

FINANCIAL SUMMARY

(For the six months ended September 30, 2016)

<under Japanese GAAP>

November 11, 2016

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/en/>
 Projected Filing Date of Quarterly Securities Report: November 28, 2016
 Projected Starting Date of Dividend Distribution: December 5, 2016
 Supplemental Information for Quarterly Financial Statements: Available
 Holding of Quarterly Financial Results Meeting: Yes (for institutional investors and analysts)

1. Consolidated Operating Results for the Six Months Ended September 30, 2016 (April 1, 2016 - September 30, 2016)

(1) Results of Operations

Note: Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent. % changes are presented in comparison with the same period of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Profit Attributable to Owners of Parent	% change
Six months ended September 30, 2016	¥955,815 million	(7.4)	¥90,780 million	(5.0)	¥48,210 million	(0.4)
Six months ended September 30, 2015	¥1,031,940 million	(15.0)	¥95,565 million	3.1	¥48,404 million	(8.2)

Note: Comprehensive income was ¥(36,484) million (- %) for the six months ended September 30, 2016, and ¥(78,916) million (- %) for the six months ended September 30, 2015.

	Net Income per Share	Net Income per Share (Fully Diluted)
Six months ended September 30, 2016	¥75.16	¥73.76
Six months ended September 30, 2015	¥73.52	¥72.64

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio
As of September 30, 2016	¥14,704,187 million	¥1,144,420 million	7.8%
As of March 31, 2016	¥14,674,207 million	¥1,214,061 million	8.2%

Note: Equity was ¥1,140,599 million as of September 30, 2016, and ¥1,210,540 million as of March 31, 2016.

2. Dividends

	Dividends per Share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
Year ended March 31, 2016	-	¥0.00	-	¥30.00	¥30.00
Year ending March 31, 2017	-	¥15.00			
Year ending March 31, 2017 (Forecast)			-	¥15.00	¥30.00

Note: Revisions to previously announced dividend forecasts: None.

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

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

	Ordinary Revenues	Ordinary Profit	Profit Attributable to Owners of Parent	Profit Attributable to Owners of Parent per Share
Year ending March 31, 2017	¥1,750,000 million (13.6)%	¥164,000 million (4.3)%	¥73,000 million 0.6%	¥112.52

Note: Revisions to previously announced financial forecasts: None.

4. Notes

- (1) Changes in Consolidated Subsidiaries (Change in Scope of Consolidation): None
- (2) 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: Yes
 - 2. Changes in accounting policies other than 1. above: None
 - 3. Changes in accounting estimates: None
 - 4. Restatement of corrections: NoneFor details, please refer to the Appendix of this material page 4 “2. (2) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections.”
- (3) Number of Outstanding Shares (Common Stock)
 - 1. Number of outstanding shares including treasury stock at the end of the period: as of September 30, 2016: 681,480,000
as of March 31, 2016: 681,480,000
 - 2. Number of treasury stock at the end of the period: as of September 30, 2016: 46,165,547
as of March 31, 2016: 32,723,022
 - 3. Average number of outstanding shares during the period: for the six months ended September 30, 2016: 641,436,628
for the six months ended September 30, 2015: 658,354,842

***Information regarding the implementation of interim audit procedure**

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

The forecasts for the year ending March 31, 2017 reflect the Company’s current analysis of existing information and trends. T&D Holdings offers no assurance that the forecasts will be realized. Actual results may differ from expectations based on risks and uncertainties that may affect the Company’s businesses.

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2016

(1) Consolidated Results of Operation

For the six months ended September 30, 2016, ordinary revenues decreased ¥76.1 billion or 7.4 percent from the same period of the previous fiscal year to ¥955.8 billion, which was a total of income from insurance premiums of ¥733.0 billion (down 8.8 percent), investment income of ¥189.2 billion (up 0.2 percent) and other ordinary income of ¥33.4 billion (down 15.1 percent).

Ordinary expenses decreased ¥71.3 billion or 7.6 percent from the same period of the previous fiscal year to ¥865.0 billion, which was a total of insurance claims and other payments of ¥584.8 billion (down 16.8 percent), provision for policy and other reserves of ¥87.6 billion (up 51.2 percent), investment expenses of ¥58.6 billion (up 37.6 percent), operating expenses of ¥98.6 billion (down 0.1 percent), other ordinary expenses of ¥35.2 billion (up 2.4 percent) and others.

As a result, ordinary profit decreased ¥4.7 billion or 5.0 percent to ¥90.7 billion.

