

FINANCIAL SUMMARY

(For the fiscal year ended March 31, 2018)

<under Japanese GAAP>

May 15, 2018

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 27, 2018
 Projected Filing Date of Securities Report: June 27, 2018
 Projected Starting Date of Dividend Distribution: June 28, 2018
 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, 2018 (April 1, 2017 - March 31, 2018)

(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 period of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Profit Attributable to Owners of Parent	% change
FY2017 ended March 31, 2018	¥1,928,359 million	(2.4)	¥156,475 million	(0.5)	¥77,577 million	3.2
FY2016 ended March 31, 2017	¥1,975,784 million	(2.5)	¥157,227 million	(8.3)	¥75,187 million	3.6

Note: Comprehensive income was ¥93,236 million (- %) for the fiscal year ended March 31, 2018, and ¥(69,598) million (- %) for the fiscal year ended March 31, 2017.

	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
FY2017 ended March 31, 2018	¥124.23	¥121.81	6.9%	1.0%	8.1%
FY2016 ended March 31, 2017	¥117.81	¥115.59	6.5%	1.1%	8.0%

Note: Equity in earnings/losses of affiliates was ¥72 million for the fiscal year ended March 31, 2018, and ¥1 million for the fiscal year ended March 31, 2017.

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2018	¥15,262,398 million	¥1,153,036 million	7.5%	¥1,844.15
As of March 31, 2017	¥14,891,167 million	¥1,096,772 million	7.3%	¥1,727.69

Reference: Equity was ¥1,147,424 million as of March 31, 2018, and ¥1,092,856 million as of March 31, 2017.

(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 the End of Term
FY2017 ended March 31, 2018	¥370,127 million	¥(467,159) million	¥12,690 million	¥798,538 million
FY2016 ended March 31, 2017	¥343,760 million	¥(534,505) million	¥(48,926) million	¥885,267 million

2. Dividends

	Annual Dividends					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, 2017	-	¥15.00	-	¥17.50	¥32.50	¥20,599 million	27.6%	1.8%
Year Ended March 31, 2018	-	¥17.50	-	¥20.00	¥37.50	¥23,332 million	30.2%	2.1%
Year Ending March 31, 2019 (Forecast)	-	¥20.00	-	¥20.00	¥40.00		31.5%	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

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

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of Parent	Net Income per Share
Year ending March 31, 2019	¥2,130,000 million	10.5%	¥156,000 million	(0.3)%	¥79,000 million	¥126.97

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: None
 2. Changes other than 1. above: None
 3. Changes in accounting estimates: None
 4. Restatement of corrections: None
- (3) Number of Outstanding Shares (Common Stock)
1. Number of outstanding shares including treasury shares at the end of the year:
As of March 31, 2018: 655,000,000
As of March 31, 2017: 681,480,000
 2. Number of treasury shares at the end of the year:
As of March 31, 2018: 32,802,460
As of March 31, 2017: 48,925,774
 3. Average number of outstanding shares during the year:
For the year ended March 31, 2018: 624,468,759
For the year ended March 31, 2017: 638,194,089

* 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, 2019 (April 1, 2018 - March 31, 2019).”

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, 2018	2
(2) Overview of Consolidated Financial Conditions and Cash Flows	3
(i) Overview of Assets, Liabilities and Net assets	3
(ii) Overview of Cash Flows	3
2. Consolidated Earnings Forecasts for the Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)	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. U.S. Dollar Amounts	14
7. 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, 2018

For the fiscal year ended March 31, 2018, ordinary revenues decreased ¥47.4 billion or 2.4 percent from the previous fiscal year to ¥1,928.3 billion, which were a total of income from insurance premiums of ¥1,483.7 billion (down 1.4 percent), investment income of ¥372.7 billion (down 7.4 percent), other ordinary income of ¥71.8 billion (up 5.9 percent) and so forth.

Ordinary expenses decreased ¥46.6 billion or 2.6 percent from the previous fiscal year to ¥1,771.8 billion, which were a total of insurance claims and other payments of ¥1,146.1 billion (down 1.2 percent), provision for policy and other reserves of ¥262.8 billion (up 1.5 percent), investment expenses of ¥96.2 billion (down 26.1 percent), operating expenses of ¥202.3 billion (up 2.4 percent) and other ordinary expenses of ¥64.1 billion (down 9.9 percent).

