

FINANCIAL SUMMARY

(For the fiscal year ended March 31, 2020)

<under Japanese GAAP>

May 15, 2020

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/>
 Date of Ordinary General Meeting of Shareholders: June 25, 2020
 Projected Filing Date of Securities Report: June 25, 2020
 Projected Starting Date of Dividend Distribution: June 26, 2020
 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, 2020 (April 1, 2019 - March 31, 2020)

(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
FY2019 ended March 31, 2020	¥2,197,928 million	2.7	¥125,422 million	(14.6)	¥67,103 million	(7.9)
FY2018 ended March 31, 2019	¥2,140,162 million	11.0	¥146,949 million	(6.1)	¥72,825 million	(6.1)

Note: Comprehensive income was ¥2,341 million ((95.2) %) for the fiscal year ended March 31, 2020, and ¥48,596 million ((47.9) %) for the fiscal year ended March 31, 2019.

	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
FY2019 ended March 31, 2020	¥111.31	¥109.07	5.9%	0.8%	5.7%
FY2018 ended March 31, 2019	¥118.50	¥116.16	6.3%	0.9%	6.9%

Reference: Equity in earnings/losses of affiliates was ¥(287) million for the fiscal year ended March 31, 2020, and ¥(24) million for the fiscal year ended March 31, 2019.

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2020	¥16,520,137 million	¥1,123,149 million	6.8%	¥1,857.77
As of March 31, 2019	¥15,794,711 million	¥1,159,588 million	7.3%	¥1,884.30

Reference: Equity was ¥1,115,941 million as of March 31, 2020, and ¥1,153,115 million as of March 31, 2019.

(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
FY2019 ended March 31, 2020	¥591,097 million	¥(560,134) million	¥33,893 million	¥917,940 million
FY2018 ended March 31, 2019	¥576,958 million	¥(478,684) million	¥(41,846) million	¥854,057 million

2. Dividends

	Dividends per share					Dividends paid for the Year	Dividend Payout Ratio for the Year (Consolidated)	Dividends on Net Assets (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Year Ended March 31, 2019	-	¥20.00	-	¥22.00	¥42.00	¥25,737 million	35.4%	2.3%
Year Ended March 31, 2020	-	¥22.00	-	¥22.00	¥44.00	¥26,465 million	39.5%	2.4%
Year Ending March 31, 2021 (Forecast)	-	¥22.00	-	¥22.00	¥44.00		45.6%	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

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, 2021	¥1,890,000 million (14.0)%	¥119,000 million (5.1)%	¥58,000 million (13.6)%	¥96.56

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 accounting policies 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, 2020: 633,000,000

As of March 31, 2019: 655,000,000

2. Number of treasury shares at the end of the year:

As of March 31, 2020: 32,311,441

As of March 31, 2019: 43,041,691

3. Average number of outstanding shares during the year:

For the year ended March 31, 2020: 602,854,887

For the year ended March 31, 2019: 614,581,825

Note: Regarding the company's shares remaining in BIP (Board Incentive Plan) Trust which were recorded as treasury shares in shareholders' equity, 798,400 shares were included in the number of treasury shares as of March 31, 2020, and 807,343 shares were deducted from the average number of outstanding shares for the fiscal year ended March 31, 2020.

* 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.

Forward-looking statements made in this document, including 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, 2021 (April 1, 2020 - March 31, 2021)."

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, 2020	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, 2021 (April 1, 2020 - March 31, 2021)	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

*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, 2020

For the fiscal year ended March 31, 2020, ordinary revenues increased ¥57.7 billion or 2.7 percent from the previous fiscal year to ¥2,197.9 billion, which were a total of income from insurance premiums of ¥1,753.5 billion (up 4.6 percent), investment income of ¥369.4 billion (down 6.2 percent), other ordinary income of ¥75.0 billion (up 7.0 percent).

Ordinary expenses increased ¥79.2 billion or 4.0 percent from the previous fiscal year to ¥2,072.5 billion, which were a total of insurance claims and other payments of ¥1,193.5 billion (up 4.5 percent), provision for policy and other reserves of ¥431.0 billion (down 8.2 percent), investment expenses of ¥164.8 billion (up 46.8 percent), operating expenses of ¥212.4 billion (up 5.4 percent) and other ordinary expenses of ¥70.4 billion (up 3.4 percent) and so forth.