After taking into account of extraordinary gains and losses, provision for reserve for policyholder dividends, income taxes and others, profit attributable to owners of parent decreased ¥0.1 billion or 0.4 percent from the same period of the previous fiscal year to ¥48.2 billion.

(i) Ordinary Revenues

(Billions of yen)

	Six Months ended September 30, 2016	Six Months ended September 30, 2015	Increase (decrease)
Consolidated	955.8	1,031.9	(76.1)
Taiyo Life	421.0	455.6	(34.5)
Daido Life	470.6	469.6	1.0
T&D Financial Life	90.3	130.0	(39.6)

Note: The differences between the consolidated figures and the sum of the figures of the three life insurance companies are mainly due to the intercompany reconciliation among the consolidated companies including the three life insurance companies.

(ii) Ordinary Profit

(Billions of yen)

	Six Months ended September 30, 2016	Six Months ended September 30, 2015	Increase (decrease)
Consolidated	90.7	95.5	(4.7)
Taiyo Life	39.7	43.2	(3.4)
Daido Life	43.8	50.0	(6.1)
T&D Financial Life	6.6	2.0	4.5

Note: The differences between the consolidated figures and the sum of the figures of the three life insurance companies are mainly due to the intercompany reconciliation among the consolidated companies including the three life insurance companies.

(iii) Profit Attributable to Owners of Parent

(Billions of yen)

	Six Months ended September 30, 2016	Six Months ended September 30, 2015	Increase (decrease)
Consolidated	48.2	48.4	(0.1)
Taiyo Life	18.3	17.1	1.2
Daido Life	24.5	39.2	(14.6)
T&D Financial Life	4.9	1.2	3.7

Notes:

1. The differences between the consolidated figures and the sum of the figures of the three life insurance companies are mainly due to the intercompany reconciliation among the consolidated companies including the three life insurance companies.
2. The amount of the three life insurance companies is net income.

(2) Consolidated Financial Position

Balance Sheet

As of September 30, 2016, total assets were ¥14,704.1 billion (up 0.2 percent from March 31, 2016).

The main components of the total assets were securities of ¥10,686.1 billion (up 1.8 percent) which mainly consists of public and corporate bonds, loans of ¥1,746.1 billion (down 1.2 percent), cash and deposits of ¥909.7 billion (down 11.2 percent) and monetary trusts of ¥541.6 billion (up 3.0 percent).

Total liabilities were ¥13,559.7 billion (up 0.7 percent), and policy reserves accounting for a substantial portion of them were ¥12,973.4 billion (up 0.6 percent).

Total net assets were ¥1,144.4 billion (down 5.7 percent), of which net unrealized gains (losses) on available-for-sale securities were ¥401.1 billion (down 17.7 percent).

As of September 30, 2016, consolidated solvency margin ratio was 1,238.1 percent (1,155.8 percent at the end of the previous fiscal year). The value of consolidated adjusted net assets was ¥2,862.8 billion (¥2,927.6 billion at the end of the previous fiscal year).

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

The consolidated forecasts for the fiscal year ending March 31, 2017 have not been changed from those announced on May 13, 2016.

2. Summary Information (Notes)

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation)

None

(2) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

(Changes in accounting policies)

In accordance with revisions to the Corporation Tax Act, the Company has applied “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (ASBJ Practical Issues Task Force (PITF) No. 32, issued on June 17, 2016) from the beginning of the subject fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method. The effect of this change on the profit and loss is negligible.

