

FINANCIAL SUMMARY

(For the fiscal year ended March 31, 2019)

<under Japanese GAAP>

May 15, 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/>
 Date of Ordinary General Meeting of Shareholders: June 26, 2019
 Projected Filing Date of Securities Report: June 26, 2019
 Projected Starting Date of Dividend Distribution: June 27, 2019
 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, 2019 (April 1, 2018 - March 31, 2019)

(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
FY2018 ended March 31, 2019	¥2,140,162 million	11.0	¥146,949 million	(6.1)	¥72,825 million	(6.1)
FY2017 ended March 31, 2018	¥1,928,359 million	(2.4)	¥156,475 million	(0.5)	¥77,577 million	3.2

Note: Comprehensive income was ¥48,596 million ((47.9) %) for the fiscal year ended March 31, 2019, and ¥93,236 million (- %) for the fiscal year ended March 31, 2018.

	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
FY2018 ended March 31, 2019	¥118.50	¥116.16	6.3%	0.9%	6.9%
FY2017 ended March 31, 2018	¥124.23	¥121.81	6.9%	1.0%	8.1%

Reference: Equity in earnings/losses of affiliates was ¥(24) million for the fiscal year ended March 31, 2019, and ¥72 million for the fiscal year ended March 31, 2018.

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2019	¥15,794,711 million	¥1,159,588 million	7.3%	¥1,884.30
As of March 31, 2018	¥15,262,398 million	¥1,153,036 million	7.5%	¥1,844.15

Reference: Equity was ¥1,153,115 million as of March 31, 2019, and ¥1,147,424 million as of March 31, 2018.

(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
FY2018 ended March 31, 2019	¥576,958 million	¥(478,684) million	¥(41,846) million	¥854,057 million
FY2017 ended March 31, 2018	¥370,127 million	¥(467,159) million	¥12,690 million	¥798,538 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, 2018	-	¥17.50	-	¥20.00	¥37.50	¥23,332 million	30.2%	2.1%
Year Ended March 31, 2019	-	¥20.00	-	¥22.00	¥42.00	¥25,737 million	35.4%	2.3%
Year Ending March 31, 2020 (Forecast)	-	¥22.00	-	¥22.00	¥44.00		42.1%	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

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, 2020	¥2,110,000 million (1.4)%	¥122,000 million (17.0)%	¥64,000 million (12.1)%	¥104.58

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, 2019: 655,000,000

As of March 31, 2018: 655,000,000

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

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

As of March 31, 2018: 32,802,460

3. Average number of outstanding shares during the year:

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

For the year ended March 31, 2018: 624,468,759

Note: Regarding the company's shares remaining in BIP (Board Incentive Plan) Trust which were recorded as treasury shares in shareholders' equity, 827,900 shares were included in the number of treasury shares as of March 31, 2019, and 479,035 shares were deducted from the average number of outstanding shares for the fiscal year ended March 31, 2019.

* 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, 2020 (April 1, 2019 - March 31, 2020)."

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*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, 2019

For the fiscal year ended March 31, 2019, ordinary revenues increased ¥211.8 billion or 11.0 percent from the previous fiscal year to ¥2,140.1 billion, which were a total of income from insurance premiums of ¥1,676.1 billion (up 13.0 percent), investment income of ¥393.9 billion (up 5.7 percent), other ordinary income of ¥70.0 billion (down 2.4 percent).

Ordinary expenses increased ¥221.3 billion or 12.5 percent from the previous fiscal year to ¥1,993.2 billion, which were a total of insurance claims and other payments of ¥1,141.6 billion (down 0.4 percent), provision for policy and other reserves of ¥469.6 billion (up 78.6 percent), investment expenses of ¥112.2 billion (up 16.6 percent), operating expenses of ¥201.5 billion (down 0.4 percent) and other ordinary expenses of ¥68.0 billion (up 6.1 percent) and so forth.

