This document is an English translation of the notice of convocation of the ordinary general meeting of shareholders in Japanese for the convenience of shareholders overseas. In the event of any discrepancy between the English translation and the Japanese version, the Japanese version shall prevail.

Securities Code 8795
June 6, 2016

To Our Shareholders

T&D Holdings, Inc.
7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan
Tetsuhiro Kida
Representative Director and President

Notice of Convocation of the 12th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 12th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot (Voting Rights Exercise Form) or via the electromagnetic method such as via Internet, etc. Please review the Reference Materials for the General Meeting of Shareholders (pages 4-11), and exercise your voting rights according to the "Announcement on Exercise of Voting Rights" (pages 2-3) by 5:00 p.m. on Monday, June 27, 2016 (JST).

1. Date & Time: 10:00 a.m. Tuesday, June 28, 2016 (JST)

2. Venue: Concord Ballroom, 5th Floor, Main Tower,
Keio Plaza Hotel Tokyo
2-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan

3. Agenda of the Meeting:

Matters to be reported:

Item No.1: Report on the Business Report and the Consolidated Financial Statements for fiscal year 2015 (from April 1, 2015 to March 31, 2016), as well as the results of audits on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Item No.2: Report on the Non-consolidated Financial Statements for fiscal year 2015 (from April 1, 2015 to March 31, 2016)

Matters to be resolved:

Proposal No.1: Appropriation of Surplus
Proposal No.2: Election of Four Directors
Proposal No.3: Election of One Audit & Supervisory Board Member
Proposal No.4: Election of One Alternate Audit & Supervisory Board Member

Please note that if there arises any amendments to the Reference Materials for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, such amendment will be posted on the Company's website.

The Company's website	http://www.td-holdings.co.jp/ir/stock/meeting/
English translation	http://www.td-holdings.co.jp/en/ir/stock/meeting/

Announcement on Exercise of Voting Rights

Shareholders may exercise voting rights at the General Meeting of Shareholders by either of the following methods.

For shareholders attending the Meeting in person
Please submit the enclosed Voting Rights Exercise Form to the receptionist.
Attendance by proxy is allowed insofar a shareholder is represented by one proxy alone, who is another shareholder with voting rights at this General Meeting of Shareholders, by submitting a letter of proxy.
(If you attend the General Meeting in person, you do not need to exercise your voting rights by mail or via Internet as mentioned below.)

Date & Time of the Meeting **10:00 a.m. Tuesday, June 28, 2016 (JST)**

For shareholders unable to attend the Meeting in person
● In the case of exercise of voting rights by mail
Please return the enclosed Voting Rights Exercise Form with your selections to each proposal by making a circle mark to the proposals you select, to the transfer agent (Mitsubishi UFJ Trust and Banking Corporation) of the Company.

Deadline for exercising voting rights **Received by 5:00 p.m. Monday, June 27, 2016 (JST)**

● In the case of exercise of voting rights via the Internet
On the designated **website (http://www.evote.jp/)**, enter the **login ID** and **temporary password** supplied on your Voting Rights Exercise Form, and then follow the on-screen instructions to exercise voting rights.

Deadline for exercising voting rights **5:00 p.m. Monday, June 27, 2016 (JST)**

For detail, please refer to “Exercise of voting rights via the Internet” in the following page.

Exercise of voting rights via the Internet

(1) Using the voting rights exercise site

1) Exercise of voting rights via the Internet is only possible by accessing the **website (http://www.evote.jp/)** designated by the Company for the purpose of exercising voting rights from your computer, smartphone or mobile phone (using iMode, EZweb or Yahoo! Keitai)*.

* iMode is a trademark or a registered trademark of NTT DoCoMo; EZweb is a trademark or a registered trademark of KDDI; Yahoo! is a trademark or a registered trademark of Yahoo! Inc. in the United States.

2) Certain Internet settings on your computer or smartphone—particularly firewall, anti-virus software, proxy server settings and communication without TLS encryption—may interfere with the Internet voting procedure.

3) From a mobile phone, use the iMode, EZweb or Yahoo! Keitai service. For security purposes, the mobile phone must be equipped with the TLS encrypted communication function and must transmit information about itself.

4) While we accept your voting rights via the Internet if we receive them by 5:00 p.m. on Monday, June 27, 2016 (JST), we appreciate it very much if you could exercise your voting rights via the Internet as early as possible. In the event of any difficulties, you may contact our Help Desk.

(2) Exercise of voting rights via the Internet

1) On the designated **website (http://www.evote.jp/)**, enter the **login ID** and **temporary password** supplied on your Voting Rights Exercise Form, and then follow the on-screen instructions to exercise voting rights.

2) To prevent unauthorized access (identity fraud) and/or interference with voting decisions by a third party, you are asked to change the **temporary password** on the voting rights exercise site.

3) You will be provided with a new **login ID** and **temporary password** prior to each general meeting of shareholders.

(3) Multiple voting

1) If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing your Voting Rights Exercise Form, your voting results via the Internet shall be deemed valid.

2) If you exercise your voting rights via the Internet more than once, using computer, smartphone or mobile phone, only your final vote shall be deemed valid.

(4) Charges to be incurred in relation to accessing the voting rights exercise site

Charges to be incurred in relation to accessing the voting rights exercise site (Internet connection charge, telephone charge, etc.) shall be borne by shareholders. Similarly, mobile phone charges such as packet transmission charges shall be borne by the shareholders.

Contact for inquiries in relation to system environment etc.	Transfer Agent (Help desk), Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (9:00 a.m. to 9:00 p.m. (JST), toll free) *Please note that the above service is only available for the call from Japan.*

Platform for Electronic Exercise of Voting Rights

If nominee shareholders such as trust & custody services banks, etc. (including standing proxies) make prior application to use the platform for the electronic exercise of voting rights operated by ICJ Inc. established by Tokyo Stock Exchange, Inc., etc., such shareholders may use the said platform as an electromagnetic method for exercising voting rights at the General Meetings of Shareholders of the Company in addition to the exercise of voting rights via the Internet pursuant to the above.

(Attachment)

Reference Materials for the General Meeting of Shareholders

Proposals and references

Proposal No.1: Appropriation of Surplus

The year-end dividend for fiscal year 2015 has been prepared in line with the basic policy of the Company, which is to improve the future value of equity for our shareholders and to continue to distribute a constant dividend while ensuring the sound operation of the business of the Company and its group companies and the securing the internal reserves necessary for the group.

In accordance with this basic policy and based on careful consideration of the Company's overall business performance during the term, we hereby propose that the year-end dividend be as follows:

1. Type of property for dividend

   Cash

2. Dividend and its total amount

   30.00 yen per share (common stock) total amount 19,462,709,340 yen

3. Effective date of distribution of surplus

   June 29, 2016

Proposal No.2: Election of Four Directors

The terms of office of four of Directors, Sonosuke Usui, Tamiji Matsumoto, Kouichi Seike and Ryuji Hori will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of the following four Directors (of which, three Directors are candidates for reappointment) is proposed.

The candidates for Directors are as follows:

<table>
<tr><td>1.</td><td colspan="2">Sonosuke Usui (November 15, 1953)</td><td>Number of the Company's shares held: 13,700</td></tr>
<tr><td rowspan="25">Reappointment</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1976</td><td colspan="2">Entered Daido Mutual Life Insurance Company</td></tr>
<tr><td>JUL 2000</td><td colspan="2">Director of Daido Mutual Life Insurance Company</td></tr>
<tr><td>JUL 2002</td><td colspan="2">Representative Director and President of T&D Asset Management Co., Ltd.</td></tr>
<tr><td>APR 2004</td><td colspan="2">Director of the Company</td></tr>
<tr><td>APR 2005</td><td colspan="2">Managing Director of the Company</td></tr>
<tr><td>JUN 2006</td><td colspan="2">Director of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2006</td><td colspan="2">Director and Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2007</td><td colspan="2">Director and Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>JUN 2008</td><td colspan="2">Representative Director and Senior Executive Officer of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2009</td><td colspan="2">Director of T&D Asset Management Co., Ltd. (present)</td></tr>
<tr><td>APR 2010</td><td colspan="2">Director of T&D Financial Life Insurance Company (present)</td></tr>
<tr><td>APR 2010</td><td colspan="2">Senior Executive Officer of the Company</td></tr>
<tr><td>JUN 2010</td><td colspan="2">Director of Daido Life Insurance Company (present)</td></tr>
<tr><td>JUN 2010</td><td colspan="2">Director and Senior Executive Officer of the Company</td></tr>
<tr><td>APR 2011</td><td colspan="2">Director and Executive Vice President of the Company</td></tr>
<tr><td>APR 2012</td><td colspan="2">Director and Executive Vice President, Executive Officer of the Company</td></tr>
<tr><td>JUN 2013</td><td colspan="2">Representative Director and Executive Vice President of the Company</td></tr>
<tr><td>APR 2015</td><td colspan="2">Director and Executive Vice President, Executive Officer of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director and Executive Vice President, Executive Officer
In charge of Group Planning Department and Business Development Department</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Director of Daido Life Insurance Company
Director of T&D Financial Life Insurance Company
Director of T&D Asset Management Co., Ltd.</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)</td></tr>
<tr><td></td><td colspan="2">Mr. Sonosuke Usui has operational experience within the Group including investment, sales and human resources. Mr. Sonosuke Usui is proposed as a candidate for a Director because he can be expected to continue to serve his role as a Director in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to management of insurance holding companies, insurance companies, etc., including his experience at the Company in Group Finance & Accounting, Group Planning and Business Investment.</td></tr>
</table>

2.	Kouichi Seike (July 6, 1956)		Number of the Company's shares held: 18,300
Reappointment	Personal history, position, responsibilities and significant concurrent positions		
	APR 1980	Entered Daido Mutual Life Insurance Company	
	JUN 2006	Executive Officer of Daido Life Insurance Company	
	APR 2010	Managing Executive Officer of Daido Life Insurance Company	
	JUN 2011	Director and Managing Executive Officer of Daido Life Insurance Company	
	APR 2014	Managing Executive Officer of the Company	
	JUN 2014	Director and Managing Executive Officer of the Company	
	APR 2016	Director and Senior Executive Officer of Daido Life Insurance Company (present)	
	APR 2016	Director and Senior Executive Officer of the Company (present)	
	(Position and responsibilities)		
		Director and Senior Executive Officer In charge of Risk Management Department	
	(Significant concurrent positions)		
		Director and Senior Executive Officer of Daido Life Insurance Company	
	(Reasons for selection as a candidate for Director)		
		Mr. Kouichi Seike has operational experience within the Group including accounting, system, internal control, investment and risk management. Mr. Kouichi Seike is proposed as a candidate for a Director because he can be expected to continue to serve his role as a Director in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to management of insurance holding companies, insurance companies, etc., including his experience at the Company in Risk Management.	

<table>
<tr><td>3.</td><td colspan="3">Chikahiro Tsuboi (July 23, 1957)</td><td>Number of the Company's shares held: 14,600</td></tr>
<tr><td rowspan="13">New</td><td colspan="4">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1980</td><td colspan="3">Entered Taiyo Mutual Life Insurance Company</td></tr>
<tr><td>APR 2010</td><td colspan="3">Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>JUN 2010</td><td colspan="3">Director and Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>OCT 2011</td><td colspan="3">Audit & Supervisory Board Member of T&D Asset Management Co., Ltd. (present)</td></tr>
<tr><td>APR 2014</td><td colspan="3">Director and Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2015</td><td colspan="3">Managing Executive Officer of the Company (present)</td></tr>
<tr><td colspan="4">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="3">Managing Executive Officer
In charge of Group Finance & Accounting Department and Public Relations Department</td></tr>
<tr><td colspan="4">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="3">Audit & Supervisory Board Member of T&D Asset Management Co., Ltd.</td></tr>
<tr><td colspan="4">(Reasons for selection as a candidate for Director)</td></tr>
<tr><td></td><td colspan="3">Mr. Chikahiro Tsuboi has operational experience within the Group including investment, risk management and legal compliance. Mr. Chikahiro Tsuboi is proposed as a candidate for a Director because he can be expected to serve his role as a Director in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to management of insurance holding companies, insurance companies, etc., including his experience at the Company in Group Planning, Group Finance & Accounting and Public Relations.</td></tr>
</table>

4.	Ryuji Hori (September 3, 1943)		Number of the Company's shares held: 4,300
Reappointment Outside Independent	Personal history, position, responsibilities and significant concurrent positions		
	JUN 1996	Director of Nissho Iwai Corporation	
	JUN 2000	Managing Director of Nissho Iwai Corporation	
	JUN 2002	Senior Managing Executive Officer of Nissho Iwai Corporation	
	APR 2003	Professor at Waseda University in School of Law	
	APR 2004	Professor at Waseda University in Waseda Law School	
	JUN 2006	Corporate Auditor of Daido Life Insurance Company	
	JUN 2010	Director of Daido Life Insurance Company	
	JUN 2012	Director of the Company (present)	
	(Position and responsibilities)		
		Director	
	(Significant concurrent positions)		
		Audit & Supervisory Board Member of Tokuyama Corporation Director of Riskmonster.com Director of HANWA CO., LTD	
	(Reasons for selection as a candidate for Outside Director)		
		In addition to his experience in enterprise management as a director of Nissho Iwai Corporation (now Sojitz Corporation), Mr. Ryuji Hori has deep, special knowledge and extensive insight cultivated as a university professor with experience in corporate law. Mr. Ryuji Hori is proposed as a candidate for an Outside Director because he can be expected to capitalize on this knowledge and experience to continue to serve his role as an Outside Director in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.	

Notes:

1. No conflict of interest exists between the Company and any of the above candidates.
2. Of the above candidates for Directors, Mr. Chikahiro Tsuboi is scheduled to retire from the office of Audit & Supervisory Board Member of T&D Asset Management Co., Ltd. and assume the office of Director of the said company on June 13, 2016.
3. Mr. Chikahiro Tsuboi is scheduled to assume the office of Director of T&D Financial Life Insurance Company on June 22, 2016.
4. Of the above candidates for Directors, Mr. Ryuji Hori is a candidate for an Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Japanese Companies Act, who has been registered to the Tokyo Stock Exchange by the Company as an independent director/auditor without potential conflict of interests with general shareholders. In addition, Mr. Ryuji Hori meets the independence criteria for Outside Directors/Auditors prescribed by the Company.
5. Mr. Ryuji Hori assumed the office of Outside Director on June 27, 2012 (the term of office is for four years).
6. The Company now has an agreement with Mr. Ryuji Hori that liabilities which may be claimed against him under Article 423, Paragraph 1 of the Japanese Companies Act shall not exceed ¥10 million or the minimum amount as set forth by law, whichever is higher. If the reelection of Mr. Ryuji Hori is approved, the Company will continue the liability limitation agreement with him.

Proposal No.3: Election of One Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Member, Shigekazu Iwai will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of the following one Audit & Supervisory Board Member (who is a candidate for reappointment) is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate for an Audit & Supervisory Board Member is as follows:

	Shigekazu Iwai (April 15, 1945)		Number of the Company's shares held: 1,600
Reappointment Outside Independent	Personal history, position and significant concurrent positions		
	APR 1972	Registered as an Attorney	
	APR 1991	Vice President of the Tokyo Bar Association	
	APR 2004	President of the Tokyo Bar Association	
	APR 2004	Vice President of the Japan Federation of Bar Associations	
	JUN 2012	Audit & Supervisory Board Member of Daido Life Insurance Company	
	JUN 2012	Audit & Supervisory Board Member of the Company (present)	
	(Position and responsibilities)		
		Audit & Supervisory Board Member	
	(Significant concurrent positions)		
		Attorney	
	(Reasons for selection as a candidate for Outside Audit & Supervisory Board Member)		
		Mr. Shigekazu Iwai has deep, special knowledge and extensive insight as an attorney at law, holding vital responsibilities in the legal community, including president of the Tokyo Bar Association and vice president of the Japan Federation of Bar Associations. Mr. Shigekazu Iwai is proposed as a candidate for an Outside Audit & Supervisory Board Member because he can be expected to capitalize on this knowledge and experience to continue to serve his role as an Outside Audit & Supervisory Board Member in auditing the execution of duties of Directors from a perspective of protecting general shareholders. Although Mr. Shigekazu Iwai has not been engaged in corporate management other than as an outside audit & supervisory board member, the Company believes that he can perform his duties appropriately as an Outside Audit & Supervisory Board Member for the reasons above.	

Notes:

1. No conflict of interest exists between the Company and the above candidate.
2. The above candidate for Audit & Supervisory Board Member, Mr. Shigekazu Iwai is a candidate for an Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Enforcement Regulations of the Japanese Companies Act, who has been registered to the Tokyo Stock Exchange by the Company as an independent director/auditor without potential conflict of interests with general shareholders. In addition, Mr. Shigekazu Iwai meets the independence criteria for Outside Directors/Auditors prescribed by the Company.
3. Mr. Shigekazu Iwai assumed the office of Outside Audit & Supervisory Board Member on June 27, 2012 (the term of office is for four years).
4. The Company now has an agreement with Mr. Shigekazu Iwai that liabilities which may be claimed against him under Article 423, Paragraph 1 of the Japanese Companies Act shall not exceed ¥10 million or the minimum amount as set forth by law, whichever is higher. If the reelection of Mr. Shigekazu Iwai is approved, the Company will continue the liability limitation agreement with him.

