

FINANCIAL SUMMARY

(For the nine months ended December 31, 2015)

<under Japanese GAAP>

February 12, 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: February 12, 2016
 Projected Starting Date of Dividend Distribution: -
 Supplemental Information for Quarterly Financial Statements: Available
 Holding of Quarterly Financial Results Meeting: Yes (for institutional investors and analysts)

1. Consolidated Operating Results for the Nine Months Ended December 31, 2015 (April 1, 2015 - December 31, 2015)

(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 term of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Profit Attributable to Owners of Parent	% change
Nine months ended December 31, 2015	¥1,500,801 million	(18.2)	¥134,884 million	(0.8)	¥62,024 million	(18.0)
Nine months ended December 31, 2014	¥1,835,607 million	15.3	¥135,917 million	(3.7)	¥75,644 million	23.8

Note: Comprehensive income: ¥ (32,563) million (- %) for the nine months ended December 31, 2015; ¥275,875 million (up 154.0%) for the nine months ended December 31, 2014.

	Net Income per Share	Net Income per Share (Fully Diluted)
Nine months ended December 31, 2015	¥94.67	¥93.34
Nine months ended December 31, 2014	¥113.39	¥113.26

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio
As of December 31, 2015	¥14,813,145 million	¥1,265,992 million	8.5%
As of March 31, 2015	¥14,664,705 million	¥1,344,950 million	9.1%

Note: Equity: as of December 31, 2015: ¥1,262,520 million; as of March 31, 2015: ¥1,341,738 million.

2. Dividends

	Dividends per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Year-End	Annual
Year ended March 31, 2015	-	-	-	¥25.00	¥25.00
Year ending March 31, 2016	-	-			
Year ending March 31, 2016 (Forecast)			-	¥30.00	¥30.00

Note: Revisions to previously announced dividend forecasts: Yes.

3. Consolidated Forecasts for the Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

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

	Ordinary Revenues	Ordinary Profit	Profit Attributable to Owners of Parent	Net Income per Share
Year ending March 31, 2016	¥1,870,000 million (22.5)%	¥167,000 million (11.6)%	¥78,000 million (17.2)%	¥117.32

Note: Revisions to previously announced financial forecasts: None.

4. Notes

- (1) Changes in Consolidated Subsidiaries (Change in Scope of Consolidation): None
- (2) Adoption of special accounting method for quarterly financial reporting: None
- (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections:
 1. Changes in accounting policies due to the revision of accounting standards and other regulations: Yes
 2. Changes other than 1. above: None
 3. Changes in accounting estimates: None
 4. Restatement of corrections: None
- (4) Number of Outstanding Shares (Common Stock)
 1. Number of outstanding shares including treasury stock at the end of the term: as of December 31, 2015: 681,480,000
as of March 31, 2015: 681,480,000
 2. Number of treasury stock at the end of the term: as of December 31, 2015: 32,721,921
as of March 31, 2015: 16,632,735
 3. Average number of outstanding shares during the term: for the nine months ended December 31, 2015: 655,144,652
for the nine months ended December 31, 2014: 667,094,585

*Information regarding the implementation of interim audit procedure

This “FINANCIAL SUMMARY” (Quarterly “Tanshin”) is not subject to the quarterly review procedure by external auditors that is based on Financial Instruments and Exchange Act. T&D Holdings will receive the quarterly review report which will be attached to the quarterly securities report based on Financial Instruments and Exchange Act, today..

The forecasts for the year ending March 31, 2016 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 quarterly financial statements are available on T&D Holdings' website.

1. Summary Information (Notes)

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

None

(2) Adoption of Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements

None

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

(Changes in accounting policies)

From the beginning of the subject fiscal year, T&D Holdings, Inc. (the “Company”) has applied accounting standards such as “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereafter “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereafter “Consolidation Accounting Standard”), and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereafter “Business Divestitures Accounting Standard”), recording as capital surplus the variance on changes in equity interests in subsidiaries where the Company retains control, and changing the method for recording acquisition-related expenses as expenses for the consolidated fiscal year.