As a result, ordinary profit decreased 0.5 percent from the previous fiscal year, to ¥156.4 billion. Extraordinary gains decreased 90.6 percent to ¥0.0 billion and extraordinary losses decreased 53.3 percent to ¥16.5 billion. After accounting for extraordinary gains and losses, provision for reserve for policyholder dividends, and income taxes and so forth, profit attributable to owners of parent increased ¥2.3 billion, or 3.2 percent from the previous fiscal year to ¥77.5 billion.

Comprehensive income was ¥93.2 billion compared with negative ¥69.5 billion of the previous fiscal year, which was a total of profit of ¥77.5 billion (up 3.0 percent) and other comprehensive income of ¥15.6 billion (previous fiscal year was negative ¥144.9 billion).

(i) Ordinary Revenues

	(Billions of yen)		
	Year ended March 31, 2017	Year ended March 31, 2018	Increase (decrease)
Consolidated	1,975.7	1,928.3	(47.4)
Taiyo Life	897.9	738.7	(159.2)
Daido Life	944.4	988.0	43.6
T&D Financial Life	155.8	196.4	40.6

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, 2018	Increase (decrease)
Consolidated	157.2	156.4	(0.7)
Taiyo Life	66.6	62.7	(3.8)
Daido Life	82.6	89.3	6.7
T&D Financial Life	6.1	2.5	(3.6)

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, 2018	Increase (decrease)
Consolidated	75.1	77.5	2.3
Taiyo Life	28.9	30.4	1.5
Daido Life	43.1	44.5	1.4
T&D Financial Life	2.1	1.5	(0.5)

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 assets, liabilities and net assets**

As of March 31, 2018, total assets was ¥15,262.3 billion (up 2.5 percent from the previous fiscal year-end).

The main components of the total assets were securities of ¥11,377.0 billion (up 3.4 percent), loans of ¥1,648.6 billion (down 2.2 percent), cash and deposits of ¥776.5 billion (down 10.0 percent), monetary trusts of ¥685.8 billion (up 17.5 percent), and tangible assets of ¥363.2 billion (up 13.6 percent).

Total liabilities were ¥14,109.3 billion (up 2.3 percent). Policy reserves accounting for a substantial portion of total liabilities were ¥13,395.7 billion (up 2.0 percent).

Total net assets were ¥1,153.0 billion (up 5.1 percent) of which valuation difference on available-for-sale securities were ¥353.5 billion (up 4.4 percent).

As of March 31, 2018, consolidated solvency margin ratio was 1,061.8 percent (1,105.1 percent at the previous fiscal year-end) and the amount of consolidated adjusted net assets was ¥2,707.6 billion (¥2,592.5 billion at the previous fiscal year-end).

(ii) Overview of Cash Flows

Net cash provided by operating activities was ¥370.1 billion, an increase of ¥26.3 billion from the previous fiscal year.

Net cash used in investing activities was ¥467.1 billion, a decrease of ¥67.3 billion from the previous fiscal year.

Net cash provided by financing activities was ¥12.6 billion, an increase of ¥61.6 billion from the previous fiscal year.

As a result, cash and cash equivalents as of March 31, 2018 totaled ¥798.5 billion (¥885.2 billion at the previous fiscal year-end), a decrease of ¥86.7 billion from the beginning of the fiscal year.

2. Consolidated Earnings Forecasts for the Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

Consolidated earnings forecasts for the year ending March 31, 2019 are as follows:

(Billions of yen)

	Ordinary revenues	Ordinary profit	Profit attributable to owners of parent
Full year	2,130	156	79
Change	10.5%	(0.3%)	1.8%

Note: "Change" represents the change from the previous year.

Ordinary revenues are expected to be ¥2,130 billion, an increase of approximately ¥200 billion or 10.5 percent from the fiscal year ended March 31, 2018. This is mainly due to the expected increase in income from insurance premiums.

Ordinary profit is expected to be ¥156 billion, which is around the same level of the fiscal year ended March 31, 2018.

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, income taxes and so forth from ordinary profit of ¥156 billion, is expected to be ¥79 billion, an increase of approximately ¥1 billion or 1.8 percent from the fiscal year ended March 31, 2018.

II. Basic Considerations in the Selection of Accounting Policies

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

The Group is conducting a research and study to prepare for the future application of International Financial Reporting Standards (IFRS). However, the actual application will be considered based on the domestic and overseas trends regarding IFRS and so forth.

