

FINANCIAL SUMMARY

(For the three months ended June 30, 2016)

<under Japanese GAAP>

August 9, 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: August 9, 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) IR Conference Call

1. Consolidated Operating Results for the Three Months Ended June 30, 2016 (April 1, 2016 - June 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 term of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Profit Attributable to Owners of Parent	% change
Three months ended June 30, 2016	¥488,202 million	(12.6)	¥45,445 million	3.8	¥24,955 million	16.5
Three months ended June 30, 2015	¥558,730 million	(4.9)	¥43,763 million	(5.6)	¥21,424 million	(20.6)

Note: Comprehensive income: ¥(40,150) million (- %) for the three months ended June 30, 2016; ¥1,408 million (down 98.1%) for the three months ended June 30, 2015.

	Net Income per Share	Net Income per Share (Fully Diluted)
Three months ended June 30, 2016	¥38.53	¥37.83
Three months ended June 30, 2015	¥32.23	¥32.04

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio
As of June 30, 2016	¥14,834,392 million	¥1,140,401 million	7.7%
As of March 31, 2016	¥14,674,207 million	¥1,214,061 million	8.2%

Note: Equity as of June 30, 2016: ¥1,136,980 million; as of March 31, 2016: ¥1,210,540 million

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	-				
Year ending March 31, 2017 (Forecast)		¥15.00	-	¥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 (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:
 - 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 June 30, 2016: 681,480,000
as of March 31, 2016: 681,480,000
 - 2. Number of treasury stock at the end of the term: as of June 30, 2016: 46,163,002
as of March 31, 2016: 32,723,022
 - 3. Average number of outstanding shares during the term: for the three months ended June 30, 2016: 647,624,829
for the three months ended June 30, 2015: 664,710,407

*Information regarding the implementation of quarterly review 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, 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 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)

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.

2. Unaudited Consolidated Financial Statements

(1) Unaudited Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets:		
Cash and deposits	1,024,692	1,264,920
Call loans	2,673	12,950
Monetary claims purchased	269,668	257,479
Monetary trusts	525,902	526,748
Securities	10,492,605	10,301,125
Loans	1,767,891	1,742,010
Tangible fixed assets	315,475	313,311
Intangible fixed assets	24,027	24,637
Due from agencies	746	688
Due from reinsurers	691	1,237
Other assets	251,286	380,829
Deferred tax assets	602	10,445
Reserve for possible loan losses	(2,057)	(1,992)
Total assets	14,674,207	14,834,392
Liabilities:		
Policy reserves	12,892,482	12,908,345
Reserve for outstanding claims	67,914	64,205
Policy reserve	12,719,256	12,741,763
Reserve for policyholder dividends	105,311	102,376
Due to agencies	630	502
Due to reinsurers	641	752
Short-term debenture	2,999	2,999
Bonds	50,125	50,117
Other liabilities	252,087	481,343
Reserve for bonus to directors and audit & supervisory board members	281	67
Net defined benefit liability	59,730	60,415
Reserve for directors' and audit & supervisory board members' retirement benefits	78	42
Reserves under the special laws	175,759	182,843
Reserve for price fluctuations	175,759	182,843
Deferred tax liabilities	19,894	1,125
Deferred tax liabilities on land revaluation	5,434	5,434
Total liabilities	13,460,145	13,693,991
Net assets:		
Capital stock	207,111	207,111
Capital surplus	194,550	194,522
Retained earnings	422,422	427,915
Treasury stock	(48,876)	(62,752)
Total stockholders' equity	775,208	766,796
Net unrealized gains (losses) on securities	487,200	421,922
Deferred gains (losses) on hedging instruments	(8,601)	(8,464)
Land revaluation	(43,288)	(43,288)
Foreign currency translation adjustments	21	13
Total accumulated other comprehensive income	435,331	370,183
Subscription rights to shares	926	829
Non-controlling interests	2,595	2,591
Total net assets	1,214,061	1,140,401
Total liabilities and net assets	14,674,207	14,834,392