Proposal No.4: Election of One Alternate Audit & Supervisory Board Member

Since validity of the appointment of Masayuki Ezaki as Alternate Audit & Supervisory Board Member made effective at the 11th Ordinary General Meeting of Shareholders held on June 25, 2015, will expire at the beginning of this General Meeting of Shareholders, it is proposed that the Company preliminarily elect one person as an Alternate Outside Audit & Supervisory Board Member for Outside Audit & Supervisory Board Members Shigekazu Iwai and Yuichi Ozawa, in order to prepare for the event of an unexpected shortfall in the number of Audit & Supervisory Board Members required by law.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate for Alternate Audit & Supervisory Board Member is as follows.

	Masayuki Ezaki (April 22, 1949)		Number of the Company's shares held: 0
	Personal history, position and significant concurrent positions		
	APR 1980	Registered as an Attorney	
	JUN 2010	Audit & Supervisory Board Member of T&D Financial Life Insurance Company (present)	
	(Significant concurrent positions)		
		Attorney Audit & Supervisory Board Member of T&D Financial Life Insurance Company	
	(Reasons for selection as a candidate for Outside Audit & Supervisory Board Member)		
		Mr. Masayuki Ezaki is proposed as a candidate for an Alternate Outside Audit & Supervisory Board Member because he has deep, special knowledge and extensive insight as an attorney at law, and he can be expected to capitalize on this knowledge and experience to serve his role as an Outside Audit & Supervisory Board Member in auditing the execution of duties of Directors from a perspective of protecting general shareholders. Although Mr. Masayuki Ezaki has not been engaged in corporate management other than as an outside audit & supervisory board member, the Company believes that he can perform his duties appropriately for the reasons above if he is appointed as an Outside Audit & Supervisory Board Member of the Company.	

Notes:

1. No conflict of interest exists between the Company and the above candidate for Alternate Audit & Supervisory Board Member.
2. The above candidate for Alternate Audit & Supervisory Board Member is a candidate for an Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Enforcement Regulations of the Japanese Companies Act, who has met the requirements for an independent director/auditor to be registered to the Tokyo Stock Exchange as an independent director/auditor without potential conflict of interests with general shareholders. In addition, Mr. Masayuki Ezaki meets the independence criteria for Outside Directors/Auditors prescribed by the Company.
3. The Company now has an agreement with each Outside Audit & Supervisory Board Member that liabilities which may be claimed against him or her under Article 423, Paragraph 1 of the Japanese Companies Act shall not exceed ¥10 million or the minimum amount as set forth by law, whichever is higher. If Mr. Masayuki Ezaki assumes office as Audit & Supervisory Board Member, the Company will enter into the liability limitation agreement with him.

(Reference) Policy and procedures for electing Directors

The Company's policy and procedures for electing Directors are as follows.

1. The Board of Directors shall discuss the appointment of candidates for Directors in the Nomination and Compensation Committee, and shall appoint individuals that satisfy, in principle, the following criteria:
   (1) The candidate possesses the knowledge and experience needed to accurately, impartially and efficiently manage business as well as possessing a sufficient degree of public trust.
   (2) In addition to the requirements set forth in (1) above, candidates for Outside Directors must satisfy the independence criteria established by the Company and the Tokyo Stock Exchange, and must be recognized as being free from the risk of any conflicts with the common interests of shareholders.

(Reference) Policy and procedures for electing Audit & Supervisory Board Members

The Company's policy and procedures for electing Audit & Supervisory Board Members are as follows.

1. The Board of Directors shall discuss candidates for Audit & Supervisory Board Members in the Nomination and Compensation Committee. After obtaining the consent of the Audit & Supervisory Board, the Board of Directors shall appoint individuals that satisfy, in principle, the following criteria:
   (1) The candidate possesses the knowledge and experience needed to accurately, impartially and efficiently audit the Directors' performance of duties as well as possessing a sufficient degree of public trust.
   (2) In addition to the requirements set forth in (1) above, candidates for Outside Audit & Supervisory Board Members must satisfy the independence criteria established by the Company and the Tokyo Stock Exchange, and must be recognized as being free from the risk of any conflicts with the common interests of shareholders.

(Reference) Independence criteria for Outside Directors/Auditors

The Company prescribes independence criteria for Outside Directors/Auditors as follows.

1. The person is not, or has not been in the past ten years, an executor of business at the Company or its subsidiaries.
2. The person is not, or has not been recently, a party having transactions with the Company as a main business connection or an executor of such business, or a main business connection of the Company or an executor of such business.
3. The person is not, or has not been recently, a consultant, accounting professional or legal professional gaining substantial amount of money or other assets other than executive compensation from the Company.
4. The person is not, or has not been recently, a close relative of an executor of business at the Company or its subsidiaries, or a close relative of the parties described in 2. and 3. above.
5. The person is otherwise beyond any doubt with respect to his/her independence in executing duties as an Outside Director/Auditor.

(Attached Documents)

Business Report for Fiscal Year 2015

(From April 1, 2015 to March 31, 2016)

1. Matters concerning the current state of the insurance holding company and the small-amount short-term insurance holding company

(1) Development and performance, etc. of the business of the corporate group

Main business lines of the corporate group

T&D Life Group (hereinafter referred to as "the Group") comprises mainly the Company's three wholly owned subsidiaries (hereafter, the "Three Life Insurance Companies"), namely Taiyo Life Insurance Company, Daido Life Insurance Company and T&D Financial Life Insurance Company (hereinafter referred to as "Taiyo Life," "Daido Life," and "T&D Financial Life," respectively), along with 15 subsidiaries and 2 affiliated entities, and operates life insurance business as its core business.

Financial and economic environment

In fiscal 2015, the Japanese economy was on a mild recovery trend, due to factors including improvement in the employment and income environments backed by strong corporate earnings, despite some signs of weakness, such as concerns over economic slowdowns in the emerging economies and China.

In the life insurance industry, new policy amount, policy amount and premium income remained almost unchanged from the previous year. In the asset management environment, although domestic stock prices rose at a mild pace through the summer, they fell in the second half of the fiscal year due to factors such as the uncertainties over the Chinese economy and concerns over crude oil prices, and the yen also grew stronger. Short and long-term domestic interest rates fell after the Bank of Japan introduced a negative interest rate policy in January 2016, and interest rates for some of terms of years dropped to negative levels.

Development and performance of the business of the corporate group for the current fiscal year

The Group carries out its business management under the Group management philosophy "to contribute to people and society through the value creation with the 'Try & Discover' spirit." Under this management philosophy, the Group has defined a management vision of "aiming to provide the best products and services to increase customer satisfaction," while "aiming to be a major life insurance group with a strong presence in the market by stable and sustainable increases in the value of the group."

In order to realize this management vision, the Group formulated and worked on a "T&D Life Group medium-term management plan; 'Try & Discover'—bringing together Group-wide capabilities—" for the two-year period started in April 2014. The following is our report on the major initiatives carried out by the Company and Three Life Insurance Companies of the Group during fiscal 2015.

The Company as an insurance holding company as well as a small-amount short-term insurance holding company, aims to control the management of its subsidiaries, and businesses pertaining thereto, as its business objectives.

The Company serves the role of formulating and executing the management strategies and capital policies of the Group, and adequately allocating management resources. Additionally, the Company advances the Enterprise Risk Management (ERM) system to accurately identify management risks in the Three Life Insurance Companies and to carry out integrated management

of the profit, risk and capital of the Group as a whole on an economic value basis. With this system, the Company strives to increase the corporate value of the Group through initiatives to ensure its soundness and improve its profitability. In recognition of the Group's ERM system, the ratings of the Three Life Insurance Companies' insurance claims payment ability were raised from "A+" to "AA-" by Japan Credit Rating Agency (JCR) in November 2015, and from "A+" to "AA-" by Rating and Investment Information (R&I) in February 2016 [1].

With regard to capital policies, in order to increase shareholders' profit by improving returns to shareholders and capital efficiency, it was resolved at the Board of Directors' meeting held in May 2015 to issue a bond with new share subscription rights for the purpose of acquiring treasury stock, and the procured capital was used to acquire roughly 16.2 million shares of treasury stock, totaling about ¥30 billion.

Starting in June 2015, all listed companies became subject to the "Corporate Governance Code." In respect for the spirit of this code, the Company adopted all of its 73 principles and formulated the "Basic Policy on Corporate Governance," which provided the Company's initiatives to addresses the major principles of the code. In accordance with this basic policy, the Company is engaged in efforts to further strengthen its corporate governance, with a view to achieving the sustainable growth of the Group and increasing its corporate value over the medium- and long-term.

In December 2015, the Company relocated its head office to Tokyo Nihonbashi Tower (located in Chuo-ku, Tokyo). With the advanced disaster resistance features of this building, the environment for stable business continuity has been further enhanced. The Company also used the relocation of the head office as an opportunity to improve the IT and office environments, advancing efforts to improve the efficiency of operations through measures such as going paperless, innovate work styles and strengthen information security.

Meanwhile, the Three Life Insurance Companies were engaged in various efforts including launch of new products and modifications to existing products, mutual supply and sales of products among the group life insurance companies, improvement of customer services, and further enhancement of the claims management framework. Each of the Three Life Insurance Companies worked toward expanding business and increasing profits, through implementing marketing strategies that capitalize on their own strengths based on their individually unique business models.

(Launch of new products and modifications to existing products)
The Three Life Insurance Companies promoted the launch of new products and modifications to existing products in order to respond to a wide range of customer needs.

Taiyo Life continued to enhance its core product, "Hoken Kumikyoku Best," in order to provide lifelong security to customers through high-quality products and services.

In April 2015, the company launched "Tokuteishippei Chiryo Hoken" with extended coverage for conditions diagnosed as carcinoma in situ and the start of hospitalization for treatment of heart attack or stroke.

Additionally, in March 2016 the company launched "Himawari Ninchisho Chiryo Hoken," the industry's first relaxed-selection-type dementia coverage product, and "Hatarakenakunattatokino Hoken," which guarantees income in case the insured party becomes incapable of working.

Daido Life, in addition to providing death benefits through "individual term insurance," offers "total coverage," combining a death benefit and a benefit for incapacity to work, as part of its efforts to improve coverage for those who become incapable of working, in response to longer working years of small and medium-sized enterprise owners due in part to the falling birth rate and aging population.

In October 2015, the company launched two new products, "income relief," which covers loss of income when a business owner, self-employed person, etc. require nursing care, and "nursing care relief," which covers the cost of care when admitted to a nursing-care facility, etc. The company also began offering "nursing-care concierge" services as an add-on to these new products,

providing comprehensive support for nursing care such as providing consultations about nursing care in general and recommending nursing care facilities.

In August 2015, T&D Financial Life launched "non-participating special whole life insurance plan (Type I) (Product Name: Kazoku Wo Tsunagu Shushinhoken)," which meets a wide range of customers' needs for asset formation over the medium- and long-term, including living expenses for seniors and funds for children's educations as well as death benefits. In December 2015, the company launched "non-participating income protection insurance for three major diseases (no surrender value Type I) (Product name: Hataraku Anatani Yasasii Hoken)," which is an insurance product with guaranteed living benefits to provide for conditions at predetermined stages caused by cancer, heart attack or stroke.

(Mutual supply and sales of products among the group life insurance companies)
In March 2015, Taiyo Life and Daido Life started to supply and sell products to each other. Specifically, sales agents from both companies began handling both Taiyo Life's "Waku-waku Po-ke" child insurance and Daido Life's "L-Type" age-of-maturity term insurance. This strengthened the product lineup of the group life insurance companies and enabled them to handle a wider range of customer needs.

(Efforts toward improvement of customer services)
In fiscal 2015, the Three Life Insurance Companies advanced efforts, in addition to their current customer services, aimed at improving customer convenience and satisfaction with a focus on seniors, in the light of the societal situation of an increasing aging population.

Taiyo Life advanced activities to support the peace of mind of senior customers, such as visiting customers aged 70 or older once a year or more in order to go over the details of their policies and encourage them to file claims, etc. The company also made efforts to prevent misunderstandings and other problems when senior customers sign policies by actively encouraging them to be accompanied by family members, and using the video chat feature of sales agents' mobile devices to have a person in charge at the head office reconfirm the details of the policy.

Daido Life defined "Guidelines for Service to Senior Customers and Customers with Disabilities." Under these guidelines, the company rolled out initiatives to offer "easy-to-understand, convenient service" in all processes having contact with customers. Specifically, it thoroughly confirms the intentions of senior customers based on the rules for arrangement of new policies, to ensure that they fully understand their policies before applying. The company also advances efforts to encourage senior customers to be accompanied by family members when they apply for a policy by using specially designed leaflets.

T&D Financial Life strengthened its efforts to support senior customers from the perspective of improving customer convenience. The company begun encouraging customers to register a "secondary contact" as an effort to prevent failed or lengthy policy procedures. The company also worked to improve the quality of its services to senior customers by providing regular training to call-center operators.

(Further enhancement of the claims management framework)
The Three Life Insurance Companies worked to improve their operations with greater attention to customers' voices, and strove to further develop a system for paying claims promptly and precisely to the customers.

At Taiyo Life, when its branch or customer service center receives an insurance or benefit claim from a customer, a sales representative, a customer service representative or an insurance representative brings the claim documentation to the customer, provides support for filling out forms, and provides guidance on procedures. Furthermore, the company utilized a system to automatically convert the information on medical certificate forms to the disease codes and surgery codes necessary for assessment judgments, in order to continuously promote activities for swift and correct payment of claims. In April 2016, the company launched "claim support visit service" nationwide. This service makes senior customers' filing for benefits more convenient and worry free by sending expert insurance representatives directly to the homes of customers or their

families to help with paperwork.

Daido Life, centered on the claims system management committee, continued its efforts to develop a system for the "reliable execution of coverage obligations as promised" that lies at the heart of the life insurance business, through the plan-do-check-act (PDCA) cycle for the initiatives to improve payment quality. In order to ensure that insurance claims and benefits are paid promptly and precisely, the company is also conducting a continuous effort targeting customers older than a predetermined age to confirm the status of cause for payment of insurance claims and benefits.

T&D Financial Life revised its forms and documents including the policy summary form and caution form, switched to color claims documents, and changed the layout of its claims documents in order to ensure that they are easy to see, easy to read, and easy to understand. The company also made other efforts to improve customer satisfaction, including simplifying a form for policy modification, a form for claims and other forms, and widening the scope of persons allowed to sign in place of the policy holder.

Main performance during the current fiscal year

As a result of the above efforts, total ordinary revenues decreased by ¥386.2 billion to ¥2,025.9 billion (16.0% decrease year-on-year), which mainly consisted of income from insurance premiums of ¥1,574.5 billion (19.6% decrease year-on-year), investment income of ¥379.7 billion (1.2% decrease year-on-year) and other ordinary income of ¥71.6 billion (2.6% increase year-on-year).

On the other hand, ordinary expenses decreased by ¥368.7 billion to ¥1,854.4 billion (16.6% decrease year-on-year), totaling insurance claims and other payments of ¥1,302.8 billion (7.0% decrease year-on-year), provision for policy and other reserves of ¥194.3 billion (59.9% decrease year-on-year), investment expenses of ¥77.4 billion (16.6% increase year-on-year), operating expenses of ¥198.9 billion (0.2% decrease year-on-year) and other ordinary expenses of ¥80.7 billion (14.2% increase year-on-year).

As a result, ¥171.4 billion in ordinary profit was recorded (9.3% decrease year-on-year). In addition, extraordinary gains of ¥0.1 billion (27.5% decrease year-on-year) and extraordinary losses of ¥29.4 billion (253.3% increase year-on-year) were recorded. Profit attributable to owners of parent decreased by ¥21.6 billion to ¥72.5 billion (23.0% decrease year-on-year), after incorporating extraordinary gains (losses), provision for reserve for policyholder dividends and total income taxes.

New policy amount combining individual insurance and individual annuities (including net increase from conversions) for this fiscal year was ¥5,899.3 billion (10.2% decrease year-on-year). On the other hand, surrender and lapse amount combining individual insurance and individual annuities for the year was ¥3,675.7 billion (0.1% decrease year-on-year).

As a result, policy amount in force combining individual insurance and individual annuities as at the end of this fiscal year was ¥60,582.2 billion (0.4% increase year-on-year).

Combined total core profit of the Three Life Insurance Companies for this fiscal year was ¥153.0 billion (16.2% decrease year-on-year) and the positive spread was ¥40.2 billion (16.4% increase year-on-year). Taiyo Life had the positive spread of ¥12.7 billion (6.5% decrease year-on-year) for this fiscal year, and the core profit was ¥53.8 billion (21.1% decrease year-on-year). Daido Life had the positive spread of ¥30.6 billion (26.8% increase year-on-year), and the core profit was ¥104.8 billion (2.6% decrease year-on-year). Core loss of T&D Financial Life was ¥5.5 billion (a profit of ¥6.9 billion for the previous fiscal year). Additionally, negative spread was ¥3.1 billion (2.8% decrease year-on-year).

Information on solvency margin ratios, a criterion subject to government supervision, indicating management soundness of an insurance holding company (consolidated) and an insurance company, is as follows.

As of the end of this fiscal year, the consolidated solvency margin ratio of the Company was 1,155.8% (1,220.7% at the end of the previous fiscal year). Solvency margin ratios of the Group's Three Life Insurance Companies were 890.6% for Taiyo Life (993.9% at the end of the previous fiscal year), 1,341.9% for Daido Life (1,363.7% at the end of the previous fiscal year) and 1,260.7% for T&D Financial Life (1,271.9% at the end of the previous fiscal year).