As a result, ordinary profit decreased 14.6 percent from the previous fiscal year, to ¥125.4 billion. Extraordinary gains increased 477.4 percent to ¥4.0 billion and extraordinary losses decreased 45.7 percent to ¥10.0 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 decreased ¥5.7 billion, or 7.9 percent from the previous fiscal year to ¥67.1 billion.

Comprehensive income was ¥2.3 billion compared with ¥48.5 billion of the previous fiscal year, which was a total of profit of ¥67.1 billion (down 7.8 percent) and other comprehensive income of negative ¥64.7 billion (previous fiscal year was negative ¥24.2 billion).

(i) Ordinary Revenues

	(Billions of yen)		
	Year ended March 31, 2019	Year ended March 31, 2020	Increase (Decrease)
Consolidated	2,140.1	2,197.9	57.7
Taiyo Life	917.6	802.5	(115.0)
Daido Life	1,045.5	1,015.1	(30.4)
T&D Financial Life	150.7	354.4	203.7

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, 2019	Year ended March 31, 2020	Increase (Decrease)
Consolidated	146.9	125.4	(21.5)
Taiyo Life	54.1	36.7	(17.4)
Daido Life	89.2	86.1	(3.1)
T&D Financial Life	2.0	2.2	0.1

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, 2019	Year ended March 31, 2020	Increase (Decrease)
Consolidated	72.8	67.1	(5.7)
Taiyo Life	25.5	15.8	(9.7)
Daido Life	45.5	50.4	4.9
T&D Financial Life	1.0	1.0	0.0

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, 2020, total assets was ¥16,520.1 billion (up 4.6 percent from the previous fiscal year-end).

The main components of the total assets were securities of ¥12,021.5 billion (up 2.4 percent), loans of ¥1,697.5 billion (up 1.6 percent), monetary trusts of ¥970.6 billion (up 26.8 percent), cash and deposits of ¥861.7 billion (up 4.6 percent), and tangible assets of ¥380.6 billion (up 3.0 percent).

Total liabilities were ¥15,396.9 billion (up 5.2 percent). Policy reserves accounting for a substantial portion of total liabilities were ¥14,282.2 billion (up 3.1 percent).

Total net assets were ¥1,123.1 billion (down 3.1 percent) of which valuation difference on available-for-sale securities were ¥262.5 billion (down 19.9 percent).

As of March 31, 2020, consolidated solvency margin ratio was 1,107.0 percent (1,093.1 percent at the previous fiscal year-end) and the amount of consolidated adjusted net assets was ¥2,821.5 billion (¥2,896.3 billion at the previous fiscal year-end).

(ii) Overview of Cash Flows

Net cash provided by operating activities was ¥591.0 billion, an increase of ¥14.1 billion from the previous fiscal year.

Net cash used in investing activities was ¥560.1 billion, an increase of ¥81.4 billion from the previous fiscal year.

Net cash provided by financing activities was ¥33.8 billion, an increase of ¥75.7 billion from the previous fiscal year.

As a result, cash and cash equivalents as of March 31, 2020 totaled ¥917.9 billion (¥854.0 billion at the previous fiscal year-end), an increase of ¥63.8 billion from the beginning of the fiscal year.

2. Consolidated Earnings Forecasts for the Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

Consolidated earnings forecasts for the year ending March 31, 2021 are as follows:

(Billions of yen)			
	Ordinary revenues	Ordinary profit	Profit attributable to owners of parent
Full year Change	1,890 (14.0%)	119 (5.1%)	58 (13.6 %)

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

Ordinary revenues are expected to be ¥1,890 billion, a decrease of approximately ¥310 billion or 14.0 percent from the fiscal year ended March 31, 2020.

Ordinary profit is expected to be ¥119 billion, a decrease of approximately ¥6 billion or 5.1 percent from the fiscal year ended March 31, 2020. This is mainly due to the expected decrease in net investment income.

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 ¥119 billion, is expected to be ¥58 billion, a decrease of approximately ¥9 billion or 13.6 percent from the fiscal year ended March 31, 2020.

The Consolidated Earnings Forecasts for the year Ending March 31, 2021 includes, to a certain extent, the impact on financial markets, and a decline in new policy and an increase in surrender due to the refraining from sales and the deterioration of business sentiment in the SME market in the face of COVID-19.