As a result, ordinary profit decreased 6.1 percent from the previous fiscal year, to ¥146.9 billion. Extraordinary gains increased to ¥0.6 billion and extraordinary losses increased 12.6 percent to ¥18.5 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 decreased ¥4.7 billion, or 6.1 percent from the previous fiscal year to ¥72.8 billion.

Comprehensive income was ¥48.5 billion compared with ¥93.2 billion of the previous fiscal year, which was a total of profit of ¥72.8 billion (down 6.1 percent) and other comprehensive income of negative ¥24.2 billion (previous fiscal year was ¥15.6 billion).

(i) Ordinary Revenues

	(Billions of yen)		
	Year ended March 31, 2018	Year ended March 31, 2019	Increase (Decrease)
Consolidated	1,928.3	2,140.1	211.8
Taiyo Life	738.7	917.6	178.8
Daido Life	988.0	1,045.5	57.4
T&D Financial Life	196.4	150.7	(45.7)

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, 2018	Year ended March 31, 2019	Increase (Decrease)
Consolidated	156.4	146.9	(9.5)
Taiyo Life	62.7	54.1	(8.5)
Daido Life	89.3	89.2	(0.1)
T&D Financial Life	2.5	2.0	(0.4)

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, 2018	Year ended March 31, 2019	Increase (Decrease)
Consolidated	77.5	72.8	(4.7)
Taiyo Life	30.4	25.5	(4.9)
Daido Life	44.5	45.5	0.9
T&D Financial Life	1.5	1.0	(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, 2019, total assets was ¥15,794.7 billion (up 3.5 percent from the previous fiscal year-end).

The main components of the total assets were securities of ¥11,735.3 billion (up 3.1 percent), loans of ¥1,669.9 billion (up 1.3 percent), cash and deposits of ¥824.2 billion (up 6.1 percent), monetary trusts of ¥765.4 billion (up 11.6 percent), and tangible assets of ¥369.4 billion (up 1.7 percent).

Total liabilities were ¥14,635.1 billion (up 3.7 percent). Policy reserves accounting for a substantial portion of total liabilities were ¥13,859.0 billion (up 3.5 percent).

Total net assets were ¥1,159.5 billion (up 0.6 percent) of which valuation difference on available-for-sale securities were ¥328.0 billion (down 7.2 percent).

As of March 31, 2019, consolidated solvency margin ratio was 1,093.1 percent (1,061.8 percent at the previous fiscal year-end) and the amount of consolidated adjusted net assets was ¥2,896.3 billion (¥2,707.6 billion at the previous fiscal year-end).

(ii) Overview of Cash Flows

Net cash provided by operating activities was ¥576.9 billion, an increase of ¥206.8 billion from the previous fiscal year.

Net cash used in investing activities was ¥478.6 billion, an increase of ¥11.5 billion from the previous fiscal year.

Net cash used in financing activities was ¥41.8 billion, an increase of ¥54.5 billion from the previous fiscal year.

As a result, cash and cash equivalents as of March 31, 2019 totaled ¥854.0 billion (¥798.5 billion at the previous fiscal year-end), an increase of ¥55.5 billion from the beginning of the fiscal year.

2. Consolidated Earnings Forecasts for the Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

Consolidated earnings forecasts for the year ending March 31, 2020 are as follows:

(Billions of yen)			
	Ordinary revenues	Ordinary profit	Profit attributable to owners of parent
Full year Change	2,110 (1.4%)	122 (17.0%)	64 (12.1 %)

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

Ordinary revenues are expected to be ¥2,110 billion, a decrease of approximately ¥30.0 billion or 1.4 percent from the fiscal year ended March 31, 2019.

Ordinary profit is expected to be ¥122 billion, a decrease of approximately ¥25.0 billion or 17.0 percent from the fiscal year ended March 31, 2019. 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 ¥122 billion, is expected to be ¥64 billion, a decrease of approximately ¥9 billion or 12.1 percent from the fiscal year ended March 31, 2019.