Results of individual insurance and individual annuities at the Three Life Insurance Companies (along with combined results)

(100 millions of yen)

Categories	FY2014	FY2015 (year under review)
New policy amount	65,702	58,993
Taiyo Life Insurance Company	28,407	21,341
Daido Life Insurance Company	34,068	35,289
T&D Financial Life Insurance Company	3,226	2,362
Surrender and lapse amount	36,785	36,757
Taiyo Life Insurance Company	12,702	12,559
Daido Life Insurance Company	23,043	23,582
T&D Financial Life Insurance Company	1,039	615
Policy amount in force as at the end of the year	603,533	605,822
Taiyo Life Insurance Company	221,545	219,835
Daido Life Insurance Company	363,923	367,900
T&D Financial Life Insurance Company	18,064	18,087

Notes:
1. New policy amount of individual insurance and individual annuities includes net increase from conversions.
2. Figures for individual insurance represent the total of death protection policy amount and living protection policy amount.
3. New policy amount of individual annuities is the amount of annuity resources at the commencement of annuity payment.
4. Policy amount in force of individual annuities at the end of each fiscal year is the total sum of the annuity resource at the commencement of payment of the annuity contracts under which payments have not yet commenced, and the policy reserve of the annuity contracts under which payments have already commenced.

Challenges to be addressed by the Group

The Japanese economy is expected to continue its mild economic recovery, backed by the effects of economic policies amid continued improvements in the employment and income environments. Meanwhile, there are concerns about downturns in the global economy, particularly in the emerging economies and China, which may exert downward pressure on the Japanese economy.

In such circumstances, long-term interest rates have fallen even further since the Bank of Japan decided to introduce negative interest rates in January 2016, and life insurance companies must devise even more sophisticated product and asset-management strategies.

Under this operational environment, the Group has formulated the "T&D Life Group medium-term management plan; 'Try & Discover for the Next Stage'—three years of expanding growth sectors—" for the three-year period started in April 2016. In accordance with this group medium-term management plan, the Group will further expand its growth sectors in the domestic life insurance business, which is the core business of the Group, with an eye toward the next 10 years, building on the business foundation strengthened by the previous medium-term management plan. Specifically, the Group will further strengthen its efforts in the senior market, in response to the growth of the senior population and the diverse lifestyle protection needs of this market. It will also strategically strengthen T&D Financial Life to expand the Group's presence in the independent insurance agent channel, including financial institutions and insurance shop agents, where future growth is also expected. Through these efforts, the Group will strive to steadily grow our embedded value (EV)[2] and profits.

In addition to the above, the Group will work to steadily and continuously grow the Group's corporate value by advancing capital policies that include the effective use of capital.

(Strategy for the domestic life insurance business)
As part of efforts to strengthen earning power in the domestic life insurance business, the Three

Life Insurance Companies will grow management income by strengthening merchandizing and sales and increasing the sophistication of asset management in the senior market and independent insurance agent channel.

Taiyo Life will build a top brand in the senior market by advancing sales on a three-pronged strategy consisting of "strengthening sales," "improving services" and "enhancing products," with a vision of "aiming to be an insurance company that offers the 'best products and services' to families, staying ahead of changes in the times."

Daido Life is striving to make the corporate market and the market for business owners and self-employed persons its core business, in order to solidify its business foundation in the small and medium-sized enterprise market. As part of these efforts, the company will strengthen its fulfillment of seniors' needs for nursing care, inheritance and their business succession.

T&D Financial Life will advance its efforts to "diversify its product lineup," "expand its network of independent insurance agents" and "improve customer services" in order to be the company that is chosen by customers and agents in the independent insurance agent market.

The Three Life Insurance Companies will also work to increase asset investment income through the efforts of securing stable investment income over the long term from the perspective of asset liability management (ALM), and increasing the sophistication of their asset management, including investing in growth fields utilizing capital and diversifying their investment methods.

(Capital policies)
The foundation of the Group's capital policies is to increase its capital efficiency by working to improve profitability through further utilization of ERM, while ensuring capital adequacy. The Group will strive to enhance its returns to shareholders, including payment of dividends, while securing the internal reserves needed for the proper management of the life insurance business.

Through the above efforts, we will steadily and continuously increase our corporate value through efforts aimed at achieving the targets of our new group medium-term management plan. We would like to ask all of our shareholders for your continued support.

(Notes) [1] The ratings represent the opinions of credit rating agencies and do not guarantee any actual payment of insurance claims. These ratings are based on numerical figures and other data as of a certain date and may change in the future. The plus (+) and minus (-) signs following the ratings show relative standings within the major rating categories.
[2] For details about embedded value (EV), see [Reference] "3. Outline of embedded value" (p. 43).

(2) Transition of assets and profits (losses) of the corporate group, the insurance holding company and the small-amount short-term insurance holding company

A. Transition of assets and profits (losses) of the corporate group

(Millions of yen)

Categories	FY2012	FY2013	FY2014	FY2015 (year under review)
Ordinary revenues	2,418,959	2,085,734	2,412,165	2,025,925
Ordinary profit	151,689	186,224	188,943	171,434
Profit attributable to owners of parent	63,733	78,982	94,215	72,547
Comprehensive income	249,090	117,900	351,230	(84,492)
Net assets	919,746	1,020,324	1,344,950	1,214,061
Total assets	13,668,719	13,804,219	14,664,705	14,674,207

Note:
1. Financial results for FY2015 are as stated in (1) Development and performance, etc. of the business of the corporate group.

2. Starting from the current fiscal year, the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21), etc. has been applied, and the presentation of "net income" has been change to "profit attributable to owners of parent."

B. Transition of assets and profits (losses) of the insurance holding company and the small-amount short-term insurance holding company

(Millions of yen, except for net income per share)

Categories	FY2012	FY2013	FY2014	FY2015 (year under review)
Operating revenues	18,229	21,165	29,719	20,409
Dividend received	15,179	18,181	26,814	16,627
Insurance operating subsidiaries	15,179	18,181	26,814	16,627
Other subsidiaries	-	-	-	-
Net income	15,293	17,363	27,007	16,893
Net income per share (¥)	22.68	25.81	40.52	25.85
Total assets	782,435	789,408	781,379	793,185
Stocks, etc. of insurance operating subsidiaries	733,056	731,927	732,227	732,227
Stocks, etc. of other subsidiaries	10,649	10,649	10,649	10,649

(3) Principal offices of the corporate group (as of March 31, 2016)

The Company

Company name	Name of office	Address	Date of establishment
T&D Holdings, Inc.	Head office	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	January 1, 2016

Subsidiaries

Company name	Name of office	Address	Date of establishment
Taiyo Life Insurance Company	Head office	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	January 1, 2016
Daido Life Insurance Company	Head office	2-1 Edobori 1-chome, Nishi-ku, Osaka, Osaka-fu, Japan	October 1, 1993
T&D Financial Life Insurance Company	Head office	2-3 Kaigan 1-chome, Minato-ku, Tokyo, Japan	July 24, 2006

Notes:
1. The information here refers only to the main Three Life Insurance Companies among all the subsidiaries.
2. Head office of Daido Life Insurance Company was originally established at the time when it was a mutual company. Thus the date of establishment as in the registration of head office is quoted here. Incidentally Daido Life Insurance Company was converted from a mutual company to a stock corporation on April 1, 2002.
3. Address of T&D Financial Life Insurance Company was changed to "1-1 Shibaura 1-chome, Minato-ku, Tokyo, Japan" on May 2, 2016.

(4) Employees of the corporate group

Employees of the Company

Company name	At the end of FY2014	At the end of FY2015	Change during FY2015	At the end of the current fiscal year		
				Average age	Average service years	Average monthly salary
T&D Holdings, Inc.	88	93	5	44.1 years	20.7 years	¥559,000

Notes:
1. All employees of the Company are seconded from Taiyo Life Insurance Company, Daido Life Insurance Company and T&D Financial Life Insurance Company. Thus the above average service years includes the service years of each employee while at respective companies.
2. Average monthly salary is the average monthly salary for March 2016 (including overtime payment), excluding bonus payment.

Employees of the consolidated companies

Divisions	At the end of FY2014	At the end of FY2015	Change during FY2015
Insurance and insurance-related businesses	18,156	18,423	267
Investment-related businesses	483	466	(17)
Administration-related businesses	779	790	11
Total	19,418	19,679	261

(5) The Group's main source of debt

Not applicable

(6) Financing of the corporate group

(Issuance of bonds)
For the purpose of acquiring treasury stock, the Company has issued the following bond with new share subscription rights:

(Millions of yen)

Date of issue	Maturity date	Amount (face value)
June 5, 2015	June 5, 2020	30,000
Total amount issued in FY2015 (Balance at the end of FY2015)		30,000 (30,000)

For the purpose of diversifying means of financing, T&D Lease Co., Ltd. has issued the following short-term bonds:

(Millions of yen)

Date of issue	Maturity date	Amount (face value)
May 22, 2015	August 24, 2015	1,500
June 24, 2015	September 24, 2015	1,500
August 24, 2015	November 24, 2015	1,500
September 24, 2015	December 22, 2015	1,500
November 24, 2015	February 23, 2016	1,500
December 22, 2015	March 23, 2016	1,500
February 23, 2016	May 24, 2016	1,500
March 23, 2016	June 23, 2016	1,500
Total amount issued in FY2015 (Balance at the end of FY2015)		12,000 (3,000)

(7) Capital expenditure of the corporate group

A. Total capital expenditure

(Millions of yen)

Divisions	Amount
Insurance and insurance-related businesses	36,829
Investment-related businesses	266
Administration-related businesses	1,136
Total	38,232

B. New construction of material equipment, etc.

Company name	Description	Amount
Daido Life Insurance Company	Acquisition of unit ownership of the Tokyo Nihonbashi Tower building	¥9,637 million

(8) Significant affairs at the parent company and subsidiaries, etc.

A. Affairs at the parent company

Not applicable

B. Affairs at the subsidiaries

Company name	Location	Main operations	Date of incorporation	Capital (Millions of yen, except where otherwise noted)	The Company's share of voting right (%)	Remarks
Taiyo Life Insurance Company	Chuo-ku, Tokyo	Life Insurance Business	February 16, 1948	62,500	100.0	
Daido Life Insurance Company	Nishi-ku, Osaka, Osaka-fu	Life Insurance Business	July 14, 1947	110,000	100.0	
T&D Financial Life Insurance Company	Minato-ku, Tokyo	Life Insurance Business	July 16, 1947	56,000	100.0	
T&D Asset Management Co., Ltd.	Minato-ku, Tokyo	Type II financial instruments business, investment management business, investment advice and agency business	December 19, 1980	1,100	100.0	
T&D Asset Management Cayman Inc.	British Cayman Islands	Fund management and administration	October 1, 1998	$100 thousand	100.0 (100.0)	
Pet & Family Small-amount Short-term Insurance Company	Bunkyo-ku, Tokyo	Small-amount short-term insurance business	August 8, 2003	1,506	100.0	
T&D Customer Services Co., Ltd.	Urawa-ku, Saitama, Saitama-ken	Life insurance policy clerical services, including delivery and receipt of securities, and drafting, arrangement, custody and distribution of documents, etc.	April 2, 1984	10	100.0 (100.0)	
T&D Confirm Ltd.	Kita-ku, Tokyo	Policyholder confirmation agency services	July 5, 1991	30	100.0 (100.0)	
T&D Information Systems, Ltd.	Urawa-ku, Saitama, Saitama-ken	Computer software and system services	July 15, 1999	300	100.0 (100.0)	
T&D Lease Co., Ltd.	Minato-ku, Tokyo	Leasing business	September 5, 1966	150	88.4 (88.4)	
Taiyo Credit Guarantee Co., Ltd.	Toshima-ku, Tokyo	Credit guarantee services	April 1, 1981	50	100.0 (100.0)	
Toyo Insurance Agency Co., Ltd.	Kita-ku, Tokyo	Insurance agency business	June 4, 1971	70	100.0 (100.0)	
Daido Management Service Co., Ltd.	Chuo-ku, Tokyo	Insurance agency business	November 1, 1974	30	100.0 (100.0)	
Nihon System Shuno, Inc.	Suita, Osaka-fu	Premium collection	October 1, 2002	36	50.0 (50.0)	

Company name	Location	Main operations	Date of incorporation	Capital (Millions of yen, except where otherwise noted)	The Company's share of voting right (%)	Remarks
Zenkoku Business Center Co., Ltd.	Chuo-ku, Tokyo	Premium collection	May 18, 1972	12	100.0 (100.0)	
Alternative Investment Capital, Ltd.	Chiyoda-ku, Tokyo	Investment in private equity funds	July 15, 2002	400	25.0 (25.0)	
AIC Private Equity Fund General Partner, Ltd.	British Cayman Islands	Fund management and administration	July 21, 2004	$2,983 thousand	- (-)	

Notes:

1. Consolidated subsidiaries as well as affiliated entities accounted for under the equity method are stated here.
2. Shares of voting right at subsidiary entities that belong to subsidiary entities (including subsidiaries) are stated within the parenthesis of the column for "The Company's share of voting right."
3. Dates of incorporation of Taiyo Life Insurance Company and Daido Life Insurance Company are the dates of incorporation as mutual companies. Both were converted to stock corporations, the former on April 1, 2003, and the latter on April 1, 2002 respectively.
4. Date of incorporation of T&D Financial Life Insurance Company is the date of incorporation as Tokyo Mutual Life Insurance Company. Incidentally Tokyo Mutual Life Insurance Company was converted to a stock corporation on October 17, 2001 and its company name was changed to the current one.
5. Date of incorporation of Pet & Family Small-amount Short-term Insurance Company is the date of incorporation as Japan Family Insurance Planning, Inc., which changed its business name to the current one on January 5, 2007.
6. Development and performance of significant business combination
   The Group comprises 15 subsidiaries and 2 affiliated entities, where the consolidated ordinary revenues and profit attributable to owners of parent of the Group including the Company for fiscal year 2015 were ¥2,025.9 billion and ¥72.5 billion respectively.

(9) Transfer of business from or to the corporate group

Not applicable

(10) Other significant matters regarding the current state of the corporate group

Not applicable

2. Matters concerning corporate officers

(1) Status of corporate officers

(As of March 31, 2016)

Name	Positions/ Responsibilities	Significant concurrent positions held	Remarks
Kenji Nakagome	Representative Director and Chairman	Director, Taiyo Life Insurance Company	
Tetsuhiro Kida	Representative Director and President	Representative Director and Chairman, Daido Life Insurance Company	Received approval from the Commissioner of Financial Services Agency under the provisions of Article 8, Paragraph 1 of the Insurance Business Act.
Sonosuke Usui	Director and Executive Vice President, Executive Officer (in charge of Group Planning Department and Business Development Department)	Director, Daido Life Insurance Company Director, T&D Financial Life Insurance Company Director, T&D Asset Management Co., Ltd.	
Tamiji Matsumoto	Director and Senior Executive Officer (in charge of Group Finance & Accounting Department and Public Relations Department)	Director, Taiyo Life Insurance Company Audit & Supervisory Board Member, T&D Financial Life Insurance Company Director, T&D Asset Management Co., Ltd.	
Terunori Yokoyama	Director and Senior Executive Officer (in charge of General Affairs Department and Business Auditing Department)	Director and Senior Executive Officer, Taiyo Life Insurance Company	Received approval from the Commissioner of Financial Services Agency under the provisions of Article 8, Paragraph 1 of the Insurance Business Act.
Kouichi Seike	Director and Managing Executive Officer (in charge of Risk Control Department)	Director and Managing Executive Officer, Daido Life Insurance Company	Received approval from the Commissioner of Financial Services Agency under the provisions of Article 8, Paragraph 1 of the Insurance Business Act.
Ryuji Hori	Director (Outside Officer)	Audit & Supervisory Board Member, Tokuyama Corporation Director, Riskmonster.com Director, HANWA CO., LTD.	
Haruka Matsuyama	Director (Outside Officer)	Attorney Audit & Supervisory Board Member, MITSUI & CO., LTD. Director, Mitsubishi UFJ Financial Group, Inc. Director, VITEC HOLDINGS CO., LTD.	

Name	Positions/ Responsibilities	Significant concurrent positions held	Remarks
Katsuhide Tanaka	Director	Representative Director and President, Taiyo Life Insurance Company	
Minoru Kudo	Director	Representative Director and President, Daido Life Insurance Company Corporate Auditor, EZAKI GLICO CO., LTD.	
Kazuyoshi Shimada	Director	Representative Director and President, T&D Financial Life Insurance Company	
Akimasa Yokokawa	Full-time Audit & Supervisory Board Member	Audit & Supervisory Board Member, Taiyo Life Insurance Company	As he has experience as officer in charge of finance, he has considerable expertise in finance and accounting.
Takashi Shimoda	Full-time Audit & Supervisory Board Member	Audit & Supervisory Board Member, Daido Life Insurance Company	
Shigekazu Iwai	Audit & Supervisory Board Member (Outside Officer)	Attorney	As an attorney familiar with corporate legal affairs, he has considerable expertise in finance and accounting.
Yuichi Ozawa	Audit & Supervisory Board Member (Outside Officer)	Attorney	As an attorney familiar with corporate legal affairs, he has considerable expertise in finance and accounting.