3. Unaudited Consolidated Financial Statements

(1) Unaudited Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets:		
Cash and deposits	1,024,692	909,736
Call loans	2,673	19,523
Monetary claims purchased	269,668	172,386
Monetary trusts	525,902	541,638
Securities	10,492,605	10,686,128
Loans	1,767,891	1,746,131
Tangible fixed assets	315,475	311,549
Intangible fixed assets	24,027	24,991
Due from agencies	746	672
Due from reinsurers	691	2,367
Other assets	251,286	271,419
Deferred tax assets	602	19,648
Reserve for possible loan losses	(2,057)	(2,007)
Total assets	14,674,207	14,704,187
Liabilities:		
Policy reserves	12,892,482	12,973,402
Reserve for outstanding claims	67,914	65,744
Policy reserve	12,719,256	12,806,859
Reserve for policyholder dividends	105,311	100,798
Due to agencies	630	521
Due to reinsurers	641	817
Short-term debenture	2,999	2,999
Bonds	50,125	50,110
Other liabilities	252,087	278,543
Reserve for bonuses to directors and audit & supervisory board members	281	136
Net defined benefit liability	59,730	57,099
Reserve for directors' and audit & supervisory board members' retirement benefits	78	46
Reserves under the special laws	175,759	190,111
Reserve for price fluctuations	175,759	190,111
Deferred tax liabilities	19,894	543
Deferred tax liabilities on land revaluation	5,434	5,434
Total liabilities	13,460,145	13,559,766
Net assets:		
Capital stock	207,111	207,111
Capital surplus	194,550	194,522
Retained earnings	422,422	443,554
Treasury stock	(48,876)	(62,755)
Total stockholders' equity	775,208	782,433
Net unrealized gains (losses) on available-for-sale securities	487,200	401,115
Deferred gains (losses) on hedging instruments	(8,601)	(7,281)
Land revaluation	(43,288)	(35,672)
Foreign currency translation adjustments	21	4
Total accumulated other comprehensive income	435,331	358,165
Subscription rights to shares	926	1,178
Non-controlling interests	2,595	2,643
Total net assets	1,214,061	1,144,420
Total liabilities and net assets	14,674,207	14,704,187

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

Unaudited Consolidated Statement of Operation

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Ordinary revenues	1,031,940	955,815
Income from insurance premiums	803,475	733,042
Investment income	189,002	189,293
Interest, dividends and income from real estate for rent	148,008	133,525
Gains from monetary trusts, net	1,889	1,407
Gains on sales of securities	35,868	53,130
Gains on redemption of securities	1,965	-
Reversal of reserve for possible loan losses	113	47
Other investment income	1,157	1,182
Other ordinary income	39,431	33,479
Equity in earnings of affiliates	30	-
Ordinary expenses	936,374	865,035
Insurance claims and other payments	702,605	584,834
Insurance claims	210,015	181,849
Annuity payments	182,797	150,004
Insurance benefits	81,283	73,828
Surrender payments	188,818	154,072
Other payments	39,690	25,079
Provision for policy and other reserves	57,965	87,621
Provision for policy reserve	57,928	87,603
Interest portion of reserve for policyholder dividends	37	17
Investment expenses	42,670	58,695
Interest expenses	608	289
Losses on investment in trading securities, net	985	3,804
Losses on sales of securities	5,268	24,501
Devaluation losses on securities	846	193
Losses from derivatives, net	20,318	13,385
Foreign exchange losses, net	48	4,479
Write-off of loans	5	-
Depreciation of real estate for rent	2,406	2,403
Other investment expenses	6,616	7,377
Losses on separate accounts, net	5,565	2,261
Operating expenses	98,701	98,603
Other ordinary expenses	34,432	35,267
Equity in losses of affiliates	-	13
Ordinary profit	95,565	90,780

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Extraordinary gains	72	250
Gains on disposal of fixed assets	3	246
State subsidy	68	3
Extraordinary losses	11,099	15,516
Losses on disposal of fixed assets	464	136
Impairment losses	146	735
Provision for reserve for price fluctuations	10,214	14,351
Head office transfer cost	206	-
Other extraordinary losses	67	292
Provision for reserve for policyholder dividends	16,929	15,955
Income before income taxes	67,608	59,558
Income taxes:		
Current	23,623	18,181
Deferred	(4,506)	(6,919)
Total income taxes	19,116	11,261
Profit	48,492	48,297
Profit attributable to non-controlling interests	87	87
Profit attributable to owners of parent	48,404	48,210

Unaudited Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	48,492	48,297
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	(132,797)	(86,082)
Deferred gains (losses) on hedging instruments	5,391	1,320
Foreign currency translation adjustments	0	(0)
Share of other comprehensive income of associates accounted for using the equity method	(2)	(18)
Total other comprehensive income:	(127,408)	(84,781)
Comprehensive income	(78,916)	(36,484)
(Breakdown)		
Comprehensive income attributable to owners of parent	(79,003)	(36,571)
Comprehensive income attributable to non-controlling interests	86	87

