2015	2016	
Net income per share:				
Net income	¥ 72,547	¥ 94,215	\$ 643,833	
Net income not attributable to common stockholders	-	-	-	
Net income attributable to common stockholders	¥ 72,547	¥ 94,215	\$ 643,833	

<i>(Shares)</i>		
Weighted-average number of common stocks outstanding	653,556,609	666,540,650

Years ended March 31,	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
	2016	2015	2016	
Net income per share (fully diluted):				
Adjusted net income	¥ (16)	¥ -	\$ (148)	
Amortization of bond premium (after tax)	¥ (16)	¥ -	\$ (148)	

<i>(Shares)</i>		
Increase in common stock	9,884,916	795,192
Convertible Bond	9,094,039	-
Subscription rights to shares	790,877	795,192
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	2015	2016
Net assets	¥ 1,214,061	¥ 1,344,950	\$ 10,774,422
Deduction from net assets	3,521	3,211	31,253
Subscription rights to shares	926	746	8,221
Non-controlling interests	2,595	2,465	23,031
Net assets available to common stockholders	¥ 1,210,540	¥ 1,341,738	\$ 10,743,169

	<i>(Shares)</i>	
The number of common stock outstanding	648,756,978	664,847,265

Subsequent Events

For the year ended March 31, 2016

The Company has resolved at its board of directors meeting held on May 13, 2016, 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 acquisition of treasury stock

To enhance shareholder return and improve capital efficiency.

2. Details of acquisition

- (1) Type of shares to be acquired : Shares of common stock
- (2) Number of shares to be acquired : Up to 16,000,000 shares
- (3) Total amount of acquisition : Up to 1.4 billion yen
- (4) Period of acquisition : From May 16, 2016 to July 15, 2016
- (5) Method of acquisition : Open-market repurchase by the trust method

V. Others

(Reference) Status of Insurance Claims Paying Ability (Consolidated Solvency Margin Ratio)

(Millions of yen)

Items	As of March 31, 2016	As of March 31, 2015
Total solvency margin (A)	2,102,712	2,290,819
Common stock, etc. (less certain items)	759,218	735,975
Reserve for price fluctuations	175,759	155,190
Contingency reserve	152,903	158,597
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,482	1,655
Net unrealized gains on available-for-sale securities and deferred gains (losses) on hedging instruments (x 90 per cent, if gains; x 100 per cent, if losses)	590,290	810,029
Net unrealized gains (losses) on real estate (x 85 per cent., if gains; x 100 per cent., if losses)	16,802	(707)
The total amount of unrecognized actuarial gains and losses and unrecognized past service costs (prior to tax effect deduction)	-	-
Excess amount of policy reserve based on Zillmer method	196,715	179,177
Unallotted portion of reserve for policyholder dividends	16,891	17,028
Deferred tax assets	142,638	135,333
Subordinated debt	50,000	98,600
The amount of non-margin portions in excess amount of policy reserve based on Zillmer method and subordinated debts	-	-
Margin of small-amount short-term insurance company	305	216
Deductible items	(294)	(278)
Total risk $[(R_1^2 + R_5^2)^{1/2} + R_8 + R_9]^2 + (R_2 + R_3 + R_7)^2]^{1/2} + R_4 + R_6$ (B)	363,834	375,326
Insurance risk R1	46,671	47,399
General insurance risk R5	-	-
Catastrophe risk R6	-	-
Third Sector insurance risk R8	14,363	13,525
Insurance risk of small-amount short-term insurance company R9	492	400
Assumed investment yield risk R2	67,926	73,272
Minimum guarantee risk R7	3,084	5,966
Investment risk R3	279,224	282,464
Business risk R4	8,235	8,460
Consolidated solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,155.8%	1,220.7%

Notes:

1. The above ratios are calculated in accordance with the Articles 210.11.3 and 210.11.4 of the Ordinance for Enforcement of the Insurance Business Act as well as the Notification No. 23 issued by the Financial Services Agency in 2011.
2. "Common stock, etc. (less certain items)" represents net assets on the balance sheet less total accumulated other comprehensive income and estimated appropriation paid in cash.
3. "Margin of small-amount short-term insurance company" represents catastrophe loss reserve of small-amount short-term insurance company.
4. "Minimum guarantee risk R7" is calculated using the standard method regulated by the FSA.