Notes:

1. Apart from the above, change in executives as of April 1, 2016 is as follows.
   Director and Senior Executive Officer Kouichi Seike
2. Executive officers (excluding directors concurrently serving as executive officers) as of March 31, 2016 are as follows;

Name	Positions/Responsibilities
Masahiro Ueda	Senior Executive Officer (vice in charge of Risk Management Department and Business Auditing Department)
Chikahiro Tsuboi	Managing Executive Officer (vice in charge of Group Planning Department)
Mutsurou Kitahara	Managing Executive Officer (vice in charge of Group Planning Department, resigned on March 31, 2016)
Yoshihisa Tanaka	Executive Officer, General Manager of Group Planning Department
Takeshi Negama	Executive Officer, General Manager of Risk Management Department (resigned on March 31, 2016)
Hotaka Nagai	Executive Officer, General Manager of Group Finance & Accounting Department
Tomoyasu Isobe	Executive Officer, General Manager of Business Development Department

* On September 30, 2015, Mr. Kyoji Kumata resigned his position as Managing Executive

Officer, and Mr. Yasuo Teraoka resigned his position as Executive Officer.

3. Messrs. Ryuji Hori, Shigekazu Iwai and Yuichi Ozawa, and Ms. Haruka Matsuyama have been registered with the Tokyo Stock Exchange as independent directors/auditors without potential conflict of interests with general shareholders.

(2) Executive compensation, etc.

(Millions of yen)

Categories	Number of persons paid	Compensation, etc. (Amount not Compensation as such)
Directors	12	321 (123)
Audit & Supervisory Board Members	4	74 (-)
Total	16	395 (123)

Notes:

1. Compensation limit stipulated at shareholders meeting is ¥500 million per annum for Directors and ¥130 million for Audit & Supervisory Board Members. The compensation limit for Directors includes bonus payment. Additionally, apart from the compensation limit set for Directors described above, the compensation limit of new share subscription rights as stock compensation-type stock options for Directors (excluding Outside Directors) is ¥100 million per annum.
2. The number of persons paid and the amount of compensation, etc. above include those for one Director who retired as of the conclusion of the 11th Ordinary General Meeting of Shareholders held on June 25, 2015. As at the end of the current fiscal year, the Company had eleven Directors and four Audit & Supervisory Board Members as its corporate officers.
3. "Amount not compensation as such" above includes reserve for bonus to directors and audit & supervisory board members of ¥65 million for Directors, and compensation, etc. in the form of new share subscription rights as stock compensation-type stock options of ¥57 million.
4. In addition to the above, bonus of ¥8 million, which was not included in reserve for bonus to directors and audit & supervisory board members recorded in fiscal 2014, was paid to six Directors (including one Director who retired) during the current fiscal year.
5. Policy on the amount and the calculation method of executive compensation, etc.
   Compensation, etc. to Directors (excluding part-time Directors which include Outside Directors) comprises of monthly compensation, bonus and stock compensation-type stock options. Compensation, etc. to part-time Directors which include Outside Directors comprises of monthly compensation. The compensation limit per annum to Directors was determined by resolution of the 8th Ordinary General Meeting of Shareholders held on June 27, 2012, of which the limit per annum of the total amount of bonuses to Directors was determined by resolution of the Board of Directors. Additionally, apart from the compensation limit set for Directors described above, the compensation limit per annum of new share subscription rights as stock compensation-type stock options has been determined.
   In January 2015, the Company established non-statutory Nomination and Compensation Committee as an advisory body to the Board of Directors, for deliberation on fairness and reasonableness about the executive selection and compensation with a view to ensuring management transparency and clarified accountability. The amount of monthly compensation and bonus of each Director is deliberated on by the Nomination and Compensation Committee and then determined in accordance with the evaluation criteria established by the Board of Directors after individual evaluations are conducted based on an assessment of the company's performance and the performance of the division for which the Director is in charge.
   New share subscription rights as stock compensation-type stock options are allotted to Directors, excluding part-time Directors which include Outside Directors who are independent from operational functions, according to their positions, with the purpose to further motivate Directors towards the enhancement of corporate value of the Company. Additionally, Directors (excluding part-time Directors which include Outside Directors) apply a certain amount of their monthly compensation toward the purchase of treasury stock through the officers' share ownership association.
   Compensation, etc. to Audit & Supervisory Board Members comprise of monthly compensation. Compensation, etc. to Audit & Supervisory Board Members is determined upon mutual consultation by the Audit & Supervisory Board Members within the scope of the compensation limit per annum determined by resolution of the 8th Ordinary General Meeting of Shareholders

held on June 27, 2012.

(3) Liability limitation agreement

Name	Outline of the liability limitation agreement
Ryuji Hori	He has concluded an agreement with the Company which limits the liability prescribed in Article 423, Paragraph 1 of the Japanese Companies Act to the greater of either ¥10 million or the minimum amount set forth in the Law.
Haruka Matsuyama	Same as above
Shigekazu Iwai	Same as above
Yuichi Ozawa	Same as above

Note: The Company stipulates in its Articles of Incorporation a provision for liability limitation agreements with Outside Directors and Outside Audit & Supervisory Board Members. The above is an outline of the liability limitation agreements the Company has entered into with all Outside Directors and Outside Audit & Supervisory Board Members, in accordance with the Articles of Incorporation.

3. Matters concerning outside officers

(1) Concurrent positions held by outside officers

Name	Concurrent positions, etc.	
Ryuji Hori	Tokuyama Corporation	Outside Audit & Supervisory Board Member
	Riskmonster.com	Outside Director
	HANWA CO., LTD.	Outside Director
Haruka Matsuyama	MITSUI & CO., LTD.	Outside Audit & Supervisory Board Member
	Mitsubishi UFJ Financial Group, Inc.	Outside Director
	VITEC HOLDINGS CO., LTD.	Outside Director
Shigekazu Iwai	―	
Yuichi Ozawa	―	

Note: The Company has neither major transactions nor other type of relationship with Tokuyama Corporation, Riskmonster.com, HANWA CO., LTD., MITSUI & CO., LTD., Mitsubishi UFJ Financial Group, Inc. or VITEC HOLDINGS CO., LTD.

(2) Main activities of outside corporate officers

Name	Term of office	Attendance to Board of Directors' Meetings and Audit & Supervisory Board Meetings	Remarks made at Board of Directors' Meetings and other activities
Ryuji Hori	3 years 9 months (assumed office in June 2012)	Board of Directors' Meeting: attended all 23 meetings	At the Board of Directors' Meetings, he has presented his views as necessary from a professional perspective developed through his experience in enterprise management, as well as his expertise cultivated as a university professor with experience in corporate law. Additionally, as chair of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, he has presented valuable opinions as to selection of corporate officers of the Company and its main subsidiaries, their compensation, etc.

Name	Term of office	Attendance to Board of Directors' Meetings and Audit & Supervisory Board Meetings	Remarks made at Board of Directors' Meetings and other activities
Haruka Matsuyama	2 year 9 months (assumed office in June 2013)	Board of Directors' Meeting: attended 22 of 23 meetings	At the Board of Directors' Meetings, she has presented her views as an attorney as necessary mainly from a professional perspective of corporate legal affairs. Additionally, as a member of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, she has presented valuable opinions as to selection of corporate officers of the Company and its main subsidiaries, their compensation, etc.
Shigekazu Iwai	3 years 9 months (assumed office in June 2012)	Board of Directors' Meeting: attended 22 of 23 meetings Audit & Supervisory Board Meeting: attended all 16 meetings	At the Board of Directors' Meetings and Audit & Supervisory Board Meetings, he has presented his views as an attorney as necessary mainly from a professional perspective of corporate legal affairs.
Yuichi Ozawa	2 year 9 months (assumed office in June 2013)	Board of Directors' Meeting: attended all 23 meetings Audit & Supervisory Board Meeting: attended 15 of 16 meetings	At the Board of Directors' Meetings and Audit & Supervisory Board Meetings, he has presented his views as an attorney as necessary mainly from a professional perspective of corporate legal affairs.

(Other activities)

In addition to the above, each Outside Director and each Audit & Supervisory Board Member carries out other activities, including regular exchanges of views with the Representative Directors, regular exchanges of views with the Accounting Auditor, regular exchanges of views with the heads of the departments under their supervision, and regular exchanges of views with the directors and executive officers of major subsidiaries, and regular visits to the business locations of major subsidiaries.

(3) Compensation, etc. to outside officers

	Number of persons paid	Compensation, etc. from the insurance holding company and the small-amount short-term insurance holding company (Amount not compensation as such)	Compensation, etc. from the parent company of the insurance holding company and the small-amount short-term insurance holding company
Total compensation, etc.	4	¥36 (-) million	¥1 million

Note: The number of persons paid as of the end of the current fiscal year is two Directors and two Audit & Supervisory Board Members.

(4) Opinions of outside officers

Not applicable

4. Matters regarding shares

(1) Number of shares

Total number of shares authorized to be issued	1,932,000 thousand shares
Total number of shares issued	681,480 thousand shares

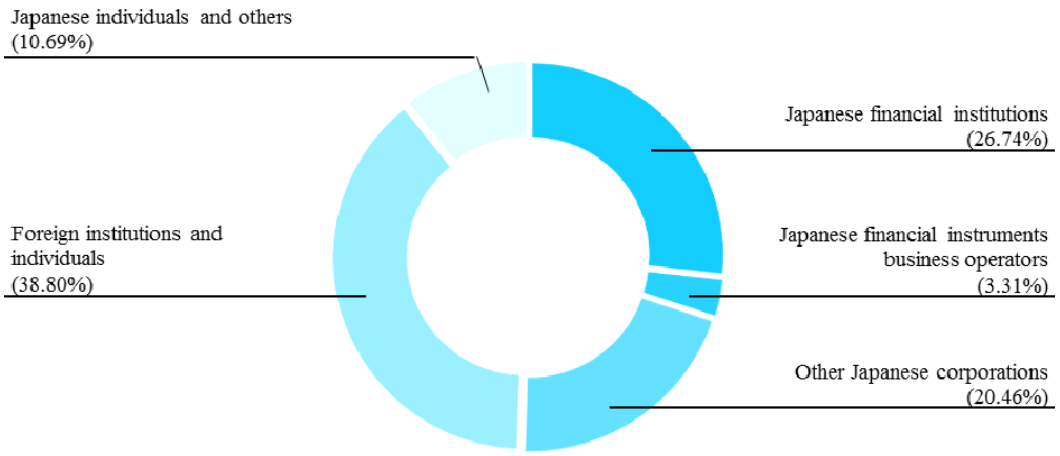
(2) Number of shareholders (as of March 31, 2016) 246,434

(3) Major shareholders

Name	Status of equity participation	
	Shares held (Thousand shares)	Percentage of ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	24,702	3.62
The Master Trust Bank of Japan Ltd. (Trust Account)	22,349	3.28
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,650	3.03
THE BANK OF NEW YORK MELLON, SA/NV 10	14,162	2.08
Japan Trustee Services Bank, Ltd. (Trust Account 9)	12,641	1.86
STATE STREET BANK AND TRUST COMPANY 505225	9,329	1.37
Japan Trustee Services Bank, Ltd. (Trust Account 7)	8,869	1.30
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	8,859	1.30
Trust & Custody Services Bank, Ltd. (Trust Collateral Account)	8,703	1.28
STATE STREET BANK WEST CLIENT－TREATY 505234	8,344	1.22

Note: Apart from the above, there are treasury stocks of 32,723 thousand (4.80%) owned by the Company.

● **Distribution of share ownership by shareholder type**



5. Matters regarding new share subscription rights

1. Matters regarding new share subscription rights

(1) New share subscription rights, etc. of the insurance holding company held by the executives of said insurance holding company as of the end of the fiscal year

	Summary of the new share subscription rights, etc.	Number of holders of new share subscription rights, etc.
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Officers) and Executive Officers	T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012) ・Total number of new share subscription rights issued: 643 ・Class and number underlying the new share subscription rights: 64,300 shares of common stock (100 shares for each new share subscription right) ・Amount to be paid in for new share subscription rights: ¥68,500 for each new share subscription right ・Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share ・Exercise period of the new share subscription rights: From August 1, 2012 to July 31, 2042 ・Conditions for exercise of new share subscription rights: (Note 1)	4
	T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013) ・Total number of new share subscription rights issued: 401 ・Class and number underlying the new share subscription rights: 40,100 shares of common stock (100 shares for each new share subscription right) ・Amount to be paid in for new share subscription rights: ¥114,300 for each new share subscription right ・Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share ・Exercise period of the new share subscription rights: From August 2, 2013 to August 1, 2043 ・Conditions for exercise of new share subscription rights: (Note 1)	5
	T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014) ・Total number of new share subscription rights issued: 431 ・Class and number underlying the new share subscription rights: 43,100 shares of common stock (100 shares for each new share subscription right) ・Amount to be paid in for new share subscription rights: ¥115,300 for each new share subscription right ・Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share ・Exercise period of the new share subscription rights: From August 2, 2014 to August 1, 2044 ・Conditions for exercise of new share subscription rights: (Note 1)	6
	T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015) ・Total number of new share subscription rights issued: 322 ・Class and number underlying the new share subscription rights: 32,200 shares of common stock (100 shares for each new share subscription right) ・Amount to be paid in for new share subscription rights:	6

	¥170,800 for each new share subscription right ・Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share ・Exercise period of the new share subscription rights: From August 4, 2015 to August 3, 2045 ・Conditions for exercise of new share subscription rights: (Note 1)	
Outside Directors (excluding Outside Directors who are Audit & Supervisory Committee Members)	-	-
Directors who are Audit & Supervisory Committee Members	-	-
Accounting Advisors and Audit & Supervisory Board Members	-	-

Notes:

1. The holder of the new share subscription rights shall exercise his/her new share subscription rights only within ten days from the day following the date on which he/she is relieved of his/her position(s) as a Director or Executive Officer of each of the companies of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, and/or T&D Financial Life Insurance Company (if the tenth date is not a business day of the Company, then the following business day).
   The holder of the new share subscription rights shall exercise the total number of rights allotted to him/her at once.
2. The table indicates the new share subscription rights issued by the Company to its officers as a result of offsetting the officers' claims to monetary compensation representing consideration for the execution of duties against the amount payable for the new share subscription rights.
3. This table contains Directors of the Company who also were a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, and to whom rights were granted by the Company as a Director of the Company and as a Directors or Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company. Number of such persons as of the end of the current fiscal year is as follows:
   T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012): 1
   T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013): 2
   T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014): 3
   T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015): 3
4. This table does not contain the three Directors of the Company who also were a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, and to whom the rights were granted only as a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company, but not

as a Director of the Company. Number of such persons as of the end of the current fiscal year is as follows:

T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012): 3

T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013): 3

T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014): 3

T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015): 3

5. This table does not contain new share subscription rights that were issued to the Directors of the Company who also were an officer or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, by offsetting the monetary compensation claims representing consideration for the execution of duties at each company except the Company against the amount payable for the new share subscription rights. The number of such rights and the class and number of shares underlying them as of the end of the current fiscal year is as follows:

T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012): 749
(74,900 shares of common stock)

T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013): 462
(46,200 shares of common stock)

T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014): 491
(49,100 shares of common stock)

T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015): 359
(35,900 shares of common stock)

(2) New share subscription rights, etc. of the insurance holding company issued to employees, etc. during the fiscal year

	Summary of the new share subscription rights, etc.	Number of holders of new share subscription rights, etc.
Employees (Executive Officers)	T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015) ・Total number of new share subscription rights issued: 169 ・Class and number underlying the new share subscription rights: 16,900 shares of common stock (100 shares for each new share subscription right) ・Amount to be paid in for new share subscription rights: ¥170,800 for each new share subscription right ・Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share ・Exercise period of the new share subscription rights: From August 4, 2015 to August 3, 2045 ・Conditions for exercise of new share subscription rights: (Note 1)	9
Officers and employees (Executive Officers) of subsidiaries, etc.	T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015) ・Total number of new share subscription rights issued: 768 ・Class and number underlying the new share subscription rights: 76,800 shares of common stock (100 shares for each new share subscription right) ・Amount to be paid in for new share subscription rights: ¥170,800 for each new share subscription right ・Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share ・Exercise period of the new share subscription rights: From August 4, 2015 to August 3, 2045 ・Conditions for exercise of new share subscription rights: (Note 1)	32

Notes:

1. The holder of the new share subscription rights shall exercise his/her new share subscription rights only within ten days from the day following the date on which he/she is relieved of his/her position(s) as a Director or Executive Officer of each of the companies of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, and/or T&D Financial Life Insurance Company (If the tenth date is not a business day of the Company, then the following business day).
   The holder of the new share subscription rights shall exercise the total number of rights allotted to him/her at once.
2. The table indicates the new share subscription rights issued by the Company to its employees (Executive Officers) and the officers and employees (Executive Officers) of Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company as a result of offsetting the claims to monetary compensation representing consideration for the execution of duties at each company with the amount payable for the new share subscription rights.
3. Officers and employees (Executive Officers) of subsidiaries, etc. refer to officers and employees of subsidiaries excluding those who concurrently serve as officers or employees of the Company. This table does not contain 448 new share subscription rights that were issued to the Directors or Executive Officers of the Company who also were a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, by offsetting the monetary compensation claims representing consideration for the execution duties at each company except the Company against the amount payable for new share subscription rights.