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)
	2019	2020	2020
Assets:			
Cash and deposits	¥ 824,241	¥ 861,770	\$ 7,918,501
Call loans	1,037	35,669	327,749
Monetary claims purchased	126,905	135,313	1,243,348
Monetary trusts	765,481	970,622	8,918,704
Securities	11,735,384	12,021,505	110,461,319
Loans	1,669,989	1,697,539	15,598,082
Tangible fixed assets	369,465	380,633	3,497,506
Land	207,148	214,604	1,971,927
Buildings	149,916	158,460	1,456,040
Lease assets	435	1,232	11,326
Construction in progress	6,655	1,737	15,964
Other tangible fixed assets	5,309	4,597	42,248
Intangible fixed assets	28,467	30,789	282,912
Software	27,080	29,447	270,580
Lease assets	221	172	1,582
Other intangible fixed assets	1,166	1,169	10,749
Due from agencies	691	666	6,125
Due from reinsurers	2,271	12,310	113,118
Other assets	217,452	297,373	2,732,461
Deferred tax assets	54,925	78,022	716,921
Reserve for possible loan losses	(1,599)	(2,079)	(19,107)
Total assets	¥ 15,794,711	¥ 16,520,137	\$ 151,797,644

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2019	2020	2020
Liabilities:			
Policy reserves	¥ 13,859,097	¥ 14,282,219	\$ 131,234,216
Reserve for outstanding claims	69,554	67,765	622,676
Policy reserve	13,706,879	14,137,872	129,907,857
Reserve for policyholder dividends	82,663	76,581	703,682
Due to agencies	408	1,136	10,443
Due to reinsurers	1,432	7,462	68,569
Short-term debentures	6,000	5,999	55,125
Bonds	117,035	187,005	1,718,322
Other liabilities	359,214	615,062	5,651,591
Provision for bonuses to directors and audit & supervisory board members	273	281	2,589
Provision for share-based remuneration	336	633	5,824
Net defined benefit liability	51,038	49,156	451,678
Provision for directors' and audit & supervisory board members' retirement benefits	65	59	543
Reserves under the special laws	235,098	243,014	2,232,973
Reserve for price fluctuations	235,098	243,014	2,232,973
Deferred tax liabilities	15	56	522
Deferred tax liabilities on land revaluation	5,106	4,899	45,019
Total liabilities	14,635,123	15,396,987	141,477,420
Net assets:			
Capital stock	207,111	207,111	1,903,076
Capital surplus	156,740	125,316	1,151,484
Retained earnings	564,944	603,589	5,546,169
Treasury shares	(64,863)	(46,200)	(424,518)
Total shareholders' equity	863,933	889,817	8,176,212
Valuation difference on available-for- sale securities	328,020	262,593	2,412,879
Deferred gains (losses) on hedging instruments	(2,987)	(2,381)	(21,879)
Land revaluation	(35,869)	(34,125)	(313,570)
Foreign currency translation adjustments	18	37	344
Total accumulated other comprehensive income	289,181	226,124	2,077,774
Subscription rights to shares	1,081	876	8,052
Non-controlling interests	5,391	6,332	58,184
Total net assets	1,159,588	1,123,149	10,320,224
Total liabilities and net assets	¥ 15,794,711	¥ 16,520,137	\$ 151,797,644