III. Unaudited Consolidated Financial Statements

1. Unaudited Consolidated Balance Sheet

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2017	2018	2018
Assets:			
Cash and deposits	¥ 862,425	¥ 776,510	\$ 7,309,017
Call loans	11,302	10,539	99,199
Monetary claims purchased	141,242	117,578	1,106,724
Monetary trusts	583,476	685,819	6,455,380
Securities	11,001,953	11,377,032	107,088,035
Loans	1,685,118	1,648,600	15,517,696
Tangible fixed assets	319,884	363,245	3,419,100
Land	177,864	202,010	1,901,458
Buildings	122,157	155,308	1,461,865
Lease assets	714	605	5,698
Construction in progress	15,237	1,237	11,648
Other tangible fixed assets	3,910	4,082	38,428
Intangible fixed assets	23,195	26,862	252,851
Software	21,640	25,395	239,036
Lease assets	383	298	2,805
Other intangible fixed assets	1,172	1,169	11,009
Due from agencies	756	740	6,965
Due from reinsurers	3,535	3,136	29,526
Other assets	210,889	209,171	1,968,857
Deferred tax assets	49,143	44,753	421,250
Reserve for possible loan losses	(1,755)	(1,591)	(14,979)
Total assets	¥ 14,891,167	¥ 15,262,398	\$ 143,659,627

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2017	2018	2018
Liabilities:			
Policy reserves	¥ 13,139,218	¥ 13,395,725	\$ 126,089,286
Reserve for outstanding claims	70,065	67,749	637,706
Policy reserve	12,976,211	13,239,086	124,614,891
Reserve for policyholder dividends	92,942	88,889	836,688
Due to agencies	334	658	6,195
Due to reinsurers	1,781	1,539	14,489
Short-term debentures	2,999	6,000	56,475
Bonds	50,095	87,065	819,512
Other liabilities	332,772	342,252	3,221,498
Provision for bonuses to directors and audit & supervisory board members	263	276	2,603
Net defined benefit liability	56,547	50,764	477,828
Provision for directors' and audit & supervisory board members' retirement benefits	53	56	530
Reserves under the special laws	204,894	219,695	2,067,913
Reserve for price fluctuations	204,894	219,695	2,067,913
Deferred tax liabilities	7	13	128
Deferred tax liabilities on land revaluation	5,426	5,316	50,038
Total liabilities	13,794,395	14,109,362	132,806,501
Net assets:			
Capital stock	207,111	207,111	1,949,471
Capital surplus	194,522	156,785	1,475,769
Retained earnings	460,683	516,585	4,862,439
Treasury shares	(67,763)	(46,703)	(439,606)
Total shareholders' equity	794,554	833,779	7,848,074
Valuation difference on available-for-sale securities	338,842	353,590	3,328,224
Deferred gains (losses) on hedging instruments	(5,203)	(4,320)	(40,663)
Land revaluation	(35,354)	(35,637)	(335,439)
Foreign currency translation adjustments	17	11	110
Total accumulated other comprehensive income	298,302	313,645	2,952,232
Subscription rights to shares	1,178	1,216	11,449
Non-controlling interests	2,737	4,395	41,369
Total net assets	1,096,772	1,153,036	10,853,125
Total liabilities and net assets	¥ 14,891,167	¥ 15,262,398	\$ 143,659,627