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)
	2018	2019	2019
Assets:			
Cash and deposits	¥ 776,510	¥ 824,241	\$ 7,426,263
Call loans	10,539	1,037	9,343
Monetary claims purchased	117,578	126,905	1,143,391
Monetary trusts	685,819	765,481	6,896,849
Securities	11,377,032	11,735,384	105,733,705
Loans	1,648,600	1,669,989	15,046,303
Tangible fixed assets	363,245	369,465	3,328,816
Land	202,010	207,148	1,866,368
Buildings	155,308	149,916	1,350,719
Lease assets	605	435	3,919
Construction in progress	1,237	6,655	59,968
Other tangible fixed assets	4,082	5,309	47,841
Intangible fixed assets	26,862	28,467	256,490
Software	25,395	27,080	243,986
Lease assets	298	221	1,996
Other intangible fixed assets	1,169	1,166	10,506
Due from agencies	740	691	6,232
Due from reinsurers	3,136	2,271	20,464
Other assets	209,171	217,452	1,959,204
Deferred tax assets	44,753	54,925	494,869
Reserve for possible loan losses	(1,591)	(1,599)	(14,412)
Total assets	¥ 15,262,398	¥ 15,794,711	\$ 142,307,522

As of March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2018	2019	2019
Liabilities:			
Policy reserves	¥ 13,395,725	¥ 13,859,097	\$ 124,867,980
Reserve for outstanding claims	67,749	69,554	626,673
Policy reserve	13,239,086	13,706,879	123,496,522
Reserve for policyholder dividends	88,889	82,663	744,783
Due to agencies	658	408	3,684
Due to reinsurers	1,539	1,432	12,905
Short-term debentures	6,000	6,000	54,058
Bonds	87,065	117,035	1,054,464
Other liabilities	342,252	359,214	3,236,456
Provision for bonuses to directors and audit & supervisory board members	276	273	2,466
Provision for stock grant	-	336	3,034
Net defined benefit liability	50,764	51,038	459,849
Provision for directors' and audit & supervisory board members' retirement benefits	56	65	594
Reserves under the special laws	219,695	235,098	2,118,191
Reserve for price fluctuations	219,695	235,098	2,118,191
Deferred tax liabilities	13	15	139
Deferred tax liabilities on land revaluation	5,316	5,106	46,012
Total liabilities	14,109,362	14,635,123	131,859,840
Net assets:			
Capital stock	207,111	207,111	1,866,040
Capital surplus	156,785	156,740	1,412,204
Retained earnings	516,585	564,944	5,090,048
Treasury shares	(46,703)	(64,863)	(584,409)
Total shareholders' equity	833,779	863,933	7,783,885
Valuation difference on available-for- sale securities	353,590	328,020	2,955,404
Deferred gains (losses) on hedging instruments	(4,320)	(2,987)	(26,917)
Land revaluation	(35,637)	(35,869)	(323,180)
Foreign currency translation adjustments	11	18	169
Total accumulated other comprehensive income	313,645	289,181	2,605,474
Subscription rights to shares	1,216	1,081	9,742
Non-controlling interests	4,395	5,391	48,579
Total net assets	1,153,036	1,159,588	10,447,682
Total liabilities and net assets	¥ 15,262,398	¥ 15,794,711	\$ 142,307,522