(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, 2015	Three months ended June 30, 2016
Ordinary revenues	558,730	488,202
Income from insurance premiums	431,871	378,223
Investment income	103,215	92,069
Interest, dividends and income from real estate for rent	70,093	61,731
Gains from monetary trusts, net	153	823
Gains on investment in trading securities, net	2,407	-
Gains on sales of securities	23,934	28,898
Gains on redemption of securities	958	-
Foreign exchange gains, net	260	-
Reversal of reserve for possible loan losses	115	64
Other investment income	536	551
Gains on separate accounts, net	4,756	-
Other ordinary income	23,634	17,909
Equity in earnings of affiliates	9	-
Ordinary expenses	514,967	442,756
Insurance claims and other payments	398,012	316,887
Insurance claims	130,263	103,369
Annuity payments	99,072	81,321
Insurance benefits	44,807	40,250
Surrender payments	109,673	78,763
Other payments	14,196	13,183
Provision for policy and other reserves	24,302	22,518
Provision for policy reserve	24,279	22,506
Interest portion of reserve for policyholder dividends	22	12
Investment expenses	24,753	35,016
Interest expenses	311	141
Losses on investment in trading securities, net	-	3,959
Losses on sales of securities	3,445	13,755
Devaluation losses on securities	89	1,489
Losses from derivatives, net	16,293	2,958
Foreign exchange losses, net	-	3,730
Write-off of loans	2	-
Depreciation of real estate for rent	1,192	1,199
Other investment expenses	3,419	3,428
Losses on separate accounts, net	-	4,354
Operating expenses	50,074	49,597
Other ordinary expenses	17,825	18,711
Equity in losses of affiliates	-	25
Ordinary profit	43,763	45,445

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Extraordinary gains	65	1
Gains on disposal of fixed assets	11	-
State subsidy	53	1
Other extraordinary gains	-	0
Extraordinary losses	5,639	8,055
Losses on disposal of fixed assets	309	14
Impairment losses	138	724
Provision for reserve for price fluctuations	5,097	7,083
Head office transfer cost	40	-
Other extraordinary losses	52	232
Provision for reserve for policyholder dividends	8,091	7,590
Income before income taxes	30,097	29,801
Income taxes:		
Current	10,522	10,567
Deferred	(1,891)	(5,763)
Total income taxes	8,630	4,804
Profit	21,466	24,997
Profit attributable to non-controlling interests	42	42
Profit attributable to owners of parent	21,424	24,955

Unaudited Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	21,466	24,997
Other comprehensive income:		
Net unrealized gains (losses) on securities	(25,459)	(65,277)
Deferred gains (losses) on hedging instruments	5,402	137
Foreign currency translation adjustments	(0)	(0)
Share of other comprehensive income of associates accounted for using the equity method	(0)	(7)
Total other comprehensive income	(20,058)	(65,147)
Comprehensive income	1,408	(40,150)
(Breakdown)		
Comprehensive income attributable to owners of parent	1,367	(40,192)
Comprehensive income attributable to non-controlling interests	41	42

(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, 2016	As of June 30, 2016
Total solvency margin (A)	2,102,712	2,038,371
Capital stock, etc.	759,218	764,949
Reserve for price fluctuations	175,759	182,843
Contingency reserve	152,903	152,173
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,482	1,456
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	511,101
Net unrealized gains (losses) on land (x 85 per cent, if gains; x 100 per cent, if losses)	16,802	16,867
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	196,552
Unallotted portion of reserve for policyholder dividends	16,891	17,024
Deferred tax assets	142,638	145,960
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	330
Deductible items	(294)	(889)
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	331,379
Insurance risk R1	46,671	46,549
General insurance risk R5	-	-
Catastrophe risk R6	-	-
Third Sector insurance risk R8	14,363	14,703
Insurance risk of small-amount short-term insurance company R9	492	531
Assumed investment yield risk R2	67,926	66,879
Minimum guarantee risk R7	3,084	2,777
Investment risk R3	279,224	248,179
Business risk R4	8,235	7,592
Consolidated solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,155.8%	1,230.2%

Note 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. The figures as of June 30, 2016 are calculated using a reasonable method based on the regulatory rules described above.

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 R₇" is calculated using the standard method regulated by the FSA.