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)
	2017	2018	2018
Ordinary revenues	¥ 1,975,784	¥ 1,928,359	\$ 18,150,976
Income from insurance premiums	1,505,234	1,483,719	13,965,733
Investment income	402,709	372,753	3,508,601
Interest, dividends and income from real estate for rent	276,628	285,496	2,687,279
Gains from monetary trusts, net	5,610	-	-
Gains on sales of securities	111,077	78,487	738,778
Foreign exchange gains, net	1,295	-	-
Reversal of reserve for possible loan losses	292	86	814
Other investment income	2,386	2,734	25,739
Gains on separate accounts, net	5,418	5,948	55,989
Other ordinary income	67,838	71,813	675,954
Equity in earnings of affiliates	1	72	686
Ordinary expenses	1,818,556	1,771,884	16,678,131
Insurance claims and other payments	1,160,357	1,146,175	10,788,546
Insurance claims	349,055	334,188	3,145,604
Annuity payments	300,940	281,915	2,653,576
Insurance benefits	152,715	148,099	1,394,012
Surrender payments	307,840	330,019	3,106,356
Other payments	49,805	51,951	488,996
Provision for policy and other reserves	259,134	262,894	2,474,535
Provision for reserve for outstanding claims	2,151	-	-
Provision for policy reserve	256,954	262,874	2,474,350
Interest portion of reserve for policyholder dividends	27	19	184
Investment expenses	130,277	96,288	906,332
Interest expenses	573	637	6,002
Losses from monetary trusts, net	-	285	2,689
Losses on investments in trading securities, net	587	195	1,843
Losses on sales of securities	57,725	18,097	170,341
Devaluation losses on securities	853	6,193	58,296
Losses from derivatives, net	49,712	45,680	429,970
Foreign Exchange losses, net	-	3,900	36,714
Write-off of loans	2	1	11
Depreciation of real estate for rent	4,891	5,027	47,325
Other investment expenses	15,931	16,269	153,137
Operating expenses	197,600	202,366	1,904,804
Other ordinary expenses	71,186	64,159	603,913
Ordinary profit	¥ 157,227	¥ 156,475	\$ 1,472,844

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2017	2018	2018	
Extraordinary gains	¥ 300	¥ 28	\$ 266	
Gains on disposal of fixed assets	239	13	124	
State subsidy	60	15	141	
Extraordinary losses	35,367	16,513	155,437	
Losses on disposal of fixed assets	1,098	953	8,975	
Impairment losses	4,779	744	7,005	
Provision for reserve for price fluctuations	29,134	14,800	139,314	
Other extraordinary losses	353	15	141	
Provision for reserve for policyholder dividends	25,374	30,331	285,503	
Income before income taxes	96,786	109,657	1,032,169	
Income taxes (current)	33,316	34,106	321,030	
Income taxes (deferred)	(11,895)	(2,044)	(19,248)	
Total income taxes	21,421	32,061	301,782	
Profit	75,365	77,596	730,386	
Profit attributable to non-controlling interests	177	19	179	
Profit attributable to owners of parent	¥ 75,187	¥ 77,577	\$ 730,207	

Unaudited Consolidated Statements of Comprehensive Income

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2017	2018	2018	
Profit	¥ 75,365	¥ 77,596	\$ 730,386	
Other comprehensive income:				
Valuation difference on available-for-sale securities	(148,357)	14,764	138,969	
Deferred gains (losses) on hedging instruments	3,398	883	8,314	
Foreign currency translation adjustments	(0)	(0)	(1)	
Share of other comprehensive income of associates accounted for using the equity method	(5)	(6)	(65)	
Total other comprehensive income	(144,963)	15,640	147,216	
Comprehensive income	¥ (69,598)	¥ 93,236	\$ 877,603	
(Breakdown)				
Comprehensive income attributable to owners of parent	(69,776)	93,202	877,286	
Comprehensive income attributable to non-controlling interests	177	33	316	

3. Unaudited Consolidated Statements of Changes in Net Assets

Year ended March 31, 2017						<i>(Millions of yen)</i>	
	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments
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 shares				(19,012)	(19,012)		
Disposal of treasury shares		(28)		125	97		
Reversal of land revaluation			(7,934)		(7,934)		
Net changes of items other than shareholders' equity						(148,358)	3,398
Total changes in the period		(28)	38,261	(18,886)	19,345	(148,358)	3,398
Balance at the end of the year	¥ 207,111	¥ 194,522	¥ 460,683	¥ (67,763)	¥ 794,554	¥ 338,842	¥ (5,203)

Year ended March 31, 2017	<i>(Millions of yen)</i>					
	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			
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 shares						(19,012)
Disposal of treasury shares						97
Reversal of land revaluation						(7,934)
Net changes of items other than shareholders' 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

Year ended March 31, 2018						(Millions of yen)	
	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments
Balance at the beginning of the year	¥ 207,111	¥ 194,522	¥ 460,683	¥ (67,763)	¥ 794,554	¥ 338,842	¥ (5,203)
Changes in the period							
Dividends			(21,958)		(21,958)		
Profit attributable to owners of parent			77,577		77,577		
Acquisition of treasury shares				(17,018)	(17,018)		
Disposal of treasury shares		(106)		377	271		
Cancellation of treasury shares		(37,700)		37,700	-		
Change in ownership interest of parent due to transactions with non-controlling interests		70			70		
Reversal of land revaluation			282		282		
Net changes of items other than shareholders' equity						14,748	883
Total changes in the period		(37,736)	55,901	21,059	39,225	14,748	883
Balance at the end of the year	¥ 207,111	¥ 156,785	¥ 516,585	¥ (46,703)	¥ 833,779	¥ 353,590	¥ (4,320)