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)	
	2018	2019	2019	
Ordinary revenues	¥ 1,928,359	¥ 2,140,162	\$ 19,282,482	
Income from insurance premiums	1,483,719	1,676,184	15,102,122	
Investment income	372,753	393,901	3,548,984	
Interest, dividends and income from real estate for rent	285,496	295,858	2,665,628	
Gains from monetary trusts, net	-	5,240	47,219	
Gains on investments in trading securities, net	-	25	229	
Gains on sales of securities	78,487	88,897	800,954	
Gains on redemption of securities	-	1,168	10,529	
Reversal of reserve for possible loan losses	86	-	-	
Other investment income	2,734	2,452	22,095	
Gains on separate accounts, net	5,948	258	2,328	
Other ordinary income	71,813	70,076	631,375	
Equity in earnings of affiliates	72	-	-	
Ordinary expenses	1,771,884	1,993,213	17,958,492	
Insurance claims and other payments	1,146,175	1,141,636	10,285,940	
Insurance claims	334,188	326,575	2,942,387	
Annuity payments	281,915	271,440	2,445,632	
Insurance benefits	148,099	147,057	1,324,966	
Surrender payments	330,019	340,505	3,067,891	
Other payments	51,951	56,056	505,062	
Provision for policy and other reserves	262,894	469,615	4,231,155	
Provision for reserve for outstanding claims	-	1,804	16,259	
Provision for policy reserve	262,874	467,792	4,214,730	
Interest portion of reserve for policyholder dividends	19	18	165	
Investment expenses	96,288	112,285	1,011,674	
Interest expenses	637	907	8,180	
Losses from monetary trusts, net	285	-	-	
Losses on investments in trading securities, net	195	-	-	
Losses on sales of securities	18,097	16,894	152,212	
Devaluation losses on securities	6,193	3,128	28,189	
Losses from derivatives, net	45,680	65,619	591,223	
Foreign Exchange losses, net	3,900	1,775	15,997	
Provision for reserve for possible loan losses	-	36	325	
Write-off of loans	1	9	86	
Depreciation of real estate for rent	5,027	6,219	56,033	
Other investment expenses	16,269	17,694	159,426	
Operating expenses	202,366	201,563	1,816,053	
Other ordinary expenses	64,159	68,086	613,450	
Equity in losses of affiliates	-	24	218	
Ordinary profit	¥ 156,475	¥ 146,949	\$ 1,323,990	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2018	2019	2019	
Extraordinary gains	¥ 28	¥ 699	\$ 6,301	
Gains on disposal of fixed assets	13	650	5,860	
State subsidy	15	42	381	
Other extraordinary gains	-	6	59	
Extraordinary losses	16,513	18,589	167,488	
Losses on disposal of fixed assets	953	870	7,844	
Impairment losses	744	2,113	19,039	
Provision for reserve for price fluctuations	14,800	15,402	138,777	
Other extraordinary losses	15	202	1,826	
Provision for reserve for policyholder dividends	30,331	27,144	244,566	
Income before income taxes	109,657	101,915	918,237	
Income taxes (current)	34,106	32,383	291,768	
Income taxes (deferred)	(2,044)	(3,316)	(29,883)	
Total income taxes	32,061	29,066	261,884	
Profit	77,596	72,848	656,352	
Profit attributable to non-controlling interests	19	22	204	
Profit attributable to owners of parent	¥ 77,577	¥ 72,825	\$ 656,148	

Unaudited Consolidated Statements of Comprehensive Income

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2018	2019	2019	
Profit	¥ 77,596	¥ 72,848	\$ 656,352	
Other comprehensive income:				
Valuation difference on available-for-sale securities	14,764	(25,590)	(230,566)	
Deferred gains (losses) on hedging instruments	883	1,332	12,005	
Foreign currency translation adjustments	(0)	(0)	(0)	
Share of other comprehensive income of associates accounted for using the equity method	(6)	5	52	
Total other comprehensive income	15,640	(24,252)	(218,509)	
Comprehensive income	¥ 93,236	¥ 48,596	\$ 437,842	
(Breakdown)				
Comprehensive income attributable to owners of parent	93,202	48,595	437,833	
Comprehensive income attributable to non-controlling interests	33	1	9	