6. Matters regarding the Accounting Auditor

(1) Accounting Auditor

Name of the audit corporation	Remuneration for the fiscal year under review	Others
Ernst & Young ShinNihon LLC Designated partner Yuji Ozawa Designated partner Tsuyoshi Kabaya Designated partner Masato Takezawa	¥207 million	i) Reason for consent to remuneration by Audit & Supervisory Board under Article 399, Paragraph 1 of the Japanese Companies Act • The Audit & Supervisory Board checked and deliberated on the status of execution of the previous fiscal year's audit, the audit plan for the current fiscal year, the basis for calculation of remuneration estimates, etc., after receiving necessary materials and reports from the Board of Directors, relevant internal departments and the Accounting Auditor. As a result, it consented to the remuneration of the Accounting Auditor. ii) Non-audit related duties Not applicable iii) Matters relating to orders to suspend business received by the audit corporation stated on the left within past two years a. Details of the orders: • Suspension of business relating to execution of new agreements (Three months: January 1, 2016 through March 31, 2016) • Order to improve business (Improvement of the operation control structure) • Order to pay surcharge (Amount of surcharge to be paid: ¥2,111 million) b. Reasons for the orders: • In auditing of the financial statements of another company, a certified public accountant of the said audit corporation failed to exercise due care and certified the company's financial statements as not containing material misstatements when in fact they did. • The management of the said audit corporation was found to be grossly inappropriate.

Notes:
1. Amount of remuneration for the fiscal year under review is the total amount in return for the audit under the Japanese Companies Act and that under the Financial Instruments and Exchange Act, as the audit engagement by the Accounting Auditor does not differentiate the two.
2. Total amount of money and other property benefits payable by the Company and its subsidiary entities is ¥429 million.

(2) Liability limitation agreement

Not applicable

(3) Other matters regarding the Accounting Auditor

A. Company policy in deciding the dismissal or non-reappointment of the Accounting Auditor

The Audit & Supervisory Board shall dismiss the Accounting Auditor based on the consent of all Audit & Supervisory Board Members, if the Accounting Auditor is found applicable to the provisions specified in items of Article 340, Paragraph 1 of the Japanese Companies Act.

In addition, the Audit & Supervisory Board holistically assesses the capability, organization and structure, audit quality, independence and other characteristics of the Accounting Auditor in accordance with the assessment criterial for an accounting auditor defined by the Audit & Supervisory Board. Based on this assessment, the Audit & Supervisory Board shall implement the procedure of presenting to a General Meeting of Shareholders a proposal on the dismissal or non-reappointment of the Accounting Auditor if the Accounting Auditor is found to have difficulty in carrying out duties adequately and appropriately.

B. Whether any certified public accountant or audit corporation other than the Accounting Auditor for the insurance holding company is engaged in auditing the account statements of the significant subsidiary entities of the insurance holding company

Not applicable

7. Basic policy as respects the manner of presence of the party having control over the financial and business policy of the Company

Not applicable

8. Structures to ensure adequacy of business operations

8-1 Outline of resolutions

The Company shall build up the structures as follows in an effort to develop the "systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company as well as a business group comprising such Stock Company and its subsidiaries" (internal control system) as stipulated under Article 362, Paragraph 4, Item 6 of the Japanese Companies Act. The resolutions concerned have been revised when appropriate and the amendments were voted on by the Board of Directors. The details of the current resolutions are as follows.

(1) Structures for compliance with laws and regulations, etc.

1) "T&D Life Group CSR Charter", "T&D Life Group Compliance Code of Conduct" and "T&D Life Group's Basic Policy of Strengthening the Compliance Structure" are to be established and made fully known to Directors, Audit & Supervisory Board Members, Executive Officers and employees, as basic policy and reference regarding compliance with laws and regulations, etc. in an effort to promote compliance.
2) Directors and Executive Officers must fulfill their duties faithfully for the Company, according to the above basic policy and reference regarding the compliance with laws and regulations, etc., and that with the care of a good manager.
3) Outside Directors are to be appointed on the basis that they have no stake in the Company, as they are expected to provide check and balance to ensure that Directors fulfill their duties lawfully.
4) A Group-wide committee subordinate to the Board of Directors is to be established, with the purpose to monitor and enhance the compliance preparedness across the Group.
5) Determination and preparedness to exclude the anti-social forces must be resolutely declared, along with the formulation of the practical procedures to this purpose, which shall be thoroughly followed through by all Directors, Audit & Supervisory Board Members, Executive Officers and employees.
6) Whistle-blowing procedure is to be developed and made available to all Directors, Audit & Supervisory Board Members, Executive Officers and employees within the Group, in which an entity is arranged outside the Group that receives information from whistle-blowers under confidentiality obligation, while the general rules to prohibit disadvantageous treatment of whistle-blowers are introduced, to create an effective system for preventing, or identifying immediately any breach of compliance.
7) Rules are to be established to develop methods to adequately and promptly deal with the situation in the event of misconducts by employees, as well as methods to prescribe preventative measures.

(2) Structures for ensuring efficiency

1) As the basis to ensure efficient execution of duties by Directors, the Board of Director's meetings are held monthly as well as on extraordinary basis as needed.
2) Rules regarding the organization and administrative authority are to be established, in order to clarify matters concerning basic job duties, responsibilities and authority, related to the execution of duties by Directors and Executive Officers, etc., for more efficient running of the organization.
3) With a view to enhancing corporate governance, Executive Officer System is in place to clarify the roles of supervision and business execution.
4) Internal rules are in place to facilitate the proper formulation and implementation of the Group management plans, and to serve as the basis for the development of the outlines of the management plans at the Board of Directors level, while such outlines serve as the basis to decide the Group's medium-term management plan. In addition, based on the management plan, the Representative Directors decide divisional business execution plans through deliberation at the Executive Committee.

(3) Structures for information maintenance and management

1) Information relating to the execution of duties by Directors and Executive Officers, must be kept and managed properly according to the record management rules which specify responsible department and storage period for each information.
2) Guidelines on the proper management of Group's information assets are to be clearly established by the rules including the Group's policy on information security, to develop the framework which protects information assets from leakage, wrongful alteration, or damage, etc. due to accidents, mechanical failure, natural disasters and fire.

(4) Risk management structure

1) Primary concept about how to manage risks across the Group is to be decided first, on which risk management structure for the whole Group is to be developed.
2) The committee is to be established with the authority to coordinate risk management across the Group, which grasps and manages the status of various risks at each Group company through the Group-wide risk monitoring based on the consolidated risk management criteria.
3) Basic policy and other primary framework to cope with the crisis in the Group, is to be established, in an effort to develop the Group-wide crisis preparedness.

(5) Internal controls within the Group

1) To provide adequate policyholders protection as the basis of insurance business, by ensuring the management soundness and compliance preparedness across the Group, and to fulfill our fiduciary obligation to the shareholders by maximizing the enterprise value of the Group, the Company clarifies the following matters by entering into business management agreements with its directly managed subsidiaries with a view to establishing a structure to ensure adequacy of operations within the Group:

    (i) Basic policy applicable across the Group
    (ii) Matters to be decided at subsidiaries subject to prior consultation with the Company
    (iii) Matters to be reported to the Company by subsidiaries
    (iv) Guidance and advice to be provided by the Company to subsidiaries
    (v) Implementation by the Company of internal audits at each subsidiary

2) "Matters to be decided at subsidiaries subject to prior consultation with the Company" above include important matters that impact the operation of the Group, such as the agenda at shareholders meetings, management plans, accounting strategies, as well as the important matters as part of the business management at a Group company by one of the Company's direct subsidiaries.

(6) Internal controls of financial reporting

1) Based on the full recognition that financial reporting provides critically important information for the concerned parties both inside and outside the Group to appreciate its performance and activities, and that ensuring the credibility of financial reporting is vital to maintain and enhance the public trust in the Group, internal controls of financial reporting must be developed.

(7) Internal audits structure

1) In order to ensure effectiveness of internal audits, basic matters relating to internal audits shall be prescribed under the internal audit rules, while independence of the Internal Audit Department from other operational functions shall be established, and internal audits shall be carried out appropriately according to the internal audit plan.
2) Appropriateness and validity of the internal control system shall be tested and evaluated through internal audits, and improvements thereof shall be facilitated to ensure

appropriateness of operations.

(8) Structures for ensuring the effectiveness of Audit & Supervisory Board Members' audits

[Structures for ensuring independence of the employees of Audit & Supervisory Board Members' Office]

1) Audit & Supervisory Board Members' Office is in place in which employees are placed to assist Audit & Supervisory Board Members' work and to do the day-to-day running of the Audit & Supervisory Board. Personnel matters such as merit rating and transfer, etc. of the employees of the Audit & Supervisory Board Members' Office shall require approval of full-time Audit & Supervisory Board Members, to ensure their independence from Directors.
2) Command authority over the employees shall belong to Audit & Supervisory Board Members, and the authority for access to the information required in the work to be done under the instruction of Audit & Supervisory Board Members shall be prescribed under the relevant internal rules.
3) Directors and Executive Officers shall do their best to comply with the requests from Audit & Supervisory Board Members or the Audit & Supervisory Board on staffing of Audit & Supervisory Board Members' Office and related issues.

[Structures for the reporting to Audit & Supervisory Board Members]

1) Directors and Executive Officers shall report to Audit & Supervisory Board Members on the status of their business execution through the key meetings including those of the Board of Directors and Executive Committee.
2) Directors, Executive Officers and employees shall provide prompt explanations, in conjunction with the review of significant decisions and reports of the Company by Audit & Supervisory Board Members, if such explanation is found necessary or requested by Audit & Supervisory Board Members.
3) Directors, Executive Officers and employees shall report promptly to Audit & Supervisory Board Members on the facts which could cause serious damage to the Company, wrongful conducts of Directors and Executive Officers in the execution of their duties, significant facts in breach of laws and regulations and the Articles of Incorporation, reports on the status of internal audits, facts reported via the whistle-blowing procedure and other information required for the purpose of Audit & Supervisory Board Members' audits.
4) Concerning the above 1) to 3), Directors and Executive Officers shall establish a system in which Directors, Audit & Supervisory Board Members, Executive Officers and employees of subsidiaries or persons having received reports therefrom, report without exception to Audit & Supervisory Board Members of the Company.
5) Provisions shall be established in the relevant internal rules to the effect that persons having reported to Audit & Supervisory Board Members regarding the above 1) to 4) shall not be subjected to any disadvantageous treatment.

[Other structures for ensuring the effectiveness of Audit & Supervisory Board Members' audits]

1) Directors and the Board of Directors endeavor to develop a basic framework for smooth and effective implementation of Audit & Supervisory Board Members' audits.
2) Guidelines on the expenses or obligations arising from the execution of duties of Audit & Supervisory Board Members shall be provided under the relevant internal rules, while opportunities to appoint legal counsel and other outside advisors shall be ensured, if they are found necessary by Audit & Supervisory Board Members for the purpose of audits.
3) Representative Directors are to have regular meetings with Audit & Supervisory Board Members to exchange opinions on the important audit agenda, development of the framework for Audit & Supervisory Board Members' audits, along with the matters to be addressed by the Company.
4) Internal Audit Department and other departments responsible for compliance with laws and regulations shall have regular meetings with Audit & Supervisory Board Members to exchange opinions on the matters to be addressed.

8-2 Overview of status of operation

(1) The Board of Directors has resolved to "develop the structures for the internal control system," including the structures for compliance with laws and regulations, etc. as described in the preceding section. The Company is working to improve and strengthen its internal control system through continuous monitoring.

(2) Specifically, the internal control division monitors the development and operational status of the internal control system twice each year－once in the first half, and once in the second half －and reports to the Executive Committee on whether the structures are developed in accordance with the Board of Directors' resolutions and whether business operations are adequately performed, as well as on challenges to be addressed, the status of problems requiring improvements, etc. Based on this report, the Board of Directors confirms whether the status of development and operation is adequate.

(3) The Company is also advancing internal-control activities in the Group, including monitoring the holding status of the Board of Directors' Meetings and other committee meetings related to compliance and risk management, and education for and dissemination of compliance among officers and employees, as the Group-wide common themes.

(4) For the current fiscal year, the Company has confirmed the adequacy of the development and operational status, in particular, of the structure for the reporting to Audit & Supervisory Board Members (including the protection of persons reporting to the Audit & Supervisory Board Members) in accordance with the revised Japanese Companies Act.

(5) The Company has also worked to strengthen the management structure of the Group, including establishing and publishing the Basic Policy on Corporate Governance as the unified Group-wide basic policy for strengthening the Group's governance.

9. Matters concerning specific wholly owned subsidiaries

Name	Address	Total book value	Total asset of the Company
Taiyo Life Insurance Company	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	¥275,240 million	¥793,185 million
Daido Life Insurance Company	2-1 Edobori 1-chome, Nishi-ku, Osaka, Osaka-fu, Japan	¥363,053 million	

10. Matters concerning transactions with the parent company, etc.

Not applicable

11. Matters concerning Accounting Advisors

Not applicable

12. Other matters

Not applicable

[Reference]

1. Governance Structure

(Establishment of the Basic Policy on Corporate Governance)
The Company's basic approach to corporate governance is to create efficient and transparent management systems to facilitate flexible and cohesive Group operations, and the Company has endeavored to enhance corporate governance.

In such circumstances, all listed companies became subject to the "Corporate Governance Code" in 2015. In respect for the spirit of this code, the Company has adopted all of its principles, and has formulated the "Basic Policy on Corporate Governance," which provides the Company's initiatives to addresses the major principles, etc. of the code.

(Basic approach)
The Company is working to achieve sustainable growth and increase corporate value over the medium- and long-term by continuously enhancing corporate governance, as follows.

1. The Company shall respect the rights of shareholders and strive to develop a conducive environment for shareholders to appropriately exercise those rights. Efforts shall also be made to ensure the effective equality of all shareholders.

2. The Company shall strive to foster a sound corporate culture and climate by appropriately collaborating with a variety of stakeholders, including customers, shareholders, employees, insurance agents, business partners and local communities.

3. The Company shall strive to increase the transparency of management through appropriate and timely disclosure of corporate information, including financial information and non-financial information regarding management strategies, management challenges and other matters.

4. The Company shall strive to ensure the effectiveness of the Board of Directors' supervising function over the execution of business as the holding company responsible for the business execution management function of each Group company.

5. The Company shall engage in constructive dialogue with stakeholders in order to contribute to sustained growth and the enhancement of corporate value over the medium and long term.

(Promoting group management)
As a holding company, the Company serves the role of determining the Group's strategies, adequately allocating the Group's management resources, establishing capital policies, etc., and works to build the management control structure of the Group, including accurately identifying management risks in the five companies comprising the Three Life Insurance Companies, T&D Asset Management Co., Ltd. and Pet & Family Small-amount Short-term Insurance Company (collectively, the "direct subsidiaries"), and thoroughly managing the profits and risks of the Group as a whole.

Meanwhile, the direct subsidiaries, each with its own management strategy, work to take maximum advantage of its unique characteristics and specializations to increase the Group's corporate value by setting marketing strategies and operating their businesses in a way that capitalizes on their strengths.

In this way, the Group advances group management, with roles and authority clearly delimited between the Company and its direct subsidiaries.

(Corporate governance system)
The Company makes decisions on important business matters and oversees the execution of business through its Board of Directors. The Company, as a "Company with Audit & Supervisory Board," audits the performance of Directors' duties through its Audit & Supervisory Board and Audit & Supervisory Board Members, which are independent of the Board of Directors.

Moreover, the Company has introduced an executive officer system for the purpose of bolstering its business execution capabilities. By sharply delineating responsibilities for oversight and execution, the Company strengthens the governance function of the Board of Directors.

Furthermore, the Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors for the purpose of discussing the fairness and appropriateness of the appointment and compensation of directors and audit & supervisory board members, among other related issues, as well as for ensuring the transparency of management and enhancing accountability.

(Roles and responsibilities of the Board of Directors)
The Board of Directors of the Company makes decisions on important business matters and oversee the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules.

Moreover, the Board of Directors of the Company entrusts all authority related to the execution of business other than the aforementioned matters to the Representative Director and President. Further, the Representative Director and President entrusts authority related to the execution of relevant business to the Executive Officers in charge of such business, thereby separating supervisory functions from operational functions and advancing prompt decision-making related to the execution of business.

(Composition of the Board of Directors)
The number of Directors is no more than 12 as stipulated by the Articles of Incorporation. The Board of Directors is made up of individuals representing a balance of knowledge, experience and skills, and having diverse backgrounds as befitting the expansive range of business domains in the life insurance business.

Moreover, the Company appoints two or more Directors who concurrently serve at the Company and its direct subsidiaries, including the presidents of the Three Life Insurance Companies. This is done from the standpoint of facilitating adequate communication and rapid decision-making within the Group, along with bolstering Group-wide governance.