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)	
	2019	2020	2020	
Ordinary revenues	¥ 2,140,162	¥ 2,197,928	\$ 20,195,982	
Income from insurance premiums	1,676,184	1,753,508	16,112,360	
Investment income	393,901	369,419	3,394,461	
Interest, dividends and income from real estate for rent	295,858	299,763	2,754,421	
Gains from monetary trusts, net	5,240	-	-	
Gains on investments in trading securities, net	25	-	-	
Gains on sales of securities	88,897	67,162	617,135	
Gains on redemption of securities	1,168	-	-	
Other investment income	2,452	2,492	22,904	
Gains on separate accounts, net	258	-	-	
Other ordinary income	70,076	75,001	689,160	
Ordinary expenses	1,993,213	2,072,506	19,043,521	
Insurance claims and other payments	1,141,636	1,193,510	10,966,739	
Insurance claims	326,575	363,062	3,336,051	
Annuity payments	271,440	273,580	2,513,832	
Insurance benefits	147,057	150,066	1,378,903	
Surrender payments	340,505	339,448	3,119,074	
Other payments	56,056	67,352	618,878	
Provision for policy and other reserves	469,615	431,011	3,960,407	
Provision for reserve for outstanding claims	1,804	-	-	
Provision for policy reserve	467,792	430,993	3,960,241	
Interest portion of reserve for policyholder dividends	18	18	165	
Investment expenses	112,285	164,819	1,514,470	
Interest expenses	907	1,027	9,445	
Losses from monetary trusts, net	-	21,386	196,514	
Losses on investments in trading securities, net	-	257	2,366	
Losses on sales of securities	16,894	27,507	252,756	
Devaluation losses on securities	3,128	14,880	136,731	
Losses from derivatives, net	65,619	58,172	534,529	
Foreign Exchange losses, net	1,775	17,343	159,359	
Provision for reserve for possible loan losses	36	481	4,425	
Write-off of loans	9	34	316	
Depreciation of real estate for rent	6,219	6,149	56,506	
Other investment expenses	17,694	17,020	156,396	
Losses on separate accounts, net	-	557	5,121	
Operating expenses	201,563	212,453	1,952,161	
Other ordinary expenses	68,086	70,424	647,103	
Equity in losses of affiliates	24	287	2,638	
Ordinary profit	¥ 146,949	¥ 125,422	\$ 1,152,461	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2019	2020	2020	
Extraordinary gains	¥ 699	¥ 4,038	\$ 37,108	
Gains on disposal of fixed assets	650	3,392	31,169	
State subsidy	42	646	5,938	
Other extraordinary gains	6	-	-	
Extraordinary losses	18,589	10,093	92,748	
Losses on disposal of fixed assets	870	672	6,179	
Impairment losses	2,113	803	7,380	
Provision for reserve for price fluctuations	15,402	7,916	72,740	
Other extraordinary losses	202	701	6,448	
Provision for reserve for policyholder dividends	27,144	21,883	201,084	
Income before income taxes	101,915	97,483	895,737	
Income taxes (current)	32,383	31,768	291,913	
Income taxes (deferred)	(3,316)	(1,425)	(13,100)	
Total income taxes	29,066	30,343	278,813	
Profit	72,848	67,139	616,924	
Profit attributable to non-controlling interests	22	36	336	
Profit attributable to owners of parent	¥ 72,825	¥ 67,103	\$ 616,587	

Unaudited Consolidated Statements of Comprehensive Income

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2019	2020	2020	
Profit	¥ 72,848	¥ 67,139	\$ 616,924	
Other comprehensive income:				
Valuation difference on available-for-sale securities	(25,590)	(65,424)	(601,159)	
Deferred gains (losses) on hedging instruments	1,332	606	5,573	
Foreign currency translation adjustments	(0)	0	2	
Share of other comprehensive income of associates accounted for using the equity method	5	19	177	
Total other comprehensive income	(24,252)	(64,798)	(595,406)	
Comprehensive income	¥ 48,596	¥ 2,341	\$ 21,517	
(Breakdown)				
Comprehensive income attributable to owners of parent	48,595	2,301	21,150	
Comprehensive income attributable to non-controlling interests	1	39	367	

3. Unaudited Consolidated Statements of Changes in Net Assets

Year ended March 31, 2019						<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	¥ 156,785	¥ 516,585	¥ (46,703)	¥ 833,779	¥ 353,590	¥ (4,320)
Changes in the period							
Dividends			(24,699)		(24,699)		
Profit attributable to owners of parent			72,825		72,825		
Purchase of treasury shares				(18,348)	(18,348)		
Disposal of treasury shares		(45)		188	143		
Reversal of land revaluation			232		232		
Net changes of items other than shareholders' equity						(25,570)	1,332
Total changes in the period	-	(45)	48,358	(18,159)	30,153	(25,570)	1,332
Balance at the end of the year	¥ 207,111	¥ 156,740	¥ 564,944	¥ (64,863)	¥ 863,933	¥ 328,020	¥ (2,987)

Year ended March 31, 2019	<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	¥ (35,637)	¥ 11	¥ 313,645	¥ 1,216	¥ 4,395	¥ 1,153,036
Changes in the period						
Dividends						(24,699)
Profit attributable to owners of parent						72,825
Purchase of treasury shares						(18,348)
Disposal of treasury shares						143
Reversal of land revaluation						232
Net changes of items other than shareholders' equity	(232)	7	(24,463)	(135)	996	(23,601)
Total changes in the period	(232)	7	(24,463)	(135)	996	6,552
Balance at the end of the year	¥ (35,869)	¥ 18	¥ 289,181	¥ 1,081	¥ 5,391	¥ 1,159,588