3. Unaudited Consolidated Statements of Changes in Net Assets

Year ended March 31, 2018						<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	¥ 194,522	¥ 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	<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	¥ (35,354)	¥ 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, 2019	Shareholders' equity					(Millions of yen) 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		
Acquisition 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	(Millions of yen) Accumulated other comprehensive income						Total net assets
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests		
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
Acquisition 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, 2019						(Thousands of U.S. dollars)	
	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	\$ 1,866,040	\$ 1,412,611	\$ 4,654,343	\$ (420,792)	\$ 7,512,203	\$ 3,185,787	\$ (38,923)
Changes in the period							
Dividends			(222,540)		(222,540)		
Profit attributable to owners of parent			656,148		656,148		
Acquisition of treasury shares				(165,313)	(165,313)		
Disposal of treasury shares		(406)		1,697	1,290		
Reversal of land revaluation			2,097		2,097		
Net changes of items other than shareholders' equity						(230,383)	12,005
Total changes in the period		(406)	435,704	(163,616)	271,681	(230,383)	12,005
Balance at the end of the year	\$ 1,866,040	\$ 1,412,204	\$ 5,090,048	\$ (584,409)	\$ 7,783,885	\$ 2,955,404	\$ (26,917)

Year ended March 31, 2019							(Thousands of U.S. dollars)
	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	\$ (321,083)	\$ 105	\$ 2,825,886	\$ 10,959	\$ 39,599	\$ 10,388,648	
Changes in the period							
Dividends							(222,540)
Profit attributable to owners of parent							656,148
Acquisition of treasury shares							(165,313)
Disposal of treasury shares							1,290
Reversal of land revaluation							2,097
Net changes of items other than shareholders' equity	(2,097)	63	(220,412)	(1,216)	8,980	(212,648)	
Total changes in the period	(2,097)	63	(220,412)	(1,216)	8,980	59,033	
Balance at the end of the year	\$ (323,180)	\$ 169	\$ 2,605,474	\$ 9,742	\$ 48,579	\$ 10,447,682	

4. Unaudited Consolidated Statement of Cash Flows

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)	
	2018	2019	2019	
Cash flows from operating activities:				
Income before income taxes	¥ 109,657	¥ 101,915	\$ 918,237	
Depreciation of real estate for rent	5,027	6,219	56,033	
Depreciation	10,762	11,892	107,149	
Impairment losses	744	2,113	19,039	
Increase (decrease) in reserve for outstanding claims	(2,315)	1,804	16,259	
Increase (decrease) in policy reserve	262,874	467,792	4,214,730	
Interest portion of reserve for policyholder dividends	19	18	165	
Provision for reserve for (reversal of) policyholder dividends	30,331	27,144	244,566	
Increase (decrease) in reserve for possible loan losses	(162)	18	167	
Increase (decrease) in provision for bonuses to directors and audit & supervisory board members	13	(2)	(25)	
Increase (decrease) in provision for stock grant liability	-	336	3,034	
Increase (decrease) in net defined benefit liability	(5,783)	274	2,470	
Increase (decrease) in provision for directors' and audit & supervisory board members' retirement benefits	2	9	86	
Increase (decrease) in reserve for price fluctuations	14,800	15,402	138,777	
Interest, dividends and income from real estate for rent	(285,496)	(295,858)	(2,665,628)	
Losses (gains) on investment securities	(59,949)	(70,327)	(633,638)	
Interest expenses	637	907	8,180	
Foreign exchange losses (gains), net	3,463	1,174	10,583	
Losses (gains) on disposal of tangible fixed assets	888	(193)	(1,738)	
Equity in losses (income) of affiliated companies	(72)	24	218	
Decrease (increase) in amount due from agencies	16	48	435	
Decrease (increase) in amount due from reinsurers	364	858	7,730	
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(14,043)	(12,223)	(110,133)	
Increase (decrease) in amount due to agencies	324	(249)	(2,245)	
Increase (decrease) in amount due to reinsurers	(242)	(106)	(963)	
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	99	7,266	65,469	
Others, net	60,032	75,796	682,908	
Subtotal	131,995	342,056	3,081,871	
Interest, dividends and income from real estate for rent received	295,876	303,888	2,737,985	
Interest paid	(550)	(912)	(8,221)	
Policyholder dividends	(34,469)	(33,435)	(301,250)	
Others, net	2,107	(1,948)	(17,556)	
Income taxes paid	(24,832)	(32,690)	(294,537)	
Net cash provided by (used in) operating activities	¥ 370,127	¥ 576,958	\$ 5,198,289	