Year ended March 31, 2018	(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			
Balance at the beginning of the year	¥ (35,354)	¥ 17	¥ 298,302	¥ 1,178	¥ 2,737	¥ 1,096,772
Changes in the period						
Dividends						(21,958)
Profit attributable to owners of parent						77,577
Acquisition of treasury shares						(17,018)
Disposal of treasury shares						271
Cancellation of treasury shares						-
Change in ownership interest of parent due to transactions with non-controlling interests						70
Reversal of land revaluation						282
Net changes of items other than shareholders' equity	(282)	(5)	15,342	38	1,657	17,038
Total changes in the period	(282)	(5)	15,342	38	1,657	56,263
Balance at the end of the year	¥ (35,637)	¥ 11	¥ 313,645	¥ 1,216	¥ 4,395	¥ 1,153,036

Year ended March 31, 2018						(Thousands of U.S. dollars)	
	Stockholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments
Balance at the beginning of the year	\$ 1,949,471	\$ 1,830,968	\$ 4,336,254	\$ (637,832)	\$ 7,478,861	\$ 3,189,406	\$ (48,977)
Changes in the period							
Dividends			(206,684)		(206,684)		
Profit attributable to owners of parent			730,207		730,207		
Acquisition of treasury shares				(160,189)	(160,189)		
Disposal of treasury shares		(1,002)		3,557	2,554		
Cancellation of treasury shares		(354,858)		354,858	-		
Change in ownership interest of parent due to transactions with non-controlling interests		661			661		
Reversal of land revaluation			2,662		2,662		
Net changes of items other than shareholders' equity						138,817	8,314
Total changes in the period		(355,198)	526,185	198,225	369,212	138,817	8,314
Balance at the end of the year	\$ 1,949,471	\$ 1,475,769	\$ 4,862,439	\$ (439,606)	\$ 7,848,074	\$ 3,328,224	\$ (40,663)

Year ended March 31, 2018							(Thousands of U.S. dollars)
	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	\$ (332,776)	\$ 163	\$ 2,807,815	\$ 11,089	\$ 25,769	\$ 10,323,536	
Changes in the period							
Dividends							(206,684)
Profit attributable to owners of parent							730,207
Acquisition of treasury shares							(160,189)
Disposal of treasury shares							2,554
Cancellation of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							661
Reversal of land revaluation							2,662
Net changes of items other than shareholders' equity	(2,662)	(52)	144,416	359	15,600	160,376	
Total changes in the period	(2,662)	(52)	144,416	359	15,600	529,589	
Balance at the end of the year	\$ (335,439)	\$ 110	\$ 2,952,232	\$ 11,449	\$ 41,369	\$ 10,853,125	