Year ended March 31, 2020						<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	¥ 156,740	¥ 564,944	¥ (64,863)	¥ 863,933	¥ 328,020	¥ (2,987)
Changes in the period							
Dividends			(26,714)		(26,714)		
Profit attributable to owners of parent			67,103		67,103		
Purchase of treasury shares				(13,014)	(13,014)		
Disposal of treasury shares		(60)		313	252		
Retirement of treasury shares		(31,363)		31,363	-		
Reversal of land revaluation			(1,743)		(1,743)		
Net changes of items other than shareholders' equity						(65,426)	606
Total changes in the period	-	(31,424)	38,645	18,663	25,883	(65,426)	606
Balance at the end of the year	¥ 207,111	¥ 125,316	¥ 603,589	¥ (46,200)	¥ 889,817	¥ 262,593	¥ (2,381)

Year ended March 31, 2020	<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	¥ (35,869)	¥ 18	¥ 289,181	¥ 1,081	¥ 5,391	¥ 1,159,588
Changes in the period						
Dividends						(26,714)
Profit attributable to owners of parent						67,103
Purchase of treasury shares						(13,014)
Disposal of treasury shares						252
Retirement of treasury shares						-
Reversal of land revaluation						(1,743)
Net changes of items other than shareholders' equity	1,743	18	(63,057)	(204)	940	(62,322)
Total changes in the period	1,743	18	(63,057)	(204)	940	(36,438)
Balance at the end of the year	¥ (34,125)	¥ 37	¥ 226,124	¥ 876	¥ 6,332	¥ 1,123,149

<i>(Thousands of U.S. dollars)</i>							
Year ended March 31, 2020	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	\$ 1,903,076	\$ 1,440,233	\$ 5,191,073	\$ (596,008)	\$ 7,938,375	\$ 3,014,061	\$ (27,452)
Changes in the period							
Dividends			(245,466)		(245,466)		
Profit attributable to owners of parent			616,587		616,587		
Purchase of treasury shares				(119,583)	(119,583)		
Disposal of treasury shares		(558)		2,882	2,323		
Retirement of treasury shares		(288,190)		288,190	-		
Reversal of land revaluation			(16,024)		(16,024)		
Net changes of items other than shareholders' equity						(601,182)	5,573
Total changes in the period	-	(288,749)	355,096	171,490	237,836	(601,182)	5,573
Balance at the end of the year	\$ 1,903,076	\$ 1,151,484	\$ 5,546,169	\$ (424,518)	\$ 8,176,212	\$ 2,412,879	\$ (21,879)

<i>(Thousands of U.S. dollars)</i>						
Year ended March 31, 2020	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	\$ (329,595)	\$ 172	\$ 2,657,186	\$ 9,936	\$ 49,543	\$ 10,655,042
Changes in the period						
Dividends						(245,466)
Profit attributable to owners of parent						616,587
Purchase of treasury shares						(119,583)
Disposal of treasury shares						2,323
Retirement of treasury shares						-
Reversal of land revaluation						(16,024)
Net changes of items other than shareholders' equity	16,024	171	(579,412)	(1,883)	8,640	(572,655)
Total changes in the period	16,024	171	(579,412)	(1,883)	8,640	(334,818)
Balance at the end of the year	\$ (313,570)	\$ 344	\$ 2,077,774	\$ 8,052	\$ 58,184	\$ 10,320,224