Years ended March 31,	(Millions of yen)		(Thousands of U.S. dollars)
	2018	2019	2019
Cash flows from investing activities:			
Net decrease (increase) in cash and deposits	¥ (50)	¥ (400)	\$ (3,603)
Investments in monetary claims purchased	(2,000)	(14,440)	(130,105)
Proceeds from sales and redemption of monetary claims purchased	25,454	13,728	123,689
Investments in monetary trusts	(137,658)	(92,532)	(833,701)
Proceeds from monetary trusts	35,470	10,157	91,517
Purchase of securities	(1,643,451)	(1,826,000)	(16,451,936)
Proceeds from sales and redemption of securities	1,265,588	1,509,010	13,595,915
Investments in loans	(397,753)	(370,968)	(3,342,358)
Collection of loans	435,667	350,823	3,160,858
Others, net	5,560	(39,418)	(355,154)
Subtotal	(413,173)	(460,040)	(4,144,879)
Total of net cash provided by (used in) operating activities and investment transactions as above	(43,045)	116,918	1,053,410
Purchase of tangible fixed assets	(53,658)	(19,914)	(179,426)
Proceeds from disposal of tangible fixed assets	247	1,570	14,147
Others, net	(574)	(300)	(2,705)
Net cash provided by (used in) investing activities	(467,159)	(478,684)	(4,312,863)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	3,000	-	-
Proceeds from issuance of debt	22,800	12,500	112,622
Repayments of debt	(12,331)	(41,927)	(377,759)
Proceeds from issuance of bonds	37,000	50,000	450,491
Redemption of bonds	-	(20,000)	(180,196)
Proceeds from share issuance to non-controlling shareholders	2,147	1,040	9,374
Repayments to non-controlling shareholders	(405)	-	-
Payment of lease obligations	(527)	(450)	(4,057)
Acquisition of treasury shares	(17,018)	(18,348)	(165,313)
Disposal of treasury shares	0	5	53
Dividends paid	(21,926)	(24,622)	(221,839)
Dividends paid to non-controlling interests	(48)	(44)	(403)
Others, net	0	0	1
Net cash provided by (used in) financing activities	12,690	(41,846)	(377,027)
Effect of exchange rate changes on cash and cash equivalents	(2,387)	(908)	(8,188)
Net increase (decrease) in cash and cash equivalents	(86,728)	55,518	500,209
Cash and cash equivalents at the beginning of the year	885,267	798,538	7,194,691
Cash and cash equivalents at the end of the year	¥ 798,538	¥ 854,057	\$ 7,694,901

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 = 110.99 Japanese yen, which was the approximate rate at the end of March 2019. 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, 2019