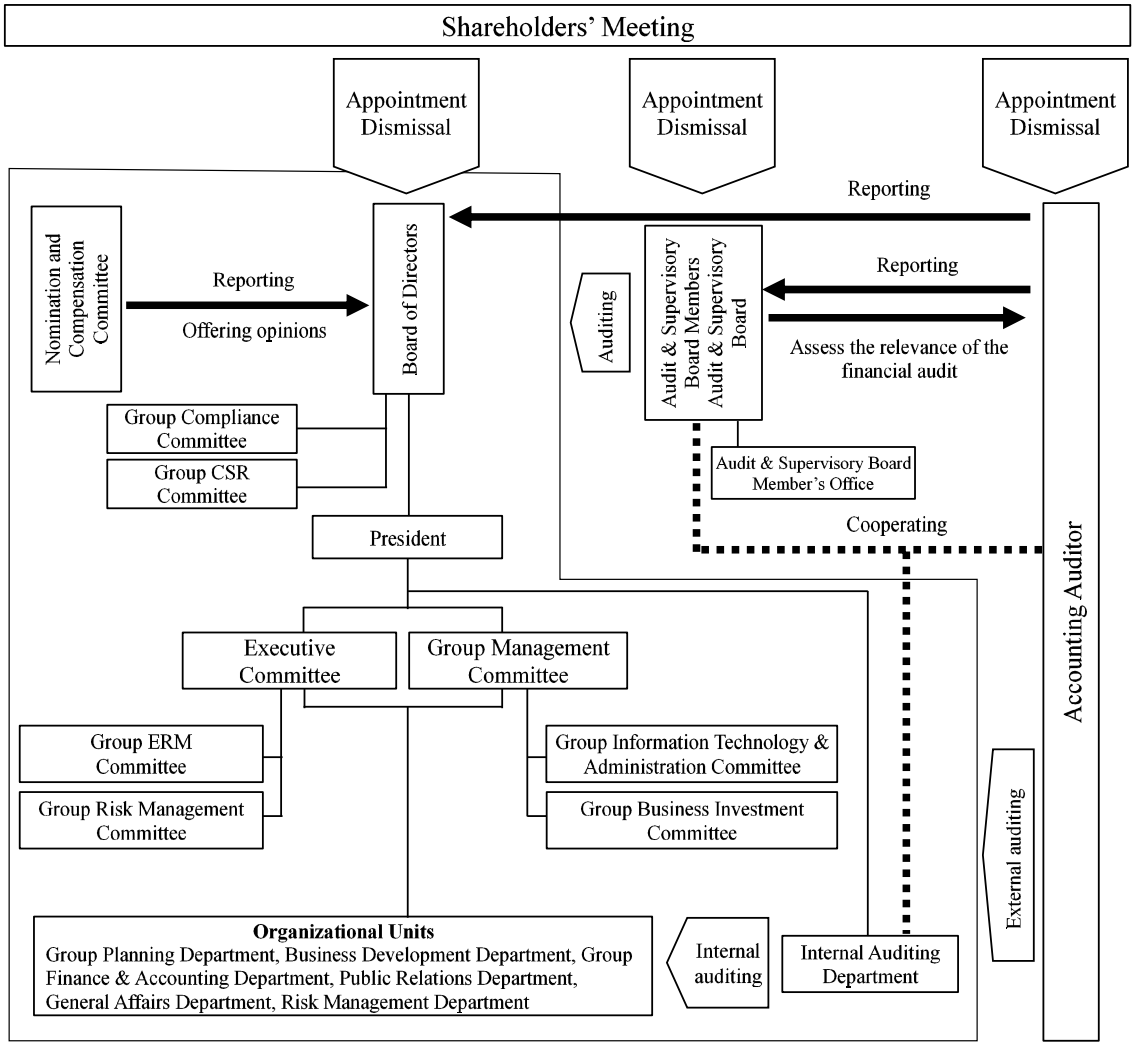
Furthermore, the Company appoints two or more Outside Directors to appropriately reflect the opinions of individuals with extensive experience and knowledge in their capacity as outside corporate managers, legal experts and so forth in the Group's management policies and development of internal controls and other systems as well as in the oversight of the execution of business.

(Assessment of effectiveness of the Board of Directors)
In order to ensure the overall effectiveness of the Board of Directors, the Company conducts an annual performance review of the Board of Directors as a whole, based on the self-evaluations of individual directors. The performance review examines whether or not the Board of Directors is functioning appropriately and producing results, and how the Board of Directors is contributing to increasing the Company's corporate value over the medium- and long-term.

In fiscal 2015, the Company conduced analysis and performance review of the Board of Directors, making reference to each Director's self-evaluation and other information. As a result of this performance review, it was determined that the Board of Directors was managed appropriately in general, and that the effectiveness of the Board of Directors as a whole was ensured, although some need for specific improvements was recognized, including the quality and timing of information provided, and the way of explanation.

Based on the assessment of effectiveness and other information, the Company is working to further improve the supervisory function and decision-making process of the Board of Directors.

[Governance System Chart]



2. CSR Initiatives

The Group is centered on the life insurance business, which attaches fundamental importance to the principle of mutual assistance. Therefore, we believe that contributing to people and society as a whole through our businesses constitutes our fundamental guiding principle as a business enterprise. Based on this principle, we have established the "T&D Life Group CSR Charter," which clearly expresses the Group's attitude toward corporate social responsibility (CSR). The Group, as a unified body, is advancing CSR activities.

Our specific efforts are as follows.

- As the birth rate continues to decline and the aging population continues to increase in Japan, a wide range of social problems have occurred at the levels of individuals, families and small and medium-sized enterprises. We are working to develop unique products and enhance our services in order to contribute to solution of such problems through the life insurance business.

- We are working to protect the global environment, including reducing the use of paper for clerical purpose and the use of electricity, as well as activities for conserving forests.

- We are working to contribute to society, through activities such as community cleanup, Group-wide blood donations, support for sports for disabled people, and volunteer activities, including the activities of related organizations.

- Aiming for a society where everyone can play an active role, we are advancing efforts to support the active participation of women, enhance work-life balance, improve the working environment, etc.

The Group is a participant of the United Nations Global Compact (UNGC), which is a framework advocated by the United Nations (UN) for cooperation between the UN and corporations to achieve sustainable growth. The UNGC puts forth ten principles on the fields of human rights, labor, environment and anti-corruption, and calls on corporations to act responsibly. The Group agrees with these principles, and in July 2015 expressed its support for them and became a participating corporation.

3. Outline of Embedded Value

Embedded value (EV) is one of the indicators that evaluate corporate value of a life insurance company. It is the sum of "adjusted net asset," which is calculated from the balance sheet and is deemed to be attributable to shareholders, and "value of the policy amount in force," which is calculated from the insurance policies in force.

EV as of the end of fiscal 2015 declined by ¥404.3 billion to ¥1,893.7 billion, due mainly to falling market interest rates.

EV of the Group (Billions of yen)

At the end of FY2013	At the end of FY2014	At the end of FY2015
1,970.1	2,298.0	1,893.7

Consolidated Balance Sheet for Fiscal Year 2015

(as of March 31, 2016)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and deposits	1,024,692	Policy reserves	12,892,482
Call loans	2,673	Reserve for outstanding claims	67,914
Monetary claims purchased	269,668		
Monetary trusts	525,902	Policy reserve	12,719,256
Securities	10,492,605	Reserve for policyholder dividends	105,311
Loans	1,767,891		
Tangible fixed assets	315,475	Due to agencies	630
Land	175,322	Due to reinsurers	641
Buildings	120,846	Short-term bonds	2,999
Lease assets	932	Subordinated bonds	50,125
Construction in progress	15,124	Other liabilities	252,087
Other tangible fixed assets	3,248	Reserve for bonus to directors and audit & supervisory board members	281
Intangible fixed assets	24,027	Net defined benefit liability	59,730
Software	22,472	Reserve for directors' and audit & supervisory board members' retirement benefits	78
Lease assets	377		
Other intangible fixed assets	1,177	Reserve for price fluctuations	175,759
Due from agencies	746	Deferred tax liabilities	19,894
Due from reinsurers	691	Deferred tax liabilities on land revaluation	5,434
Other assets	251,286		
Deferred tax assets	602	Total liabilities	13,460,145
Reserve for possible loan losses	(2,057)	(Net assets)	
		Common stock	207,111
		Capital surplus	194,550
		Retained earnings	422,422
		Treasury stock	(48,876)
		Total stockholders' equity	775,208
		Net unrealized gains on securities	487,200
		Deferred gains on hedging instruments	(8,601)
		Land revaluation	(43,288)
		Foreign currency translation adjustments	21
		Total accumulated other comprehensive income	435,331
		New share subscription rights	926
		Non-controlling interests	2,595
		Total net assets	1,214,061
Total assets	14,674,207	Total liabilities and net assets	14,674,207

Consolidated Statement of Operations for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account	Amount
Ordinary revenues	2,025,925
Income from insurance premiums	1,574,506
Investment income	379,707
Interests, dividends and income from real estate for rent	290,725
Gain on investments in money held in trust	5,172
Gains on sales of securities	77,403
Gain on redemption of securities	3,198
Foreign exchange gains, net	801
Reversal of reserve for possible loan losses	137
Other investment income	2,268
Other ordinary income	71,665
Equity in net income of affiliated companies	46
Ordinary expenses	1,854,490
Insurance claims and other payments	1,302,899
Insurance claims	376,421
Annuity payments	349,387
Insurance benefits	163,812
Surrender payments	341,583
Other payments	71,693
Provision for policy and other reserves	194,387
Provision for policy reserve	194,321
Interest portion of reserve for policyholder dividends	65
Investment expenses	77,477
Interest expenses	909
Losses on investments in trading securities, net	7,823
Losses on sales of securities	16,357
Devaluation losses on securities	4,101
Net derivative financial instruments loss	22,180
Write-off of loans	4
Depreciation of real estate for rent	4,991
Other investment expenses	15,533
Loss on separate accounts, net	5,575
Operating expenses	198,999
Other ordinary expenses	80,727
Ordinary profit	171,434

(Millions of yen)

Account	Amount
Extraordinary gains	163
Gains on sale of fixed assets	4
State subsidy	158
Extraordinary losses	29,438
Losses on sale, disposal and devaluation of fixed assets	1,356
Impairment loss	4,203
Provision for reserve for price fluctuations	20,568
Head office transfer cost	2,591
Other extraordinary losses	718
Provision for reserve for policyholder dividends	31,920
Income before income taxes	110,239
Income taxes-current	46,075
Income taxes-deferred	(8,561)
Total income taxes	37,513
Net income	72,726
Profit attributable to non-controlling interests	179
Profit attributable to owners of parent	72,547

Consolidated Statement of Changes in Net Assets for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of April 1, 2015	207,111	194,586	366,747	(19,008)	749,436
Changes in the period					
Dividends			(16,621)		(16,621)
Profit attributable to owners of parent			72,547		72,547
Acquisition of treasury stock				(30,015)	(30,015)
Disposal of treasury stock		(35)		147	111
Reversal of land revaluation			(250)		(250)
Net changes of items other than stockholders' equity					0
Total changes in the period		(35)	55,675	(29,868)	25,771
Balance as of March 31, 2016	207,111	194,550	422,422	(48,876)	775,208

(Millions of yen)

	Accumulated other comprehensive income				
	Net unrealized gains on securities	Deferred gains on hedging instruments	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income
Balance as of April 1, 2015	649,716	(13,741)	(43,694)	21	592,301
Changes in the period					
Dividends					
Profit attributable to owners of parent					
Acquisition of treasury stock					
Disposal of treasury stock					
Reversal of land revaluation					
Net changes of items other than stockholders' equity	(162,515)	5,139	405	0	(156,970)
Total changes in the period	(162,515)	5,139	405	0	(156,970)
Balance as of March 31, 2016	487,200	(8,601)	(43,288)	21	435,331

(Millions of yen)

	New share subscription rights	Non-controlling interests	Total net assets
Balance as of April 1, 2015	746	2,465	1,344,950
Changes in the period			
Dividends			(16,621)
Profit attributable to owners of parent			72,547
Acquisition of treasury stock			(30,015)
Disposal of treasury stock			111
Reversal of land revaluation			(250)
Net changes of items other than stockholders' equity	180	129	(156,660)
Total changes in the period	180	129	(130,888)
Balance as of March 31, 2016	926	2,595	1,214,061

Individual notes to consolidated financial statements

Notes concerning important matters which become the basis of consolidated financial statements

1. Matters concerning the scope of consolidation
(1) The number of consolidated subsidiaries: 15
The names of the consolidated companies:
Taiyo Life Insurance Company
Daido Life Insurance Company
T&D Financial Life Insurance Company
Pet & Family Small-amount Short-term Insurance Company
T&D Lease Co., Ltd.
T&D Asset Management Co., Ltd.
T&D Customer Services Co., Ltd.
T&D Confirm Ltd.
T&D Asset Management Cayman Inc.
T&D Information Systems, Ltd.
Toyo Insurance Agency Co., Ltd.
Taiyo Credit Guarantee Co., Ltd.
Zenkoku Business Center Co., Ltd.
Nihon System Shuno, Inc.
Daido Management Service Co., Ltd.
(2) The number of major non-consolidated subsidiaries: 0

2. Matters concerning the equity method
(1) The number of non-consolidated subsidiaries over which the equity method is applied: 0

(2) The number of affiliated companies over which the equity method is applied: 2
The names of the companies: Alternative Investment Capital, Ltd.
AIC Private Equity Fund General Partner, Ltd.
(3) The number of non-consolidated subsidiaries and affiliated companies over which the equity method is not applied: 0

(4) Matters concerning the fiscal year of affiliated companies over which the equity method is applied
For the affiliated companies over which the equity method is applied but the dates of settlement are different from the consolidated settlement date, financial statements concerning the fiscal year of each of these companies are used.

3. Matters concerning the fiscal year of consolidated subsidiaries
Among the consolidated subsidiaries, the settlement date of T&D Asset Management Cayman, Inc. is December 31. In the creation of consolidated financial statements, we used these companies' financial statements dated December 31, and made necessary adjustments for consolidation for major transactions that occurred between December 31 and the consolidated settlement date.

4. Matters concerning accounting policy
(1) Appraisal standards and appraisal methods of securities (including cash and deposits, quasi-securities within monetary claims purchased, and securities within monetary trusts that are invested as trust assets):
(i) Trading securities
The market value method (cost of sales is calculated by the moving average method)
(ii) Held-to-maturity debt securities
The amortized cost method using the moving average method (straight-line method)
(iii) Policy-reserve-matching securities
The amortized cost method using the moving average method (straight-line method)
(iv) Other securities
Securities with market value are valued by using the market value on the end of the consolidated fiscal year under review (cost of sales is calculated by using the moving average method).

Of securities extremely difficult to measure the market value, public and corporate bonds (including foreign bonds), of which the difference between the purchase price and face value is considered an amount after interest rate adjustment, are valued using the amortized cost method using the moving average method (straight-line method).

Other securities are valued at the cost method using the moving average method.

The valuation differences of other securities are reported as a component of shareholders' equity. Certain consolidated subsidiaries report translation adjustments relating to bonds included in foreign currency-denominated other securities in the following manner; the portion attributable to changes in the securities' market values in their local currencies are accounted for as valuation differences, and all other translation adjustments are included in foreign exchange gains or losses.

The following is an overview of the risk management policies over policy-reserve-matching bonds:

(Taiyo Life Insurance Company)

The risk is managed by minimizing the risks of the portfolio as a whole with an asset mix, and establishing an operation policy based on the balanced-type ALM aiming at exceeding medium- and long-term liability cost.

In consideration of this kind of operation policy, the following insurance policies are identified and classified as a subcategory in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds within the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants (JICPA):

With regard to general fund category, all insurance policies excluding group insurance product category and other insurance product category, etc.

With regard to group annuity insurance fund category, all contribution-type corporate pension insurance policies and all group pure endowment insurance policies

With regard to single premium whole life insurance/annuity fund category, all insurance policies

With regard to non-participating single premium endowment insurance fund category, all insurance policies

(Daido Life Insurance Company)

In order to steadily fulfill future obligations, the risk is managed by setting an investment policy that fully takes into account the features of the insurance products and their risk tolerance.

In accordance with such investment policy, subcategories are set according to the features of the insurance product, and bonds held with the purpose to control durations of liabilities in each subcategory are classified as policy-reserve-matching bonds. The subcategories are set as follows.

Individual insurance and annuity in the general fund category

Individual insurance and annuity in the non-participating insurance fund category (capturing the cash flows likely to arise in the period after 5 years but within 30 years from now)

(T&D Financial Life Insurance Company)

In order to appropriately manage interest rate risk by setting subcategories according to the features of insurance products, investment policies are developed in line with each subcategory. In addition, it is regularly tested to ensure that the durations of policy reserve and that of policy-reserve-matching bonds are synchronized within the margin of error. The subcategories are classified as follows:

Individual insurance (capturing the portion of the future spending for insurance policies falling under this subcategory that is used for policyholders of predetermined age or above)

Interest reserve rate-type individual insurance

Interest reserve rate-type fixed annuity insurance

However, certain class of insurance and certain portions of insurance benefits are excluded.

(2) Appraisal standard and appraisal method of derivative financial instruments

Derivative financial instruments are stated at market value.

(3) Depreciation method for significant depreciable assets

(i) Tangible fixed assets (excluding lease assets)

Tangible fixed assets (except for lease assets) are depreciated based primarily on the declining balance method. Buildings (excluding attached facilities and structures) acquired on or after April 1, 1998, are depreciated based on the straight-line method.

The service life ranges of major types of assets are:

Buildings, attached facilities and structures: 3 to 50 years

Furniture and equipment: 2 to 20 years

(ii) Intangible fixed assets (excluding lease assets)

The straight-line method is used in depreciation of software for in-house use, on the basis of the usable period of five years.

(iii) Lease assets

With regard to the lease assets concerning finance lease transactions that involve transfer of ownership, the identical depreciation method applied on self-owned fixed assets is used. In terms of the lease assets concerning finance lease transactions that do not involve transfer of ownership, the lease periods are considered their service life, and the straight-line method is used.

