

FINANCIAL SUMMARY

(For the three months ended June 30, 2018)

<under Japanese GAAP>

August 9, 2018

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: August 9, 2018
 Projected Starting Date of Dividend Distribution: -
 Supplemental Information for Quarterly Financial Statements: Available
 Holding of Quarterly Financial Results Meeting: Yes (for institutional investors and analysts) IR Conference Call

1. Consolidated Operating Results for the Three Months Ended June 30, 2018 (April 1, 2018 - June 30, 2018)

(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
Three months ended June 30, 2018	¥547,732 million	19.8	¥37,273 million	(0.7)	¥19,499 million	0.2
Three months ended June 30, 2017	¥457,298 million	(6.3)	¥37,547 million	(17.4)	¥19,453 million	(22.0)

Note: Comprehensive income was ¥14,386 million [(80.1) %] for the three months ended June 30, 2018, and ¥72,160 million [- %] for the three months ended June 30, 2017.

	Net Income per Share	Net Income per Share (Fully Diluted)
Three months ended June 30, 2018	¥31.35	¥30.74
Three months ended June 30, 2017	¥30.81	¥30.22

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio
As of June 30, 2018	¥15,364,182 million	¥1,138,453 million	7.4%
As of March 31, 2018	¥15,262,398 million	¥1,153,036 million	7.5%

Reference: Equity was ¥1,132,440 million as of June 30, 2018, and ¥1,147,424 million as of March 31, 2018.

2. Dividends

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

Note: Revisions to previously announced dividend forecasts: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

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

	Ordinary Revenues	Ordinary Profit	Net Income Attributable to Owners of Parent	Net Income per Share
Year ending March 31, 2019	¥2,130,000 million 10.5%	¥156,000 million (0.3)%	¥79,000 million 1.8%	¥126.97

Note: Revisions to previously announced financial forecasts: None

4. Notes

- (1) Changes in Significant Subsidiaries During the Consolidated Cumulative Quarter : None
- (2) Adoption of Special Accounting Method for the Quarterly Consolidated Financial Reporting: None
- (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections
 1. Changes in accounting policies due to the revision of accounting standards and other regulations: None
 2. Changes in accounting policies other than 1. above: None
 3. Changes in accounting estimates: None
 4. Restatement of corrections: None
- (4) Number of Outstanding Shares (Common Stock)
 1. Number of outstanding shares including treasury shares at the end of the term:
As of June 30, 2018: 655,000,000
As of March 31, 2018: 655,000,000
 2. Number of treasury shares at the end of the term:
As of June 30, 2018: 42,219,040
As of March 31, 2018: 32,802,460
 3. Average number of outstanding shares during the term:
For the three months ended June 30, 2018: 621,898,474
For the three months ended June 30, 2017: 631,313,888

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

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

Forward-looking statements made in this document, including 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.

Contents of Appendix

1. Unaudited Consolidated Financial Statements	2
(1) Unaudited Consolidated Balance Sheet	2
(2) Unaudited Consolidated Statement of Operation and Unaudited Consolidated Statement of Comprehensive Income	3
(3) Notes on Unaudited Consolidated Financial Statements	4
[Notes on Going-Concern Assumption]	4
[Notes on Material Changes in Shareholders' Equity]	4