4. Unaudited Consolidated Statement of Cash Flows

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2019	2020	2020
Cash flows from operating activities:			
Income before income taxes	¥ 101,915	¥ 97,483	\$ 895,737
Depreciation of real estate for rent	6,219	6,149	56,506
Depreciation	11,892	12,497	114,830
Impairment losses	2,113	803	7,380
Increase (decrease) in reserve for outstanding claims	1,804	(1,788)	(16,435)
Increase (decrease) in policy reserve	467,792	430,993	3,960,241
Interest portion of reserve for policyholder dividends	18	18	165
Provision for reserve for (reversal of) policyholder dividends	27,144	21,883	201,084
Increase (decrease) in reserve for possible loan losses	18	479	4,408
Increase (decrease) in provision for bonuses to directors and audit & supervisory board members	(2)	7	73
Increase (decrease) in provision for stock grant	336	297	2,729
Increase (decrease) in net defined benefit liability	274	(1,882)	(17,298)
Increase (decrease) in provision for directors' and audit & supervisory board members' retirement benefits	9	(6)	(62)
Increase (decrease) in reserve for price fluctuations	15,402	7,916	72,740
Interest, dividends and income from real estate for rent	(295,858)	(299,763)	(2,754,421)
Losses (gains) on investment securities	(70,327)	(23,959)	(220,159)
Interest expenses	907	1,027	9,445
Foreign exchange losses (gains), net	1,174	15,066	138,440
Losses (gains) on disposal of tangible fixed assets	(193)	(2,207)	(20,284)
Equity in losses (income) of affiliated companies	24	287	2,638
Decrease (increase) in amount due from agencies	48	25	230
Decrease (increase) in amount due from reinsurers	858	(10,029)	(92,157)
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(12,223)	(9,323)	(85,670)
Increase (decrease) in amount due to agencies	(249)	727	6,685
Increase (decrease) in amount due to reinsurers	(106)	6,029	55,407
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	7,266	(2,048)	(18,821)
Others, net	75,796	94,251	866,047
Subtotal	342,056	344,934	3,169,482
Interest, dividends and income from real estate for rent received	303,888	308,195	2,831,902
Interest paid	(912)	(927)	(8,521)
Policyholder dividends	(33,435)	(28,009)	(257,366)
Others, net	(1,948)	2,108	19,372
Income taxes paid	(32,690)	(35,205)	(323,489)
Net cash provided by (used in) operating activities	¥ 576,958	¥ 591,097	\$ 5,431,380

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2019	2020	2020
Cash flows from investing activities:			
Net decrease (increase) in cash and deposits	¥ (400)	¥ (5,300)	\$ (48,699)
Investments in monetary claims purchased	(14,440)	(29,523)	(271,278)
Proceeds from sales and redemption of monetary claims purchased	13,728	15,585	143,206
Investments in monetary trusts	(92,532)	(255,989)	(2,352,196)
Proceeds from monetary trusts	10,157	34,800	319,764
Purchase of securities	(1,826,000)	(1,984,103)	(18,231,217)
Proceeds from sales and redemption of securities	1,509,010	1,443,996	13,268,366
Investments in loans	(370,968)	(367,123)	(3,373,367)
Collection of loans	350,823	335,345	3,081,365
Others, net	(39,418)	271,496	2,494,687
Subtotal	(460,040)	(540,816)	(4,969,367)
Total of net cash provided by (used in) operating activities and investment transactions as above	116,918	50,280	462,012
Purchase of tangible fixed assets	(19,914)	(23,836)	(219,025)
Proceeds from disposal of tangible fixed assets	1,570	4,732	43,484
Others, net	(300)	(214)	(1,967)
Net cash provided by (used in) investing activities	(478,684)	(560,134)	(5,146,876)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	-	(0)	(6)
Proceeds from issuance of debt	12,500	15,430	141,780
Repayments of debt	(41,927)	(12,117)	(111,340)
Proceeds from issuance of bonds	50,000	70,000	643,204
Redemption of bonds	(20,000)	-	-
Proceeds from share issuance to non-controlling shareholders	1,040	1,024	9,411
Repayments to non-controlling shareholders	-	(79)	(732)
Payment of lease obligations	(450)	(685)	(6,299)
Purchase of treasury shares	(18,348)	(13,014)	(119,583)
Disposal of treasury shares	5	9	91
Dividends paid	(24,622)	(26,629)	(244,684)
Dividends paid to non-controlling interests	(44)	(44)	(405)
Others, net	0	0	1
Net cash provided by (used in) financing activities	(41,846)	33,893	311,437
Effect of exchange rate changes on cash and cash equivalents	(908)	(973)	(8,943)
Net increase (decrease) in cash and cash equivalents	55,518	63,882	586,997
Cash and cash equivalents at the beginning of the year	798,538	854,057	7,847,625
Cash and cash equivalents at the end of the year	¥ 854,057	¥ 917,940	\$ 8,434,623

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 = 108.83 Japanese yen, which was the approximate rate at the end of March 2020. 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, 2020