(4) Accounting for deferred assets

Bond issuance cost is charged to expenses when incurred.

(5) Accounting standard for major reserves

(i) Recording standards for important reserve for possible losses

To provide for the losses due to bad debt, Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company (hereinafter referred to as the "Three Life Insurance Companies") record an estimated reserve for possible loan losses based on the internal asset valuation standards and the write-off/provision standards for assets, as follows:

The amount of allowance for receivables from debtors who are legally or formally bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings (hereinafter referred to as the "Bankrupt Debtors") and creditors who are effectively bankrupt (hereinafter referred to as the "Effectively Bankrupt Debtors"), is recognized based on the amount of credit remaining after deducting amounts expected to be collected through disposal of collateral or execution of guarantees from the balance of receivables directly reduced as mentioned below.

In addition, the allowance for receivables from debtors who are not currently legally bankrupt but have high possibility of bankruptcy (hereinafter referred to as the "Potentially Bankrupt Debtors"), is recognized on the amounts deemed necessary considering the debtors' overall solvency assessment within the amounts remaining after deductions of amounts expected to be collected through the disposal of collateral or the execution of guarantees.

The allowance for receivables from debtors other than the above (loans to healthy debtors and loans to debtors who require attention) is provided based on the debtors' balance multiplied by the historical average of percentage of bad debt calculated based on bad-debt records of a certain past period and others.

All credits are assessed by the sections concerned in accordance with the Company's asset valuation regulations. The assessments are verified by an independent Asset Auditing Department.

The results of the assessments are reflected in the calculation of the above-mentioned allowance for doubtful accounts.

With regard to mortgage or guaranteed loans to the Bankrupt Debtors and the Effective Bankrupt Debtors, the amount of collateral value or the amount collectible by the execution of guarantees or other methods directly subtracted from the balance of receivables is the estimated uncollectible amount, which stood at 395 million yen.

Regarding the consolidated subsidiaries other than the Three Life Insurance Companies, credits are assessed within the scope as deemed necessary in consideration of the importance of assets, and based on the results of the assessments, allowances are recorded based on the above methods.

(ii) Reserve for bonus to directors and audit & supervisory board members

To provide for the payment of directors' and audit & supervisory board members' bonuses, the Company records an estimated reserve for the consolidated fiscal year under review.

(iii) Reserve for directors' and audit & supervisory board members' retirement benefits

To provide for the payment of retirement benefits for directors and audit & supervisory board members, some consolidated subsidiaries record an estimated reserve for the consolidated fiscal year under review in accordance with their internal regulations.

(6) Method for recognizing retirement benefits

(i) Method for attributing expected retirement benefits to fiscal periods

In the calculation of retirement benefits obligations, benefit formula basis is adopted for the purpose of attributing expected retirement benefits over the period up to the end of the consolidated fiscal year under review.

(ii) Method for amortizing actuarial gain/loss, past service cost and difference due to change of accounting standards

Fully amortized in the fiscal year when they are incurred.

(7) Recognition method for reserve for price fluctuations

Reserve for price fluctuations at the Three Life Insurance Companies is recognized and calculated based on the provisions in Article 115 of the Insurance Business Act to prepare for price fluctuations.

(8) Standards of conversion for foreign currency-denominated assets and liabilities into the Japanese currency

All monetary assets and liabilities denominated in foreign currencies are translated into the Japanese yen at the spot exchange rates prevailing on the consolidated closing date. All asset, liability, income, and expense accounts of foreign subsidiaries and affiliates are translated into the Japanese yen at the spot exchange rates prevailing on their consolidated balance sheet date. The resulting translation adjustments are accumulated as foreign currency translation adjustments and non-controlling interests under net assets.

(9) Important hedge accounting method

A. Hedge accounting method of Taiyo Life Insurance Company

(i) Hedge accounting method

Taiyo Life Insurance Company applies deferral hedge accounting and the mark-to-market method of hedge accounting. Special treatment is applied to interest swap agreements that meet special treatment requirements and deferred designation is applied to currency swap agreements that meet deferred designation requirements.

(ii) Hedging instruments and hedged assets

a.	Hedging instrument:	Interest swap
	Hedged assets:	Loan receivable, bonds
b.	Hedging instrument:	Currency swap
	Hedged assets:	Foreign currency denominated loans
c.	Hedging instrument:	Exchange contracts
	Hedged assets:	Foreign currency-denominated assets
d.	Hedging instrument:	Option
	Hedged assets:	Domestic and foreign stocks, domestic and foreign listed investment trusts, domestic bonds
e.	Hedging instrument:	Credit transaction
	Hedged assets:	Domestic and foreign stocks, domestic and foreign listed investment trusts
f.	Hedging instrument:	Forward contracts
	Hedged assets:	Domestic and foreign stocks, domestic and foreign listed investment trusts

(iii) Hedging policy

Based on the internal rules and regulation developed under Taiyo Life's risk management policy concerning asset operations, the cash flow- and price-fluctuation risks concerning hedged assets are hedged within a certain scope.

(iv) Evaluation of the effectiveness of hedging activities

Effectiveness of hedging activities is evaluated for each half-year period by performing a ratio analysis and other methods comparing the market fluctuations or the accumulated cash flow movements of hedged assets with the market fluctuations or the accumulated cash flow movements of hedging instruments. However, evaluation of hedging effectiveness is omitted for interest swap agreements under the special treatment etc., currency swap agreements under deferred designation, exchange contracts in which both the hedged assets and the hedging instruments are denominated in the same currency, options hedging domestic and foreign stocks as well as domestic and foreign listed investment trusts, and options hedging credit transactions,

forward contracts and domestic bonds.

B. Hedge accounting method of Daido Life Insurance Company

(i) Hedge accounting method

Daido Life Insurance Company applies the mark-to-market method of hedge accounting. Daido Life also applies method for translating foreign currency receivables and payables on the basis of yen value cash flow fixed by forward contract for exchange contract transactions hedging foreign currency deposits in cases where the transactions satisfy the requirements for the method.

(ii) Hedging instruments and hedged assets

Daido Life employs exchange contract transactions as a hedging instrument, with the hedged assets of foreign currency-denominated securities and foreign currency-denominated certificates of deposit whose holding purpose is Other Securities.

(iii) Hedging policy

Based on the internal rules and regulations concerning asset operations, exchange fluctuation risks of hedged assets are hedged within a certain scope.

(iv) Evaluation of the effectiveness of hedging activities

Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of market value movement comparisons between the hedging instruments and hedging methods taken.

(10) Other important accounting policies adopted by the Company

(i) Accounting for consumption and other taxes

National and local consumption taxes are accounted for by using the tax exclusion method. Note that consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Consumption Tax Act, are deferred as other assets and amortized over a 5-year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are recorded to expense as incurred.

(ii) Funding method for policy reserves

A policy reserve is a reserve set forth at the Three Life Insurance Companies in accordance with Article 116 of the Insurance Business Act. A policy reserve is recognized by performing a calculation based on the following methodology:

- Reserves for contracts subject to the standard policy reserve are computed in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
- Reserves for other contracts are computed based on the net level premium method.

(Additional Information)

In fiscal year 2013, pursuant to the provisions in Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, Daido Life Insurance Company provides additional policy reserve for a certain portion of individual annuity insurance having commenced annuity payment, and also makes it a policy to provide such reserve on a step-by-step basis in three years for the policies having already commenced annuity payment.

Policy reserve provided under this reserving practice in the current fiscal year amounted to 15,941 million yen (12,993 million yen in the previous fiscal year).

(iii) Application of the consolidated tax payment system

The consolidated tax payment system is applied on the Company and some consolidated subsidiaries, with the Company as the consolidated taxpayer parent company.

5. Changes in accounting policies

"Accounting Standard for Business Combinations" (ASBJ Statement No. 21 dated September 13, 2013, hereinafter "Business Combination Accounting Standards"), "Accounting Standards for Consolidated Financial Statements" (ASBJ Statement No.22 dated September 13, 2013, hereinafter "Consolidated Financial Statements Accounting Standards"), "Accounting Standards for Business Divestitures" (ASBJ Statement No.7 dated September 13, 2013, hereinafter "Business Divestitures Accounting Standards"), and other relevant standards were adopted from the fiscal year under review. Accordingly, for subsidiaries the Company continues to control, differences arising due to changes in the ownership interests are reported as capital surplus and expenses related to acquisition of shares are reported as expenses in the consolidated fiscal year in which they are incurred. Additionally, for business combinations that are implemented on or after the beginning of the current fiscal year, the allocation of acquisition cost, as determined after review of provisional accounting treatment, is reflected in the consolidated financial statements for the fiscal year in which the business combination took place. Furthermore, the Company has changed the method of presenting

net income, etc., and changed minority interests to non-controlling interests.
The Company has applied the Business Combination Accounting Standards and other standards from the beginning of the fiscal year under review into the future in accordance with the transitional measures provided in Paragraph 58-2 (4) of Business Combination Accounting Standard, Paragraph 44-5 (4) of Consolidated Financial Statements Accounting Standards, and Paragraph 57-4 (4) of Business Divestitures Accounting Standards.
The above changes have had no impact on the consolidated financial statements for the fiscal year under review.

6. Unadopted accounting standards, etc.
- "Implementation Guidance on Recoverability of Deferred Tax Asset" (ASBJ Guidance No.26 dated March 28, 2016)
(1) Summary
With regards to the treatment of the recoverability of deferred tax assets, reviews required for the following treatment have been conducted basically following the framework of the JICPA Auditing Committee Report No. 66 "Audit Treatment for Determining the Recoverability of Deferred Tax Assets," whereby companies are categorized according to five categories and deferred tax assets are estimated based on each of these categories.
i. Treatment of companies that do not fulfill either of the requirements for classification from Category 1 through Category 5.
ii. Requirements for classification as Category 2 and Category 3
iii. Treatment of future deductible temporary differences that cannot be scheduled for companies applicable to Category 2
iv. Treatment of concerning the period in which a reasonable estimate is possible for the taxable income before adjustments including future temporary differences for companies applicable to Category 3
v. Treatment in cases where a company fulfilling the requirements of Category 4 is also applicable to Category 2 or Category 3
(2) Scheduled date of application
Scheduled to be adopted from the beginning of the consolidated fiscal year commencing on or after April 1, 2016.
(3) Effect of the application of the accounting standards
The amount of the effect is under evaluation at the time of preparing consolidated financial statements for the consolidated fiscal year under review.

7. Additional information
Following the passage of the "Act on Partial Revision of the Income Tax Act" and the "Act on Partial Revision of the Local Tax Act, etc." through the Diet on March 29, 2016, normal effective statutory tax rate used for calculating deferred tax assets and deferred tax liabilities for the fiscal year under review (for only those with temporary differences expected to be eliminated on or after April 1, 2016) has been changed from the 28.8% in the previous fiscal year to 28.2% for those expected to be recovered or paid during the period from April 1, 2016 to March 31, 2018, and to 28.0% for those expected to be recovered or paid on and after April 1, 2018.
Following the aforementioned change, income taxes-deferred increased by 4,177 million yen and profit attributable to owners of parent decreased by 4,176 million yen, while deferred tax liabilities decreased by 1,273 million yen while net unrealized gains on securities increased 5,314 million yen.

Notes to the Consolidated Balance Sheet

1. Matters concerning the current state of the financial instruments and their market values

(1) Matters concerning the current state of the financial instruments

(i) The Group's policy of investment in financial instruments

Being primarily focused on life insurance business, the group underwrites various classes of life insurance, and invests the money collected as insurance premiums in financial assets including securities and loans.

The Group's policy for asset management is to efficiently invest the insurance premiums trusted to us by policyholders in a portfolio built up to ensure long-term stable returns in accordance with the ERM concept involving management of capital, earnings and risk on an integrated basis, taking into account the long-term obligations involved in life insurance contracts, with due attention to management soundness and public welfare.

Financial derivative contracts are basically used to hedge fluctuation risks involved in our investment in financial instruments, as well as partially to complement physical assets.

Furthermore, in order to purse a further strength of financial soundness, the Group has been financing the subordinated-class capital (bonds and borrowings).

(ii) Description of the concerned financial instruments and the risks involved

Financial assets held by the Group mainly comprise securities and loans.

Securities here include corporate and public bonds, stocks and investment trusts offered at home and abroad that are held on a long-term basis for the purpose of investment geared to market prospects to ensure stable returns. These financial instruments are exposed to credit risks of the issuing entities and market risks associated with fluctuations in interest rate, exchange rates and stock prices, as well as market liquidity risks.

Loans here include policy loans for policyholders, commercial loans (non-policy loans) provided mainly to domestic businesses and individuals. Commercial loans, though intended to ensure stable returns, are exposed to credit risks of borrowers' default. A policy loan is provided within the surrender cash value of each insurance policy, thus its credit risk is minimal.

Derivative transactions including stock index futures contracts, forward exchange contracts, interest rate swap agreements are used primarily to hedge price fluctuation risks of our financial assets, while partially to complement physical assets by, for example, providing solution to the time constraint prior to the inclusion of physical assets into our portfolio, excluding speculative transactions whatsoever in any case.

Stringent risk management is in place for derivative transactions, by clearly defining tolerable allowances in terms of nature, underlying assets and trading limits of the transactions as well as by properly controlling their status.

Hedge accounting is appropriately practiced in interest rate swap agreements for loans and forward exchange contracts for foreign currency denominated assets, under the internal rules clearly defining qualifications, applicable types of transactions, methods of evaluation of its effectiveness and methods of its designation. Effectiveness of hedging is determined by ratio analysis methodology comparing the movements of fair market values of the hedged assets and hedging instruments.

(iii) Risk management of investment in financial instruments

a. Overall risk management

The Group, in consideration of the social and public nature of life insurance business as its core business, defines precise identification and management of risks as one of the crucial management tasks for ensuring the soundness and adequacy of management, where the Company, as the Group's holding company has developed "Group Risk Management Policy" which set out the basic risk management philosophy within the Group and provides the risk management structure in line with business characteristics and risk profiles at each of the Three Life Insurance Companies.

Under such context, the Group Risk Control Committee has been in place for the purpose of coordinated management of risks within the Group, which grasps the status of various risks at each of the Three Life Insurance Companies, through the reports prepared on regular or as-needed basis at each company using the unified risk management criteria. Meanwhile, the Company, by providing guidance and advice as appropriate to the Three Life Insurance Companies, is tackling the enhancement of risk management at each company as well as across the Group.

At each of the Three Life Insurance Companies, a committee has been established to supervise company-wide risk management at an enhanced level, while mutual check-and balance system is in place under the internal organizational arrangement including the separation of investment and loan execution function from the administration function within investment division, independence of credit check function and implementation of internal audits by internal audit department.

The Group has established the Group ERM Committee with the purpose to manage risks in combination with revenue and capital on the basis of economic value, and tackles the task of achieving stable and sustainable increases in Group enterprise value through the implementation and enrichment of ERM.

b. Management of market risks

Market risks are appropriately controlled in line with the risk characteristics of each asset class is performed based on the precise grasp of the sensitivity of investment assets to the parameters reflecting the changes in investment environment including interest rate, stock prices and exchange rates, and in addition, the risks are under adequate control through the review of asset allocation and risk hedging subject to identification of the overall risk of the portfolio using the Value at Risk criterion (hereafter referred to as "VaR").

c. Management of credit risks

Credit risk of the entire portfolio is identified and controlled through its quantification by the use of VaR based on the internal rating for individual borrowers. Meanwhile, the aggregate amount of investment and loan is capped by each industry sector or by group of companies, according to the corresponding risks, whereby concentration of loans to specific industry sector or group of companies is restrained.

d. Management of liquidity risks

Liquidity risks are adequately managed by the responsible risk management department through maintaining certain level of liquidity based on the grasp of the latest risk information including the share of highly liquid assets, cash flow situation, trend of the general financial/securities markets and status of individual financial instruments, as well as providing a structure for efficient liquidation of assets for financing purpose.

(iv) Supplementary explanation regarding the market values of financial instruments

Market values of financial instruments are based on actual market prices as well as those reasonably calculated in the absence of actual market prices.

Such calculations are based on certain assumptions, and thus market values could vary when different assumptions are used.