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, 2019	Reportable segments							(Millions of yen)
	Taiyo Life	Daido Life	T&D	Subtotal	Others	Total	Adjustments	Amount on consolidated financial statements
			Financial Life					
Ordinary revenues	¥ 916,451	¥ 1,044,933	¥ 150,758	¥ 2,112,143	¥ 32,616	¥ 2,144,759	¥ (4,597)	¥ 2,140,162
Intergroup transfers	1,158	627	-	1,786	59,684	61,471	(61,471)	-
Total	917,610	1,045,561	150,758	2,113,929	92,301	2,206,231	(66,068)	2,140,162
Segment income (loss)	54,196	89,270	2,064	145,531	36,478	182,009	(35,060)	146,949
Segment assets	7,411,864	6,843,179	1,438,819	15,693,864	976,507	16,670,371	(875,659)	15,794,711
Segment liabilities	6,996,551	6,180,746	1,361,498	14,538,796	207,081	14,745,878	(110,754)	14,635,123
Others								
Depreciation of real estate for rent	3,594	2,653	-	6,247	-	6,247	(28)	6,219
Depreciation	6,787	4,216	256	11,260	675	11,935	(43)	11,892
Provision for (reversal of) policy reserve	182,709	258,111	26,791	467,612	180	467,792	-	467,792
Provision for (reversal of) reserve for policyholder dividends	13,138	14,005	0	27,144	-	27,144	-	27,144
Interest, dividends and income from real estate for rent	143,579	145,486	8,322	297,388	35,299	332,688	(36,830)	295,858
Interest expenses	934	16	2	953	323	1,277	(369)	907
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	(24)	(24)
Extraordinary gains	152	497	-	650	48	699	-	699
Extraordinary losses	5,522	12,454	552	18,529	50	18,580	9	18,589
Impairment losses	1,574	538	-	2,113	-	2,113	-	2,113
Provision for reserve for price fluctuations	3,606	11,244	552	15,402	-	15,402	-	15,402
Taxes	10,140	17,779	500	28,420	639	29,059	6	29,066
Investments in affiliated companies	94	365	-	459	-	459	-	459
Increase in tangible fixed assets and intangible fixed assets	¥ 14,425	¥ 13,817	¥ 938	¥ 29,181	¥ 552	¥ 29,733	¥ (124)	¥ 29,608

Year ended March 31, 2019	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	\$ 8,257,060	\$ 9,414,664	\$ 1,358,305	\$19,030,030	\$ 293,871	\$19,323,902	\$ (41,419)	\$19,282,482
Intergroup transfers	10,441	5,656	-	16,098	537,745	553,844	(553,844)	-
Total	8,267,502	9,420,321	1,358,305	19,046,129	831,617	19,877,747	(595,264)	19,282,482
Segment income (loss)	488,298	804,315	18,598	1,311,212	328,662	1,639,875	(315,885)	1,323,990
Segment assets	66,779,570	61,655,821	12,963,509	141,398,902	8,798,154	150,197,056	(7,889,534)	142,307,522
Segment liabilities	63,037,678	55,687,414	12,266,857	130,991,951	1,865,766	132,857,717	(997,877)	131,859,840
Others								
Depreciation of real estate for rent	32,384	23,903	-	56,288	-	56,288	(254)	56,033
Depreciation	61,156	37,988	2,311	101,456	6,083	107,539	(389)	107,149
Provision for (reversal of) policy reserve	1,646,177	2,325,541	241,388	4,213,107	1,623	4,214,730	-	4,214,730
Provision for (reversal of) reserve for policyholder dividends	118,374	126,189	3	244,566	-	244,566	-	244,566
Interest, dividends and income from real estate for rent	1,293,627	1,310,805	74,985	2,679,418	318,043	2,997,462	(331,833)	2,665,628
Interest expenses	8,419	147	25	8,592	2,918	11,511	(3,331)	8,180
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	(218)	(218)
Extraordinary gains	1,374	4,486	-	5,860	441	6,301	-	6,301
Extraordinary losses	49,760	112,215	4,975	166,950	455	167,405	82	167,488
Impairment losses	14,189	4,849	-	19,039	-	19,039	-	19,039
Provision for reserve for price fluctuations	32,489	101,312	4,975	138,777	-	138,777	-	138,777
Taxes	91,363	160,191	4,505	256,060	5,763	261,823	60	261,884
Investments in affiliated companies	849	3,292	-	4,141	-	4,141	-	4,141
Increase in tangible fixed assets and intangible fixed assets	\$ 129,968	\$ 124,496	\$ 8,451	\$ 262,916	\$ 4,975	\$ 267,891	\$ (1,124)	\$ 266,766

Notes:

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

2. Adjustments are as follows:

- (1) The adjustment of ¥(4,597 million) [\$ (41,419 thousand)] to ordinary revenues is the transferred amount which mainly consists of gains from derivatives, net of ¥2,286 million [\$20,603 thousand] of ordinary revenues and reversal of provision for retirement benefits of ¥1,254 million [\$11,304 thousand] and foreign exchange gains, net of ¥854 million [\$ 7,701 thousand] which is included in ordinary expenses of the consolidated statement of operation as losses from derivatives, net and provision for retirement benefits and foreign exchange losses, net, respectively.
- (2) The adjustment of ¥(35,060 million) [\$ (315,885 thousand)] to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.
- (3) The adjustment of ¥(875,659 million) [\$ (7,889,534 thousand)] to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates.
- (4) The adjustment of ¥(110,754 million) [\$ (997,877 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, 2019

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	¥ 715,120	¥ 828,003	¥ 127,853	¥ 5,206	¥ 1,676,184
Insurance premiums	714,627	826,576	127,765	5,206	1,674,175
Individual insurance and individual annuities	606,517	767,359	127,611	-	1,501,487
Group insurance	29,781	22,211	-	-	51,992
Group annuities	77,139	35,936	134	-	113,210
Others	1,189	1,069	19	5,206	7,485
Ceded reinsurance recoveries	¥ 493	¥ 1,427	¥ 87	¥ -	¥ 2,008

(Thousands of U.S. dollars)

	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	\$ 6,443,109	\$ 7,460,167	\$ 1,151,934	\$ 46,910	\$ 15,102,122
Insurance premiums	6,438,663	7,447,305	1,151,143	46,910	15,084,023
Individual insurance and individual annuities	5,464,611	6,913,768	1,149,753	-	13,528,133
Group insurance	268,323	200,119	-	-	468,443
Group annuities	695,010	323,784	1,210	-	1,020,005
Others	10,717	9,632	179	46,910	67,440
Ceded reinsurance recoveries	\$ 4,446	\$ 12,861	\$ 790	\$ -	\$ 18,099

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, 2019

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, 2019

Not applicable.

[Information on gains on negative goodwill by reportable segment]

For the year ended March 31, 2019

Not applicable.

Per Share Information

Years ended March 31,	<i>(Yen)</i>		<i>(U.S. dollars)</i>	
	2018	2019	2019	
Net assets per share	¥ 1,844.15	¥ 1,844.30	\$	16.97
Net income per share	124.23	118.50		1.06
Net income per share (fully diluted)	121.81	116.16		1.04

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>	
	2018	2019	2019	
Net income per share:				
Profit attributable to owners of parent	¥ 77,577	¥ 72,825	\$	656,148
Amount not attributable to common shareholders	-	-		-
Profit attributable to owners of parent attributable to common shareholders	¥ 77,577	¥ 72,825	\$	656,148

<i>(Shares)</i>		
Weighted-average number of common stocks outstanding	624,468,759	614,581,825

Years ended March 31,	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
	2018	2019	2019	
Net income per share (fully diluted):				
Adjusted profit attributable to owners of parent	¥ (20)	¥ (20)	\$	(187)
Amortization of bond premium (after tax)	¥ (20)	¥ (20)	\$	(187)

<i>(Shares)</i>		
Increase in common stock	12,215,498	12,206,787
Convertible Bond	11,152,830	11,230,066
Subscription rights to shares	1,062,668	976,721
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)	
	2018	2019	2019	
Net assets	¥ 1,153,036	¥ 1,159,588	\$ 10,447,682	
Deduction from net assets	5,611	6,473	58,322	
Subscription rights to shares	1,216	1,081	9,742	
Non-controlling interests	4,395	5,391	48,579	
Net assets available to common shareholders	¥ 1,147,424	¥ 1,153,115	\$ 10,389,359	
(Shares)				
The number of common stock outstanding	622,197,540	611,958,309		

Significant Subsequent Events

The Company has resolved at its board of directors meeting held on May 15, 2019, 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 16,000,000 shares |
| (3) Total amount of acquisition | : Up to 13,000 million yen |
| (4) Period of acquisition | : From May 16, 2019 to August 30, 2019 |
| (5) Method of acquisition | : Open-market repurchase by the trust method |