Also, for business combinations conducted from the beginning of the subject fiscal year, the Company has changed to a method to reflect the revisions to the allocated amount of acquisition cost determined by provisional accounting treatment in the consolidated financial statements for the quarterly accounting period of the date of the business combination. In addition, the Company has made changes to the presentation of account titles such as net income, and changed the presentation of minority interests to profit attributable to non-controlling interests. The consolidated financial statements for the previous first quarter period and previous fiscal year have been reclassified to reflect the subject changes in presentation.

For the application of the Business Combinations Accounting Standard and other standards, the Company follows the transitional treatment prescribed by Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard, and Article 57-4 (4) of the Business Divestitures Accounting Standard, applying such from the beginning of the first quarter period of the subject fiscal year and going forward.

There is no effect on the consolidated financial statements as a result of these changes.

2. Unaudited Consolidated Financial Statements

(1) Unaudited Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2015	As of December 31, 2015
Assets:		
Cash and deposits	334,191	552,873
Call loans	329,876	476,937
Monetary claims purchased	339,927	333,636
Monetary trusts	437,622	493,567
Securities	10,847,399	10,605,778
Loans	1,863,837	1,817,598
Tangible fixed assets	301,158	307,434
Intangible fixed assets	21,068	22,865
Due from agencies	746	704
Due from reinsurers	405	402
Other assets	190,196	202,998
Deferred tax assets	501	486
Reserve for possible loan losses	(2,225)	(2,139)
Total assets	14,664,705	14,813,145
Liabilities:		
Policy reserves	12,707,957	12,800,441
Reserve for outstanding claims	73,102	60,200
Policy reserve	12,524,934	12,631,618
Reserve for policyholder dividends	109,920	108,622
Due to agencies	1,009	745
Due to reinsurers	554	941
Short-term debenture	2,999	2,999
Bonds	51,100	50,132
Other liabilities	248,940	415,438
Reserve for bonus to directors and audit & supervisory board members	243	222
Net defined benefit liability	50,271	48,819
Reserve for directors' and audit & supervisory board members' retirement benefits	67	74
Reserve for price fluctuations	155,190	170,532
Deferred tax liabilities	95,824	51,214
Deferred tax liabilities on land revaluation	5,598	5,589
Total liabilities	13,319,755	13,547,153
Net assets:		
Common stock		
Authorized - 1,932,000,000 shares		
Issued - 681,480,000 shares	207,111	207,111
Capital surplus	194,586	194,550
Retained earnings	366,747	412,005
Treasury stock	(19,008)	(48,875)
Total stockholders' equity	749,436	764,792
Net unrealized gains (losses) on securities	649,716	549,897
Deferred gains (losses) on hedging instruments	(13,741)	(8,641)
Land revaluation	(43,694)	(43,548)
Foreign currency translation adjustments	21	20
Total accumulated other comprehensive income	592,301	497,727
Subscription rights to shares	746	926
Non-controlling interests	2,465	2,545
Total net assets	1,344,950	1,265,992
Total liabilities and net assets	14,664,705	14,813,145

