

FINANCIAL SUMMARY

(For the nine months ended December 31, 2018)

<under Japanese GAAP>

February 14, 2019

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <https://www.td-holdings.co.jp/en/>
 Projected Filing Date of Quarterly Securities Report: February 14, 2019
 Projected Starting Date of Dividend Distribution: -
 Supplemental Information for Quarterly Financial Statements: Available
 Holding of Quarterly Financial Results Meeting: Yes (for institutional investors and analysts) IR Conference Call

1. Consolidated Operating Results for the Nine Months Ended December 31, 2018 (April 1, 2018 - December 31, 2018)

(1) Consolidated Management Performance (Cumulative Total)

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
Nine months ended December 31, 2018	¥1,597,854 million	11.6	¥118,099 million	3.1	¥61,331 million	5.4
Nine months ended December 31, 2017	¥1,432,364 million	(0.5)	¥114,602 million	(13.7)	¥58,172 million	(11.7)

Note: Comprehensive income was ¥(86,501) million (- %) for the nine months ended December 31, 2018, and ¥192,392 million (- %) for the nine months ended December 31, 2017.

	Net Income per Share	Net Income per Share (Fully Diluted)
Nine months ended December 31, 2018	¥99.66	¥97.69
Nine months ended December 31, 2017	¥93.04	¥91.24

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio
As of December 31, 2018	¥15,532,059 million	¥1,024,486 million	6.6%
As of March 31, 2018	¥15,262,398 million	¥1,153,036 million	7.5%

Reference: Equity was ¥1,017,950 million as of December 31, 2018, and ¥1,147,424 million as of March 31, 2018.

2. Dividends

	Annual Dividends				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
Year Ended March 31, 2018	-	¥17.50	-	¥20.00	¥37.50
Year ending March 31, 2019	-	¥20.00	-		
Year ending March 31, 2019 (Forecast)				¥20.00	¥40.00

Note: Revisions to previously announced dividend forecasts: None

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 1.8%	¥126.97

Note: Revisions to previously announced financial forecasts: None

4. Notes

- (1) Changes in Significant Subsidiaries During the Consolidated Cumulative Quarter : None
- (2) Adoption of special accounting method for quarterly financial reporting: None
- (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections:
 - 1. Changes in accounting policies due to the revision of accounting standards and other regulations: None
 - 2. Changes in accounting policies other than 1. above: None
 - 3. Changes in accounting estimates: None
 - 4. Restatement of corrections: None
- (4) Number of Outstanding Shares (Common Stock)
 - 1. Number of outstanding shares including treasury shares at the end of the period:
 - As of December 31, 2018: 655,000,000
 - As of March 31, 2018: 655,000,000
 - 2. Number of treasury shares at the end of the period:
 - As of December 31, 2018: 43,043,811
 - As of March 31, 2018: 32,802,460
 - 3. Average number of outstanding shares during the period:
 - For the nine months ended December 31, 2018: 615,441,438
 - For the nine months ended December 31, 2017: 625,213,188

Note: Regarding the company's shares remaining in BIP (Board Incentive Plan) Trust which were recorded as treasury shares in shareholders' equity, 832,700 shares were included in the number of treasury shares as of December 31, 2018, and 363,360 shares were deducted from the average number of outstanding shares for the nine months ended December 31, 2018.

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

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

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.