4. Unaudited Consolidated Statement of Cash Flows

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2017	2018	2018	
Cash flows from operating activities:				
Income before income taxes	¥ 96,786	¥ 109,657	\$ 1,032,169	
Depreciation of real estate for rent	4,891	5,027	47,325	
Depreciation	11,345	10,762	101,307	
Impairment losses	4,779	744	7,005	
Increase (decrease) in reserve for outstanding claims	2,151	(2,315)	(21,797)	
Increase (decrease) in policy reserve	256,954	262,874	2,474,350	
Interest portion of reserve for policyholder dividends	27	19	184	
Provision for reserve for (reversal of) policyholder dividends	25,374	30,331	285,503	
Increase (decrease) in reserve for possible loan losses	(299)	(162)	(1,531)	
Increase (decrease) in provision for bonuses to directors and audit & supervisory board members	(18)	13	126	
Increase (decrease) in net defined benefit liability	(3,183)	(5,783)	(54,436)	
Increase (decrease) in provision for directors' and audit & supervisory board members' retirement benefits	(25)	2	22	
Increase (decrease) in reserve for price fluctuations	29,134	14,800	139,314	
Interest, dividends and income from real estate for rent	(276,628)	(285,496)	(2,687,279)	
Losses (gains) on investment securities	(57,329)	(59,949)	(564,287)	
Interest expenses	573	637	6,002	
Foreign exchange losses (gains), net	(540)	3,463	32,604	
Losses (gains) on disposal of tangible fixed assets	656	888	8,364	
Equity in losses (income) of affiliated companies	(1)	(72)	(686)	
Decrease (increase) in amount due from agencies	(9)	16	156	
Decrease (increase) in amount due from reinsurers	(2,794)	364	3,427	
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(7,347)	(14,043)	(132,184)	
Increase (decrease) in amount due to agencies	(296)	324	3,049	
Increase (decrease) in amount due to reinsurers	1,140	(242)	(2,282)	
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	3,337	99	938	
Others, net	58,206	60,032	565,064	
Subtotal	146,888	131,995	1,242,431	
Interest, dividends and income from real estate for rent received	287,630	295,876	2,784,982	
Interest paid	(573)	(550)	(5,186)	
Policyholder dividends	(37,713)	(34,469)	(324,445)	
Others, net	3,648	2,107	19,837	
Income taxes paid	(56,119)	(24,832)	(233,739)	
Net cash provided by (used in) operating activities	¥ 343,760	¥ 370,127	\$ 3,483,880	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2017	2018	2018
Cash flows from investing activities:			
Net decrease (increase) in cash and deposits	¥ (200)	¥ (50)	\$ (470)
Investments in monetary claims purchased	(8,500)	(2,000)	(18,825)
Proceeds from sales and redemption of monetary claims purchased	47,777	25,454	239,594
Investments in monetary trusts	(113,277)	(137,658)	(1,295,731)
Proceeds from monetary trusts	60,070	35,470	333,866
Purchase of securities	(2,525,588)	(1,643,451)	(15,469,235)
Proceeds from sales and redemption of securities	1,843,117	1,265,588	11,912,545
Investments in loans	(345,104)	(397,753)	(3,743,914)
Collection of loans	429,496	435,667	4,100,781
Others, net	93,832	5,560	52,334
Subtotal	(518,376)	(413,173)	(3,889,053)
Total of net cash provided by (used in) operating activities and investment transactions as above	(174,616)	(43,045)	(405,172)
Purchase of tangible fixed assets	(17,387)	(53,658)	(505,070)
Proceeds from disposal of tangible fixed assets	1,575	247	2,325
Others, net	(316)	(574)	(5,411)
Net cash provided by (used in) investing activities	(534,505)	(467,159)	(4,397,210)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	0	3,000	28,238
Proceeds from issuance of debt	11,700	22,800	214,608
Repayments of debt	(12,149)	(12,331)	(116,068)
Proceeds from issuance of bonds	-	37,000	348,268
Proceeds from share issuance to non-controlling shareholders	13	2,147	20,216
Repayments to non-controlling shareholders	-	(405)	(3,816)
Payment of lease obligations	(590)	(527)	(4,967)
Acquisition of treasury shares	(19,012)	(17,018)	(160,189)
Disposal of treasury shares	0	0	1
Dividends paid	(28,840)	(21,926)	(206,383)
Dividends paid to non-controlling interests	(48)	(48)	(454)
Others, net	0	0	2
Net cash provided by (used in) financing activities	(48,926)	12,690	119,455
Effect of exchange rate changes on cash and cash equivalents	17	(2,387)	(22,473)
Net increase (decrease) in cash and cash equivalents	(239,654)	(86,728)	(816,347)
Cash and cash equivalents at the beginning of the year	1,124,922	885,267	8,332,714
Cash and cash equivalents at the end of the year	¥ 885,267	¥ 798,538	\$ 7,516,366

5. Notes on Going-Concern Assumption

Not applicable.

6. U.S. Dollar Amounts

The translations of Japanese 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 1 U.S. dollar = 106.24 Japanese yen, which was the approximate rate at the end of March 2018. 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.