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

1. Unaudited Consolidated Financial Statements

(1) Unaudited Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets:		
Cash and deposits	776,510	702,390
Call loans	10,539	10,537
Monetary claims purchased	117,578	109,796
Monetary trusts	685,819	692,854
Securities	11,377,032	11,591,013
Loans	1,648,600	1,638,939
Tangible fixed assets	363,245	361,839
Intangible fixed assets	26,862	27,209
Due from agencies	740	693
Due from reinsurers	3,136	2,911
Other assets	209,171	179,576
Deferred tax assets	44,753	47,996
Reserve for possible loan losses	(1,591)	(1,574)
Total assets	15,262,398	15,364,182
Liabilities:		
Policy reserves	13,395,725	13,487,520
Reserve for outstanding claims	67,749	66,968
Policy reserve	13,239,086	13,334,079
Reserve for policyholder dividends	88,889	86,471
Due to agencies	658	512
Due to reinsurers	1,539	1,615
Short-term debentures	6,000	6,000
Bonds	87,065	87,057
Other liabilities	342,252	363,129
Provision for bonuses to directors and audit & supervisory board members	276	68
Net defined benefit liability	50,764	50,976
Provision for directors' and audit & supervisory board members' retirement benefits	56	53
Reserves under the special laws	219,695	223,462
Reserve for price fluctuations	219,695	223,462
Deferred tax liabilities	13	14
Deferred tax liabilities on land revaluation	5,316	5,316
Total liabilities	14,109,362	14,225,728
Net assets:		
Capital stock	207,111	207,111
Capital surplus	156,785	156,745
Retained earnings	516,585	523,640
Treasury shares	(46,703)	(63,548)
Total shareholders' equity	833,779	823,949
Valuation difference on available-for-sale securities	353,590	348,373
Deferred gains (losses) on hedging instruments	(4,320)	(4,257)
Land revaluation	(35,637)	(35,637)
Foreign currency translation adjustment	11	12
Total accumulated other comprehensive income	313,645	308,491
Subscription rights to shares	1,216	1,097
Non-controlling interests	4,395	4,916
Total net assets	1,153,036	1,138,453
Total liabilities and net assets	15,262,398	15,364,182

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

Unaudited Consolidated Statement of Operation

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Ordinary revenues	457,298	547,732
Income from insurance premiums	340,980	429,946
Investment income	95,949	99,731
Interest, dividends and income from real estate for rent	65,322	70,041
Gains from monetary trusts, net	6,030	3,412
Gains on investment in trading securities, net	-	111
Gains on sales of securities	21,459	23,170
Gains on redemption of securities	-	1,168
Foreign exchange gains, net	-	344
Reversal of reserve for possible loan losses	27	14
Other investment income	522	629
Gains on separate accounts, net	2,586	838
Other ordinary income	20,327	18,054
Equity in earnings of affiliates	40	-
Ordinary expenses	419,750	510,458
Insurance claims and other payments	308,409	322,248
Insurance claims	93,582	103,446
Annuity payments	76,314	75,104
Insurance benefits	39,383	39,208
Surrender payments	86,304	85,456
Other payments	12,825	19,032
Provision for policy and other reserves	19,079	94,998
Provision for policy reserve	19,074	94,993
Interest portion of reserve for policyholder dividends	4	4
Investment expenses	22,902	26,318
Interest expenses	138	303
Losses on investment in trading securities, net	7	-
Losses on sales of securities	5,044	6,382
Devaluation losses on securities	1,033	1,013
Losses from derivatives, net	11,861	13,418
Foreign exchange losses, net	167	-
Write-off of loans	-	1
Depreciation of real estate for rent	1,142	1,545
Other investment expenses	3,506	3,653
Operating expenses	52,298	50,738
Other ordinary expenses	17,060	16,075
Equity in losses of affiliates	-	78
Ordinary profit	37,547	37,273

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Extraordinary gains	0	22
Gains on disposal of fixed assets	-	22
State subsidy	0	0
Extraordinary losses	3,603	3,845
Losses on disposal of fixed assets	21	37
Impairment losses	-	39
Provision for reserve for price fluctuations	3,581	3,767
Other extraordinary losses	0	0
Provision for reserve for policyholder dividends	6,500	5,960
Income before income taxes	27,443	27,490
Income taxes (current)	7,498	9,065
Income taxes (deferred)	483	(1,115)
Total income taxes	7,981	7,949
Profit	19,462	19,540
Profit attributable to non-controlling interests	8	41
Profit attributable to owners of parent	19,453	19,499

Unaudited Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	19,462	19,540
Other comprehensive income:		
Valuation difference on available-for-sale securities	52,626	(5,216)
Deferred gains (losses) on hedging instruments	75	62
Foreign currency translation adjustments	(0)	(0)
Share of other comprehensive income of associates accounted for using the equity method	(3)	0
Total other comprehensive income	52,698	(5,153)
Comprehensive income	72,160	14,386
(Breakdown)		
Comprehensive income attributable to owners of parent	72,150	14,345
Comprehensive income attributable to non-controlling interests	9	41

(3) Notes on Unaudited Consolidated Financial Statements

[Notes on Going-Concern Assumption]

Not applicable.

[Notes for Material Changes in Shareholders' Equity]

Not applicable.