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

1. Unaudited Consolidated Financial Statements and Main Notes

(1) Unaudited Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets:		
Cash and deposits	776,510	768,095
Call loans	10,539	909
Monetary claims purchased	117,578	122,947
Monetary trusts	685,819	743,150
Securities	11,377,032	11,493,579
Loans	1,648,600	1,669,889
Tangible fixed assets	363,245	365,230
Intangible fixed assets	26,862	28,498
Due from agencies	740	670
Due from reinsurers	3,136	2,594
Other assets	209,171	235,124
Deferred tax assets	44,753	102,977
Reserve for possible loan losses	(1,591)	(1,608)
Total assets	15,262,398	15,532,059
Liabilities:		
Policy reserves	13,395,725	13,714,819
Reserve for outstanding claims	67,749	65,951
Policy reserve	13,239,086	13,563,398
Reserve for policyholder dividends	88,889	85,468
Due to agencies	658	383
Due to reinsurers	1,539	1,861
Short-term debentures	6,000	6,000
Bonds	87,065	117,042
Other liabilities	342,252	380,929
Provision for bonuses to directors and audit & supervisory board members	276	208
Provision for stock grant	-	336
Net defined benefit liability	50,764	49,481
Provision for directors' and audit & supervisory board members' retirement benefits	56	62
Reserves under the special laws	219,695	231,185
Reserve for price fluctuations	219,695	231,185
Deferred tax liabilities	13	12
Deferred tax liabilities on land revaluation	5,316	5,249
Total liabilities	14,109,362	14,507,573
Net assets:		
Capital stock	207,111	207,111
Capital surplus	156,785	156,740
Retained earnings	516,585	553,083
Treasury shares	(46,703)	(64,867)
Total shareholders' equity	833,779	852,068
Valuation difference on available-for-sale securities	353,590	204,441
Deferred gains (losses) on hedging instruments	(4,320)	(3,078)
Land revaluation	(35,637)	(35,503)
Foreign currency translation adjustment	11	22
Total accumulated other comprehensive income	313,645	165,882
Subscription rights to shares	1,216	1,081
Non-controlling interests	4,395	5,454
Total net assets	1,153,036	1,024,486
Total liabilities and net assets	15,262,398	15,532,059

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

Unaudited Consolidated Statement of Operation

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Ordinary revenues	1,432,364	1,597,854
Income from insurance premiums	1,087,413	1,250,871
Investment income	289,007	294,052
Interest, dividends and income from real estate for rent	209,705	220,895
Gains from monetary trusts, net	14,087	997
Gains on investment in trading securities, net	101	37
Gains on sales of securities	54,360	69,072
Gains on redemption of securities	-	1,168
Foreign exchange gains, net	274	-
Reversal of reserve for possible loan losses	109	-
Other investment income	2,178	1,881
Gains on separate accounts, net	8,189	-
Other ordinary income	55,879	52,929
Equity in earnings of affiliates	64	-
Ordinary expenses	1,317,762	1,479,754
Insurance claims and other payments	870,052	869,982
Insurance claims	256,772	253,144
Annuity payments	217,197	210,423
Insurance benefits	104,167	104,916
Surrender payments	252,201	256,679
Other payments	39,714	44,818
Provision for policy and other reserves	182,089	324,326
Provision for policy reserve	182,074	324,312
Interest portion of reserve for policyholder dividends	14	13
Investment expenses	65,835	84,594
Interest expenses	424	678
Losses on sales of securities	13,049	11,799
Devaluation losses on securities	4,952	3,723
Losses from derivatives, net	34,559	48,604
Foreign exchange losses, net	-	999
Provision for reserve for possible loan losses	-	21
Write-off of loans	-	9
Depreciation of real estate for rent	3,543	4,645
Other investment expenses	9,306	11,831
Losses on separate accounts, net	-	2,281
Operating expenses	152,020	150,746
Other ordinary expenses	47,763	50,066
Equity in losses of affiliates	-	37
Ordinary profit	114,602	118,099

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Extraordinary gains	16	170
Gains on disposal of fixed assets	6	147
State subsidy	9	23
Extraordinary losses	11,713	12,707
Losses on disposal of fixed assets	536	353
Impairment losses	142	685
Provision for reserve for price fluctuations	11,024	11,490
Other extraordinary losses	9	177
Provision for reserve for policyholder dividends	20,509	19,815
Income before income taxes	82,395	85,746
Income taxes (current)	24,246	27,315
Income taxes (deferred)	(70)	(2,974)
Total income taxes	24,176	24,340
Profit	58,218	61,406
Profit attributable to non-controlling interests	46	74
Profit attributable to owners of parent	58,172	61,331

Unaudited Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	58,218	61,406
Other comprehensive income:		
Valuation difference on available-for-sale securities	133,356	(149,158)
Deferred gains (losses) on hedging instruments	821	1,241
Foreign currency translation adjustments	(0)	0
Share of other comprehensive income of associates accounted for using the equity method	(3)	9
Total other comprehensive income	134,173	(147,907)
Comprehensive income	192,392	(86,501)
(Breakdown)		
Comprehensive income attributable to owners of parent	192,341	(86,565)
Comprehensive income attributable to non-controlling interests	50	63

(3) Notes on Unaudited Consolidated Financial Statements

[Notes on Going-Concern Assumption]

Not applicable.

[Notes on Significant Changes in Shareholders' Equity]

Not applicable.