7. Notes to Unaudited Consolidated Financial Statements

Segment Information

[Segment information]

For the year ended March 31, 2018

1. Overview of reportable segments

The reportable segments of the Company are components of the Company in which the 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, 2018	Reportable segments					Others	Total	Adjustments	(Millions of yen)
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Amount on consolidated financial statements				
Ordinary revenues	¥ 737,487	¥ 987,614	¥ 196,492	¥ 1,921,593	¥ 31,766	¥ 1,953,360	¥ (25,000)	¥ 1,928,359	
Intergroup transfers	1,229	456	-	1,685	69,300	70,986	(70,986)	-	
Total	738,716	988,070	196,492	1,923,279	101,066	2,024,346	(95,986)	1,928,359	
Segment income (loss)	62,790	89,397	2,543	154,732	47,895	202,627	(46,152)	156,475	
Segment assets	7,219,463	6,573,924	1,365,878	15,159,267	921,034	16,080,302	(817,903)	15,262,398	
Segment liabilities	6,810,776	5,913,402	1,292,955	14,017,134	148,847	14,165,982	(56,619)	14,109,362	
Others									
Depreciation of real estate for rent	2,648	2,407	-	5,056	-	5,056	(28)	5,027	
Depreciation	6,033	4,070	54	10,158	644	10,803	(40)	10,762	
Provision for (reversal of) policy reserve	(20,409)	232,722	50,164	262,476	398	262,874	-	262,874	
Provision for (reversal of) reserve for policyholder dividends	15,664	14,668	(1)	30,331	-	30,331	-	30,331	
Interest, dividends and income from real estate for rent	137,721	141,840	7,409	286,971	46,099	333,070	(47,573)	285,496	
Interest expenses	638	16	0	656	31	687	(49)	637	
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	72	72	
Extraordinary gains	26	55	-	82	15	97	(68)	28	
Extraordinary losses	4,280	11,754	461	16,496	17	16,513	(0)	16,513	
Impairment losses	744	-	-	744	-	744	-	744	
Provision for reserve for price fluctuations	3,251	11,089	459	14,800	-	14,800	-	14,800	
Taxes	12,390	18,458	494	31,343	724	32,068	(6)	32,061	
Investments in affiliated companies	49	100	-	149	-	149	-	149	
Increase in tangible fixed assets and intangible fixed assets	¥ 46,298	¥ 16,370	¥ 1,065	¥ 63,734	¥ 531	¥ 64,266	¥ (117)	¥ 64,148	

Year ended March 31, 2018	Reportable segments				Others	Total	Adjustments	(Thousands of U.S. dollars)
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal				Amount on consolidated financial statements
Ordinary revenues	\$ 6,941,707	\$ 9,296,067	\$ 1,849,515	\$18,087,290	\$ 299,004	\$18,386,295	\$ (235,319)	\$18,150,976
Intergroup transfers	11,568	4,295	-	15,864	652,302	668,166	(668,166)	-
Total	6,953,276	9,300,362	1,849,515	18,103,154	951,307	19,054,462	(903,485)	18,150,976
Segment income (loss)	591,024	841,469	23,944	1,456,439	450,823	1,907,262	(434,418)	1,472,844
Segment assets	67,954,292	61,878,055	12,856,540	142,688,888	8,669,380	151,358,268	(7,698,641)	143,659,627
Segment liabilities	64,107,456	55,660,794	12,170,142	131,938,393	1,401,045	133,339,439	(532,937)	132,806,501
Others								
Depreciation of real estate for rent	24,930	22,660	-	47,591	-	47,591	(265)	47,325
Depreciation	56,788	38,316	514	95,619	6,070	101,690	(383)	101,307
Provision for (reversal of) policy reserve	(192,107)	2,190,532	472,179	2,470,603	3,746	2,474,350	-	2,474,350
Provision for (reversal of) reserve for policyholder dividends	147,446	138,067	(10)	285,503	-	285,503	-	285,503
Interest, dividends and income from real estate for rent	1,296,322	1,335,097	69,739	2,701,159	433,915	3,135,074	(447,794)	2,687,279
Interest expenses	6,012	157	8	6,178	292	6,470	(468)	6,002
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	686	686
Extraordinary gains	245	526	-	772	141	914	(647)	266
Extraordinary losses	40,294	110,638	4,345	155,278	161	155,440	(2)	155,437
Impairment losses	7,005	-	-	7,005	-	7,005	-	7,005
Provision for reserve for price fluctuations	30,605	104,385	4,323	139,314	-	139,314	-	139,314
Taxes	116,627	173,743	4,656	295,027	6,820	301,848	(65)	301,782
Investments in affiliated companies	469	941	-	1,410	-	1,410	-	1,410
Increase in tangible fixed assets and intangible fixed assets	\$ 435,790	\$ 154,093	\$ 10,028	\$ 599,911	\$ 5,004	\$ 604,915	\$ (1,108)	\$ 603,807