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, 2020	Reportable segments						(Millions of yen)	
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Others	Total	Adjustments	Amount on consolidated financial statements
Ordinary revenues	¥ 801,020	¥ 1,014,602	¥ 354,495	¥ 2,170,118	¥ 34,136	¥ 2,204,255	¥ (6,326)	¥ 2,197,928
Intergroup transfers	1,518	522	-	2,040	68,930	70,970	(70,970)	-
Total	802,538	1,015,124	354,495	2,172,158	103,067	2,275,225	(77,297)	2,197,928
Segment income (loss)	36,782	86,157	2,246	125,185	41,846	167,032	(41,609)	125,422
Segment assets	7,660,474	7,037,507	1,645,401	16,343,383	1,122,586	17,465,970	(945,832)	16,520,137
Segment liabilities	7,269,351	6,393,649	1,564,466	15,227,468	338,287	15,565,755	(168,767)	15,396,987
Others								
Depreciation of real estate for rent	3,559	2,618	-	6,177	-	6,177	(28)	6,149
Depreciation	6,896	4,522	454	11,873	687	12,561	(64)	12,497
Provision for (reversal of) policy reserve	43,419	214,759	172,504	430,684	308	430,993	-	430,993
Provision for (reversal of) reserve for policyholder dividends	10,197	11,687	(0)	21,883	-	21,883	-	21,883
Interest, dividends and income from real estate for rent	149,487	143,525	8,274	301,286	42,009	343,296	(43,532)	299,763
Interest expenses	981	12	6	999	799	1,798	(771)	1,027
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	(287)	(287)
Extraordinary gains	3,380	551	-	3,932	106	4,038	-	4,038
Extraordinary losses	4,975	4,254	756	9,986	107	10,093	0	10,093
Impairment losses	803	-	-	803	-	803	-	803
Provision for reserve for price fluctuations	3,692	3,467	756	7,916	-	7,916	-	7,916
Taxes	9,172	20,315	424	29,913	426	30,340	3	30,343
Investments in affiliated companies	900	365	-	1,265	-	1,265	-	1,265
Increase in tangible fixed assets and intangible fixed assets	¥ 9,173	¥ 24,284	¥ 1,092	¥ 34,551	¥ 855	¥ 35,406	¥ (105)	¥ 35,300

Year ended March 31, 2020	Reportable segments						(Thousands of U.S. dollars)	
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Others	Total	Adjustments	Amount on consolidated financial statements
Ordinary revenues	\$ 7,360,291	\$ 9,322,821	\$3,257,332	\$19,940,445	\$ 313,669	\$20,254,115	\$ (58,132)	\$20,195,982
Intergroup transfers	13,948	4,797	-	18,745	633,376	652,122	(652,122)	-
Total	7,374,239	9,327,618	3,257,332	19,959,191	947,046	20,906,237	(710,254)	20,195,982
Segment income (loss)	337,979	791,668	20,640	1,150,288	384,509	1,534,798	(382,336)	1,152,461
Segment assets	70,389,368	64,665,146	15,119,002	150,173,517	10,315,043	160,488,560	(8,690,915)	151,797,644
Segment liabilities	66,795,474	58,748,964	14,375,327	139,919,766	3,108,401	143,028,167	(1,550,747)	141,477,420
Others								
Depreciation of real estate for rent	32,710	24,055	-	56,766	-	56,766	(259)	56,506
Depreciation	63,374	41,551	4,176	109,101	6,321	115,423	(592)	114,830
Provision for (reversal of) policy reserve	398,970	1,973,347	1,585,086	3,957,404	2,837	3,960,241	-	3,960,241
Provision for (reversal of) reserve for policyholder dividends	93,698	107,387	(2)	201,084	-	201,084	-	201,084
Interest, dividends and income from real estate for rent	1,373,588	1,318,800	76,028	2,768,417	386,008	3,154,426	(400,004)	2,754,421
Interest expenses	9,017	111	55	9,184	7,345	16,530	(7,084)	9,445
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	(2,638)	(2,638)
Extraordinary gains	31,065	5,066	-	36,131	976	37,108	-	37,108
Extraordinary losses	45,715	39,094	6,948	91,758	985	92,744	4	92,748
Impairment losses	7,380	-	-	7,380	-	7,380	-	7,380
Provision for reserve for price fluctuations	33,930	31,861	6,948	72,740	-	72,740	-	72,740
Taxes	84,286	186,675	3,900	274,862	3,922	278,785	27	278,813
Investments in affiliated companies	8,274	3,357	-	11,632	-	11,632	-	11,632
Increase in tangible fixed assets and intangible fixed assets	\$ 84,293	\$ 223,145	\$ 10,038	\$ 317,477	\$ 7,856	\$ 325,334	\$ (970)	\$ 324,364