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

Unaudited Consolidated Statement of Operation

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Ordinary revenues	1,835,607	1,500,801
Income from insurance premiums	1,490,978	1,166,006
Investment income	289,385	277,114
Interest, dividends and income from real estate for rent	216,372	219,032
Gains from monetary trusts, net	-	2,014
Gains on investment in trading securities, net	18,868	-
Gains on sales of securities	21,484	48,550
Gains on redemption of securities	-	3,198
Foreign exchange gains, net	1372	1,396
Reversal of reserve for possible loan losses	120	83
Other investment income	3,128	1,676
Gains on separate accounts, net	28,039	1,161
Other ordinary income	55,209	57,645
Equity in net income of affiliated companies	32	36
Ordinary expenses	1,699,689	1,365,917
Insurance claims and other payments	1,067,579	1,007,844
Insurance claims	277,438	293,458
Annuity payments	348,245	272,637
Insurance benefits	125,714	117,588
Surrender payments	269,233	269,717
Other payments	46,947	54,441
Provision for policy and other reserves	376,578	106,735
Provision for policy reserve	376,496	106,684
Interest portion of reserve for policyholder dividends	82	51
Investment expenses	54,910	52,072
Interest expenses	1,534	755
Losses from monetary trusts, net	1,511	-
Losses on investment in trading securities, net	-	848
Losses on sales of securities	4,587	10,274
Devaluation losses on securities	294	2,949
Losses from derivatives, net	32,495	23,432
Write-off of loans	22	4
Depreciation of real estate for rent	3,806	3,638
Other investment expenses	10,658	10,168
Operating expenses	148,704	148,041
Other ordinary expenses	51,916	51,223
Ordinary profit	135,917	134,884

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Extraordinary gains	214	126
Gains on disposal of fixed assets	67	3
State subsidy	43	122
Compensation for transfer	102	-
Extraordinary losses	4,841	22,155
Losses on disposal of fixed assets	505	660
Impairment losses	362	4,084
Provision for reserve for price fluctuations	3,928	15,341
Head office transfer cost	-	1,947
Other extraordinary losses	44	120
Provision for reserve for policyholder dividends	24,337	24,585
Income before income taxes	106,952	88,269
Income taxes:		
Current	32,082	33,605
Deferred	(893)	(7,490)
Total income taxes	31,188	26,114
Profit	75,764	62,155
Profit attributable to non-controlling interests	119	130
Profit attributable to owners of parent	75,644	62,024

Unaudited Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	75,764	62,155
Other comprehensive income	200,110	(94,718)
Net unrealized gains (losses) on securities	206,740	(99,814)
Deferred gains (losses) on hedging instruments	(6,630)	5,099
Foreign currency translation adjustments	0	(0)
Share of other comprehensive income of associates accounted for using the equity method	0	(4)
Comprehensive income	275,875	(32,563)
(Breakdown)		
Comprehensive income attributable to owners of the parent	275,753	(32,694)
Comprehensive income attributable to non-controlling interests	121	130

(3) Notes on Going-Concern Assumption

Not applicable.

(4) Notes for Material Changes in Shareholders' Equity

Not applicable.

3. Others

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

(Millions of yen)

Items	As of March 31, 2015	As of December 31, 2015
Total solvency margin (A)	2,290,819	2,190,310
Common stock, etc. (less certain items)	735,975	755,928
Reserve for price fluctuations	155,190	170,532
Contingency reserve	158,597	154,234
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,655	1,556
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent, if gains; x 100 per cent, if losses)	810,029	684,939
Net unrealized gains (losses) on real estate (x 85 per cent, if gains; x 100 per cent, if losses)	(707)	4,030
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	179,177	192,889
Unallotted portion of reserve for policyholder dividends	17,028	17,755
Deferred tax assets	135,333	158,445
Subordinated debt	98,600	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	216	280
Deductible items	(278)	(283)
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)	375,326	388,039
Insurance risk R1	47,399	46,916
General insurance risk R5	-	-
Catastrophe risk R6	-	-
Third Sector insurance risk R8	13,525	14,282
Insurance risk of small-amount short-term insurance company R9	400	455
Assumed investment yield risk R2	73,272	69,169
Minimum guarantee risk R7	5,966	3,524
Investment risk R3	282,464	301,583
Business risk R4	8,460	8,718
Consolidated solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,220.7%	1,128.9%

1. The above ratios 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. The ratio as of June 30, 2015 is calculated using a reasonable method based on the regulatory rules described above.
2. "Common stock, etc. (less certain items)" 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 R₇" is calculated using the standard method regulated by the FSA.