Notes:

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

2. Adjustments are as follows:

- (1) The adjustment of ¥(25,000 million) [\$(235,319 thousand)] to ordinary revenues is the transferred amount which mainly consists of reversal of policy reserve of ¥20,409 million [\$192,107 thousand] of ordinary revenues and provision for retirement benefits of ¥3,627 million [\$34,148 thousand] which is included in ordinary expenses of the consolidated statement of operation as provision for policy reserves and reversal of provision for retirement benefits, respectively.
- (2) The adjustment of ¥(46,152 million) [\$(434,418 thousand)] to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.
- (3) The adjustment of ¥(817,903 million) [\$(7,698,641 thousand)] to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates.
- (4) The adjustment of ¥(56,619 million) [\$(532,937 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, 2018

1. Information by product and service

Sales to external customers

	(Millions of yen)				
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	¥ 511,900	¥ 790,852	¥ 176,474	¥ 4,492	¥ 1,483,719
Insurance premiums	511,514	789,337	176,158	4,492	1,481,502
Individual insurance and individual annuities	417,790	727,193	175,998	-	1,320,982
Group insurance	31,469	23,897	-	-	55,366
Group annuities	61,048	37,200	138	-	98,386
Others	1,206	1,046	21	4,492	6,767
Ceded reinsurance recoveries	¥ 386	¥ 1,514	¥ 316	¥ -	¥ 2,217

	(Thousands of U.S. dollars)				
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	\$ 4,818,343	\$ 7,444,015	\$1,661,092	\$ 42,281	\$ 13,965,733
Insurance premiums	4,814,704	7,429,759	1,658,117	42,281	13,944,863
Individual insurance and individual annuities	3,932,513	6,844,819	1,656,612	-	12,433,945
Group insurance	296,207	224,936	-	-	521,143
Group annuities	574,624	350,152	1,300	-	926,078
Others	11,359	9,850	204	42,281	63,696
Ceded reinsurance recoveries	\$ 3,638	\$ 14,255	\$ 2,975	\$ -	\$ 20,870

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, 2018

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, 2018

Not applicable.

[Information on gains on negative goodwill by reportable segment]

For the year ended March 31, 2018

Not applicable.

Per Share Information

Years ended March 31,	(Yen)		(U.S. dollars)	
	2017	2018	2018	
Net assets per share	¥ 1,727.69	¥ 1,844.15	\$	17.35
Net income per share	117.81	124.23		1.16
Net income per share (fully diluted)	115.59	121.81		1.14

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

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2017	2018	2018	
Net income per share:				
Profit attributable to owners of parent	¥ 75,187	¥ 77,577	\$	730,207
Amount not attributable to common stockholders	-	-		-
Profit attributable to owners of parent attributable to common stockholders	¥ 75,187	¥ 77,577	\$	730,207

(Shares)		
Weighted-average number of common stocks outstanding	638,194,089	624,468,759

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2017	2018	2018	
Net income per share (fully diluted):				
Adjusted profit attributable to owners of parent	¥ (20)	¥ (20)	\$	(195)
Amortization of bond premium (after tax)	¥ (20)	¥ (20)	\$	(195)

(Shares)		
Increase in common stock	12,115,431	12,215,498
Convertible Bond	11,104,941	11,152,830
Subscription rights to shares	1,010,490	1,062,668
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,	(Millions of yen)		(Thousands of U.S. dollars)
	2017	2018	2018
Net assets	¥ 1,096,772	¥ 1,153,036	\$ 10,853,125
Deduction from net assets	3,915	5,611	52,818
Subscription rights to shares	1,178	1,216	11,449
Non-controlling interests	2,737	4,395	41,369
Net assets available to common stockholders	¥ 1,092,856	¥ 1,147,424	\$ 10,800,306
(Shares)			
The number of common stock outstanding	632,554,226	622,197,540	

Significant Subsequent Events

The Company has resolved at its board of directors meeting held on May 15, 2018, the acquisition of treasury shares 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 shares

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 13,000,000 shares |
| (3) Total amount of acquisition | : Up to 17,000 million yen |
| (4) Period of acquisition | : From May 16, 2018 to August 31, 2018 |
| (5) Method of acquisition | : Open-market repurchase by the trust method |