Notes:

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

2. Adjustments are as follows:

- (1) The adjustment of ¥(6,326 million) [\$ (58,132 thousand)] to ordinary revenues is the transferred amount, which mainly consists of gains from derivatives, net of ¥2,907 million [\$26,717 thousand] of ordinary revenues and reversal of provision for retirement benefits of ¥1,820 million [\$16,723 thousand] of ordinary revenues which are included in ordinary expenses of the consolidated statement of operation as losses from derivatives, net and provision for retirement benefits respectively, and provision for reserve for outstanding claims of ordinary expenses of ¥1,885 million [\$17,327 thousand] of ordinary expenses which is included in ordinary revenues of the consolidated statement of operation as reversal of reserve for outstanding claims.
- (2) The adjustment of ¥(41,609 million) [\$ (382,336 thousand)] to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.
- (3) The adjustment of ¥(945,832 million) [\$ (8,690,915 thousand)] to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates.
- (4) The adjustment of ¥(168,767 million) [\$ (1,550,747 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, 2020

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	¥ 593,679	¥ 818,070	¥ 335,910	¥ 5,847	¥ 1,753,508
Insurance premiums	593,475	816,488	323,017	5,847	1,738,828
Individual insurance and individual annuities	493,402	760,119	322,833	-	1,576,355
Group insurance	27,682	20,622	-	-	48,304
Group annuities	71,232	34,633	164	-	106,030
Others	1,158	1,112	19	5,847	8,137
Ceded reinsurance recoveries	¥ 204	¥ 1,581	¥ 12,893	¥ -	¥ 14,679

(Thousands of U.S. dollars)

	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	\$ 5,455,111	\$ 7,516,957	\$3,086,564	\$ 53,727	\$ 16,112,360
Insurance premiums	5,453,232	7,502,422	2,968,092	53,727	15,977,474
Individual insurance and individual annuities	4,533,694	6,984,467	2,966,405	-	14,484,568
Group insurance	254,360	189,494	-	-	443,854
Group annuities	654,532	318,236	1,509	-	974,278
Others	10,643	10,224	177	53,727	74,772
Ceded reinsurance recoveries	\$ 1,878	\$ 14,535	\$ 118,472	\$ -	\$ 134,886

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, 2020

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, 2020

Not applicable.

[Information on gains on negative goodwill by reportable segment]

For the year ended March 31, 2020

Not applicable.

Per Share Information

Years ended March 31,	<i>(Yen)</i>		<i>(U.S. dollars)</i>	
	2019	2020	2020	
Net assets per share	¥ 1,844.30	¥ 1,857.77	\$	17.07
Net income per share	118.50	111.31		1.02
Net income per share (fully diluted)	116.16	109.07		1.00

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>	
	2019	2020	2020	
Net income per share:				
Profit attributable to owners of parent	¥ 72,825	¥ 67,103	\$	616,587
Amount not attributable to common shareholders	-	-		-
Profit attributable to owners of parent attributable to common shareholders	¥ 72,825	¥ 67,103	\$	616,587

<i>(Shares)</i>		
Weighted-average number of common stocks outstanding	614,581,825	602,854,887

Years ended March 31,	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
	2019	2020	2020	
Net income per share (fully diluted):				
Adjusted profit attributable to owners of parent	¥ (20)	¥ (20)	\$	(191)
Amortization of bond premium (after tax)	¥ (20)	¥ (20)	\$	(191)

<i>(Shares)</i>		
Increase in common stock	12,206,787	12,168,016
Convertible Bond	11,230,066	11,375,701
Subscription rights to shares	976,721	792,315
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>	
	2019	2020	2020	
Net assets	¥ 1,159,588	¥ 1,123,149	\$ 10,320,224	
Deduction from net assets	6,473	7,208	66,237	
Subscription rights to shares	1,081	876	8,052	
Non-controlling interests	5,391	6,332	58,184	
Net assets available to common shareholders	¥ 1,153,115	¥ 1,115,941	\$ 10,253,986	
<i>(Shares)</i>				
The number of common stock outstanding	611,958,309	600,688,559		