(3) Unaudited Consolidated Statement of Changes in Net Assets

Six months ended September 30, 2015						(Millions of yen)	
	Stockholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging instruments
Balance at the beginning of the year	207,111	194,586	366,747	(19,008)	749,436	649,716	(13,741)
Changes in the period							
Dividends			(16,621)		(16,621)		
Profit attributable to owners of parent			48,404		48,404		
Acquisition of treasury stock				(30,010)	(30,010)		
Disposal of treasury stock		(35)		143	107		
Reversal of land revaluation			(157)		(157)		
Net changes of items other than stockholders' equity						(132,800)	5,391
Total changes in the period		(35)	31,626	(29,867)	1,722	(132,800)	5,391
Balance at the end of the year	207,111	194,550	398,373	(48,876)	751,159	516,915	(8,350)

Six months ended September 30, 2015							(Millions of yen)
	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets	
	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income				
Balance at the beginning of the year	(43,694)	21	592,301	746	2,465	1,344,950	
Changes in the period							
Dividends							(16,621)
Profit attributable to owners of parent							48,404
Acquisition of treasury stock							(30,010)
Disposal of treasury stock							107
Reversal of land revaluation							(157)
Net changes of items other than stockholders' equity	157	1	(127,250)	184	35		(127,030)
Total changes in the period	157	1	(127,250)	184	35		(125,307)
Balance at the end of the year	(43,536)	22	465,051	930	2,501	1,219,642	

						(Millions of yen)	
	Stockholders' equity					Accumulated other comprehensive income	
Six months ended September 30, 2016	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on available-for- sale securities	Deferred gains (losses) on hedging instruments
Balance at the beginning of the year	207,111	194,550	422,422	(48,876)	775,208	487,200	(8,601)
Changes in the period							
Dividends			(19,462)		(19,462)		
Profit attributable to owners of parent			48,210		48,210		
Acquisition of treasury stock				(14,003)	(14,003)		
Disposal of treasury stock		(28)		125	97		
Reversal of land revaluation			(7,615)		(7,615)		
Net changes of items other than stockholders' equity						(86,084)	1,320
Total changes in the period		(28)	21,131	(13,878)	7,224	(86,084)	1,320
Balance at the end of the year	207,111	194,522	443,554	(62,755)	782,433	401,115	(7,281)

Six months ended September 30, 2016							(Millions of yen)	
	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	(43,288)	21	435,331	926	2,595	1,214,061		
Changes in the period								
Dividends						(19,462)		
Profit attributable to owners of parent						48,210		
Acquisition of treasury stock						(14,003)		
Disposal of treasury stock						97		
Reversal of land revaluation						(7,615)		
Net changes of items other than stockholders' equity	7,615	(17)	(77,166)	251	48	(76,866)		
Total changes in the period	7,615	(17)	(77,166)	251	48	(69,641)		
Balance at the end of the year	(35,672)	4	358,165	1,178	2,643	1,144,420		

(4) Notes on Going-Concern Assumption

Not applicable.

4. Others

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

(Millions of yen)

Items	As of March 31, 2016	As of September 30, 2016
Total solvency margin (A)	2,102,712	2,038,595
Capital stock, etc.	759,218	776,696
Reserve for price fluctuations	175,759	190,111
Contingency reserve	152,903	151,766
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,482	1,432
Net unrealized gains on available-for-sale securities and deferred gains (losses) on hedging instruments (x 90 per cent, if gains; x 100 per cent, if losses)	590,290	485,674
Net unrealized gains (losses) on land (x 85 per cent, if gains; x 100 per cent, if losses)	16,802	23,048
The total amount of unrecognized actuarial gains and losses and unrecognized past service costs (prior to tax effect deduction)	-	-
Excess amount of policy reserve based on Zillmer method	196,715	198,240
Unallotted portion of reserve for policyholder dividends	16,891	16,286
Deferred tax assets	142,638	147,025
Subordinated debt	50,000	50,000
The amount of non-margin portions in excess amount of policy reserve based on Zillmer method and subordinated debts	-	-
Margin of small-amount short-term insurance company	305	356
Deductible items	(294)	(2,043)
Total risk $[(R_1^2 + R_5^2)^{1/2} + R_8 + R_9]^2 + (R_2 + R_3 + R_7)^2]^{1/2} + R_4 + R_6$ (B)	363,834	329,290
Insurance risk R1	46,671	46,331
General insurance risk R5	-	-
Catastrophe risk R6	-	-
Third Sector insurance risk R8	14,363	14,839
Insurance risk of small-amount short-term insurance company R9	492	567
Assumed investment yield risk R2	67,926	66,146
Minimum guarantee risk R7	3,084	2,499
Investment risk R3	279,224	247,115
Business risk R4	8,235	7,549
Consolidated solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,155.8%	1,238.1%

Notes:

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