(2) Matters regarding the market value of financial instruments
Consolidated balance sheet amounts, as compared with market values of the investment in financial instruments and the difference between the two as of March 31, 2016 are as follows:

(Millions of yen)

	Consolidated balance sheet amounts	Fair market values	Difference
(i) Cash and deposits	1,024,692	1,024,692	—
a. Those treated as securities	92,000	92,000	—
- Other securities	92,000	92,000	—
b. Other than above	932,692	932,692	—
(ii) Call loans	2,673	2,673	—
(iii) Monetary claims purchased	269,668	276,506	6,838
a. Those treated as securities	268,376	275,009	6,632
- Held-to-maturity debt securities	70,609	77,241	6,632
- Other securities	197,767	197,767	—
b. Other than above	1,292	1,497	205
(iv) Monetary trusts	525,902	573,276	47,373
a. Monetary trusts for investment	9,465	9,465	—
b. Held-to-maturity monetary trusts	39,439	41,067	1,627
c. Policy-reserve-matching monetary trusts	447,346	493,093	45,746
d. Other monetary trusts	29,650	29,650	—
(v) Securities	10,299,639	11,181,763	882,123
a. Trading securities	179,419	179,419	—
b. Held-to-maturity debt securities	1,438,625	1,737,393	298,767
c. Policy-reserve-matching securities	2,618,412	3,201,769	583,356
d. Other securities	6,063,181	6,063,181	—
(vi) Loans	1,766,300	1,849,437	83,137
a. Policy loans (*1)	134,160	150,718	16,565
b. Commercial loans (*1)	1,633,730	1,698,719	66,572
c. Reserve for possible loan losses (*2)	(1,591)	—	—
Total assets	13,888,877	14,908,350	1,019,473
(i) Short-term bonds	2,999	2,999	—
(ii) Subordinated bonds	50,125	49,596	(528)
(iii) Borrowings as part of Other liabilities	65,052	65,648	596
Total liabilities	118,177	118,245	67
Derivatives (*3)			
(i) Those outside the scope of hedge accounting	11,647	11,647	—
(ii) Those subject to hedge accounting	41,829	43,516	1,686
Total derivatives	53,477	55,163	1,686

(*1) The column of Difference indicates the difference between consolidated balance sheet amounts less reserve for possible loan losses and market values.
(*2) Reserve for possible loan losses corresponding to loans is deducted.
(*3) Net credits and debts generated from the transactions of derivative financial instruments are indicated in net amounts, where items amounting to net debts are marked with brackets [ ].

Assets
(i) Cash and deposits
Mainly recorded in book values as their market values are proximate to the book values.
(ii) Call loans
Recorded in book values as these are settled in a short period of time, thus their market values are

proximate to the book values.
(iii) Monetary claims purchased
Those that are reasonably deemed appropriate to treat as securities are recorded in the same way as in (v) Securities, while others that are reasonably deemed appropriate to treat as loan receivable are recorded in the same way as in (vi) Loans.
(iv) Monetary trusts
Specified fund trust, which is mainly invested in securities, is recorded in the same way as in (v) Securities.
In addition to the above, forward exchange contracts, currency options and stock index option contracts are used as part of monetary trusts, and the market values are calculated based on prices quoted by the entrusted management companies for forward exchange contracts and prices quoted by the financial institutions concerned for currency options and stock index option contracts.
(v) Securities
Market values of securities are mainly based on their prices quoted on the stock exchange concerned, while those of bonds are based either on the statistics of over-the-counter price for reference published by Japan Securities Dealers Association, or on the prices quoted by the underwriting financial institutions. Market values of investment trusts are based on the published base values.
Unlisted shares and investments in partnerships whose assets consist of such financial instruments whose market values are recognized to be extremely hard to grasp are not included.
Consolidated balance sheet amounts of the relevant securities as at the end of the current consolidated fiscal year are, 155,632 million yen in foreign securities, 24,514 million yen in unlisted shares (excluding those of affiliates), 12,500 million yen in other securities, and 317 million yen in shares of affiliates.
(vi) Loans
a. Policy loans
Market values are calculated by discounting by risk-free rate, the expected future cash flow derived from the repayment rate based on the past actual repayment performance.
b. Commercial loans
Market values of loans provided at variable rates can reflect market rates at short intervals, thus are basically recorded in book values as their market values are proximate to the book values, unless borrowers' credit standings significantly change meanwhile after loans were provided.
Market values of loans provided at fixed rates are calculated by discounting principals and interests by risk-free rates weighted by credit risks involved.
Since estimated bad debts associated with loans to Bankrupt Debtors, loans to Effectively Bankrupt Debtors and loans to Potentially Bankrupt Debtors, are calculated based on the present value of the estimated future cash flows, or estimated amounts recoverable through pledge or guarantee, thus their market values are proximate to consolidated balance sheet amounts less estimated bad debts as at the balance sheet date, which are recorded as market values.
However, compound financial instruments are based on their prices quoted by the underwriting financial institutions.

Liabilities
(i) Short-term bonds
Recorded in book values as these are settled in a short period of time, thus their market values are proximate to the book values.
(ii) Subordinated bonds
Market values are calculated by discounting the prices quoted by the financial institutions concerned or principals and interests by risk-free rates weighted by credit risks involved.
(iii) Borrowings
Market values are calculated by discounting principals and interests by risk-free rates weighted by credit risks involved.
Derivatives
(i) Forward exchange contracts are based on forward exchange rates. Market values of currency swaps are calculated using prices quoted by the entrusted management company.
(ii) Market values of interest rate swaps are calculated based generally on the present values of the expected future cash flows discounted by the interest rates as at the balance sheet date, but partially on the prices quoted by the financial institutions concerned.
(iii) Market values of stock index futures, stock index options, individual stock options, bond futures, bond options, currency options and stock forward contracts are calculated based on the final prices

quoted on the principal stock exchange or on the prices quoted by the financial institutions concerned.
(iv) For the derivatives transactions classified as compound financial instruments, the compound financial instruments as a whole are measured at market values based on the prices quoted by the financial institutions concerned, and gains or losses are posted.
Of those subject to hedge accounting, the forward exchange contracts subject to deferred designation and interest rate swap agreements where special treatment applies are treated as integral part of the foreign currency denominated monetary claims and liabilities, thus their market values are included in the market values of those foreign currency denominated monetary claims and liabilities.

2. Matters concerning the current state of the rental property and their market values
The Group owns office buildings primarily for rent in the main cities across the country and their consolidated balance sheet amount is 196,945 million yen while their market value is 229,389 million yen as at the end of the current consolidated fiscal year.
The above market value is the aggregate of the value derived from the calculation based on the valuation by third-party real property appraisers for the main properties, and the value derived from the internal calculation for other properties based on their posted prices.
The balance at the end of the current consolidated fiscal year includes 196 million yen related to asset retirement obligations.

3. Situations concerning risk management liabilities
The total amount of loans of bankrupt borrowers, delinquent loans, loans that are delinquent for over three months and loans for restructuring, which were included in loans is 3,867 million yen, with the breakdown as follows:
(1) The balances of loans of bankrupt borrowers and delinquent loans are 256 million yen and 744 million yen, respectively. Of the above, direct write-off for estimated uncollectable amount is 74 million yen for bankrupt borrowers and 119 million yen for delinquent loans.
Loans of bankrupt borrowers are loans (except for a portion of loans written-down; hereinafter referred to as the “Undeclared Accrued Interest on Loan”), where the borrowers satisfy conditions prescribed in Article 96, Paragraph 1, Item 3, (a) to (e) or Item 4 of the Ordinance for Enforcement of the Corporation Tax Act (Ordinance No. 97, 1965), among the loans which interest is not accrued as income since the recovery of principal or interest on the loans is unlikely due to the fact that the principal or interest payments are long overdue or for other reasons.
Delinquent loans are loans without interest not accrued excluding the loans of bankrupt borrowers and the loans to which postponement of interest payment is made with the object of reconstructing and supporting the borrowers.
(2) The balance of loans that are delinquent for over three months stood at 2,835 million yen.
Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement, but do not fall under the category of loans of bankrupt borrowers and delinquent loans.
(3) The balance of loans for restructuring was 30 million yen.
Loans for restructuring are loans that provide certain concessions favorable to borrowers with the intent of supporting the borrowers restructuring, such as by reducing or exempting interests, postponing principal or interest payments, releasing credits, and providing any other benefits to the borrowers. These loans exclude loans classified as loans to bankrupt borrowers, delinquent loans, and loans delinquent for over three months.

4. Cumulative amount of depreciation for tangible fixed assets
The cumulative amount of depreciation for tangible fixed assets stood at 228,781 million yen.

5. The amount of separate account assets and liabilities prescribed under Article 118, Paragraph 1 of the Insurance Business Act
The amount of separate account assets stood at 130,793 million yen, and the amount of separate account liabilities was also 130,793 million yen.

6. Net assets per share
Net assets per share was 1,865.94 yen.

7. Increase/decrease in reserve for policyholder dividends and payment of policyholder dividends

Changes in reserve for policyholder dividends was as follows:

Balance at the beginning of the consolidated fiscal year under review	109,920 million yen
Policyholder dividend payment in the consolidated fiscal year under review	36,625 million yen
Increase due to interest, etc.	65 million yen
Increase due to other reasons	31 million yen
Provision for reserve for policyholder dividends	31,920 million yen
Balance at the end of the consolidated fiscal year under review	105,311 million yen

8. Unused credit balances in respect of loan commitments are as follows:

Total loan commitments	6,500 million yen
Loans carried out	1,874 million yen
Balance	4,625 million yen

9. Amount of securities loaned

The consolidated balance sheet amount of securities loaned under the contract of loans for consumption of securities was 95,073 million yen.

10. Subordinated bonds

Of the bonds, 20,000 million yen was subordinated bonds, which rank after other debts should the Company fall into receivership or be closed.

11. Subordinated borrowings

Of the debts categorized as other liabilities, 30,000 million yen was subordinated borrowings, which ranks after other debts should the Company fall into receivership or be closed.

12. Estimate of future contributions to the Life Insurance Policyholders Protection Corporation of Japan

The amount of future contributions paid for by the Three Life Insurance Companies to the Life Insurance Policyholders Protection Corporation of Japan, in accordance with Article 259 of the Insurance Business Act, is estimated to be 24,922 million yen.

The contribution amount is also recognized as operating expense in the consolidated fiscal year as occurred at the time of payment.

13. The method of land revaluation as stipulated in Article 3, Paragraph 3 of the Act Concerning Revaluation of Land

In pursuant to the Act Concerning Revaluation of Land (Law No. 34 promulgated on March 31, 1998), Taiyo Life Insurance Company revalued its land for business purposes. The amount related to the valuation difference between the previous and the revalued amount is tax effected and recognized as “deferred tax liabilities on land revaluation” within the liabilities section. The valuation difference excluding tax is recognized as “land revaluation” within the net assets section.

The method of land revaluation as stipulated in Article 3, Paragraph 3 of the Act Concerning Revaluation of Land

The amount is rationally calculated by using the land listed value as stipulated in Article 2, Item 1 of the Enforcement Regulations for the Act Concerning Revaluation of Land (Ordinance No. 119 promulgated on March 31, 1998), the standard price of the benchmark land as stipulated in its Item 2, the appraisal by real estate appraisers as stipulated in its Item 5, among other data.

Date of revaluation March 31, 2002

14. The amount of surplus on organizational change

The amount of surplus on organizational change as stipulated in Article 91 of the Insurance Business Act was 63,158 million yen for Taiyo Life Insurance Company and 10,836 million yen for Daido Life Insurance Company.

15. Stock of affiliated companies and others

Securities include the stock of affiliated companies worth 317 million yen.

16. Retirement benefits

Matters concerning employees' retirement benefit obligations are as follows:

(1) Summary of the retirement benefits plans adopted within the Group

Domestic consolidated subsidiaries have instituted defined benefit plans namely defined benefit corporate pension plan, retirement pension plan and retirement lump sum plan.

Meanwhile, some of the consolidated subsidiaries have instituted defined contribution plans namely defined contribution pension plans.

Also certain consolidated subsidiaries have instituted retirement benefits trust.

(2)Defined benefit plan

(i) Reconciliation of beginning and ending balances of retirement benefit obligations

Beginning balance of retirement benefit obligations	143,661 million yen
Service cost	5,952 million yen
Interest cost	1,566 million yen
Actuarial gain/loss	14,775 million yen
Payment of retirement benefits	(8,136 million yen)
Ending balance of retirement benefit obligations	157,819 million yen

(Note) Retirement benefit cost for consolidated subsidiaries adopting a simplified method are included in "service cost."

(ii) Reconciliation of beginning and ending balances of pension assets

Beginning balance of pension assets	93,390 million yen
Expected return on assets	989 million yen
Actuarial gain/loss	3,456 million yen
Contribution by the business operator	6,208 million yen
Payment of retirement benefits	(5,956 million yen)
Ending balance of pension assets	98,088 million yen

(iii) Reconciliation of ending balance of retirement benefit obligations as well as pension assets, and liabilities for retirement benefits as well as assets for retirement benefits recorded in consolidated balance sheet

Retirement benefit obligations for funded plans	130,088 million yen
Pension assets	(98,088 million yen)
[Retirement benefits trust of the above]	[(61,114 million yen)]
	31,999 million yen
Retirement benefits obligations for unfunded plans	27,731 million yen
Net amounts of liabilities and assets recorded in consolidated balance sheet	59,730 million yen
Net defined benefit liability	59,730 million yen
Net defined benefit asset	—
Net amounts of liabilities and assets recorded in consolidated balance sheet	59,730 million yen

(iv) Retirement benefit cost and its breakdown

Service cost	5,952 million yen
Interest cost	1,566 million yen
Expected return on assets	(989 million yen)
Amount of actuarial gain/loss treated as expenses	(11,318 million yen)
Other	8 million yen
Retirement benefits cost for defined benefit plan	17,856 million yen

(Note) Retirement benefit cost for consolidated subsidiaries adopting a simplified method is included in "service cost."

(v) Matters concerning pension assets

a. Breakdown by main items of pension assets

Corporate bonds	73.1%
Life insurance general account	11.4%
Foreign securities	7.0%
Stocks	5.0%
Cash and deposits	2.6%
Joint investment assets	0.9%
Other	0.0%
Total	100.0%

(Note) Total pension assets include retirement benefits trust that accounts for 62.3% of the total instituted for corporate pension plans.

b. Method for defining expected long-term rate of return on pension assets

In order to determine expected long-term rate of return on pension assets, the present as well as expected future allocation of pension assets, along with the present as well as expected long-term rate of return on various assets comprising pension assets are considered.

(vi) Matters concerning the basis for actuarial calculation

Discount rate	(0.07%)～0.80%
Expected long-term rate of return on assets	0.57%～1.90%

(3) Defined contribution plans

Amount of contribution required for defined contribution plans at the Company and its consolidated subsidiaries is 258 million yen.

17. Notes to deferred tax accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities by major reason

Deferred tax assets

Policy reserves	66,193 million yen
Reserve for price fluctuation	49,148 million yen
Net defined benefit liability	31,733 million yen
Devaluation losses on securities	14,219 million yen
Losses on sale, disposal and devaluation of fixed assets	5,368 million yen
Reserve for bonuses	2,118 million yen
Tax loss carried forward	1,537 million yen
Reserve for possible loan losses	584 million yen
Others	15,732 million yen
Subtotal	186,636 million yen
Valuation allowance	(21,147 million yen)
Total deferred tax assets	165,488 million yen

Deferred tax liabilities

Net unrealized gains (losses) on securities	(180,632 million yen)
Securities dividend receivables	(2,018 million yen)
Reserve for reduction entry of real estate	(642 million yen)
Others	(1,487 million yen)
Total deferred tax liabilities	(184,780 million yen)
Net deferred tax assets (liabilities)	(19,291 million yen)

(2) Breakdown of major items that caused major differences between the normal effective statutory tax rate and the contribution ratio of corporate and other taxes after the application of the deferred tax accounting, when such discrepancies exist

Normal effective statutory tax rate	28.8 %
(Adjustment)	
Valuation allowance	0.4%
Items that will never be categorized as loss, such as entertainment expenses	0.6%
Downward revision of ending balance of deferred tax assets due to tax rate change	3.7%
Others	0.5%
Contribution percentage of corporate and other taxes after the application of deferred tax accounting	34.0%

18. The amount of assets pledged as collaterals

The assets that are pledged as collaterals are as follows:

Securities (government bonds)	121,630 million yen
Securities (foreign securities)	95,073 million yen
Total	216,703 million yen

These collaterals are pledged mainly as collaterals for exclusive accounts for Real Time Gross Settlement (RTGS) of government bonds, securities lending transactions secured by securities and the substitutes for future trades margin.

19. Matters concerning stock options

1. Amount and account of expenses related to stock options

Operating expenses 291 million yen

2. Details, size and status of stock options

(1) Details of stock options

	The Company new share subscription rights (1st series)
Title and number of grantees	Directors (excluding Outside Directors) and Executive Officers of the Company: 7 Directors (excluding Outside Directors) and Executive Officers of subsidiaries of the Company: 40
Number of stock options by class (Note)	Common stock: 449,600 shares
Grant date	July 31, 2012
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable.
Exercise period	August 1, 2012 to July 31, 2042

Note: Presented in terms of the number of shares.

	The Company new share subscription rights (2nd series)
Title and number of grantees	Directors (excluding Outside Directors) and Executive Officers of the Company: 7 Directors (excluding Outside Directors) and Executive Officers of subsidiaries of the Company: 39
Number of stock options by class (Note)	Common stock: 235,500 shares
Grant date	August 1, 2013
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable.
Exercise period	August 2, 2013 to August 1, 2043

Note: Presented in terms of the number of shares.

	The Company new share subscription rights (3rd series)
Title and number of grantees	Directors (excluding Outside Directors) and Executive

	Officers of the Company: 6 Directors (excluding Outside Directors) and Executive Officers of subsidiaries of the Company: 41
Number of stock options by class (Note)	Common stock: 231,300 shares
Grant date	August 1, 2014
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable.
Exercise period	August 2, 2014 to August 1, 2044

Note: Presented in terms of the number of shares.

	The Company new share subscription rights (4th series)
Title and number of grantees	Directors (excluding Outside Directors) and Executive Officers of the Company: 15 Directors (excluding Outside Directors) and Executive Officers of subsidiaries of the Company: 43
Number of stock options by class (Note)	Common stock: 170,700 shares
Grant date	August 3, 2015
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable.
Exercise period	August 4, 2015 to August 3, 2045

Note: Presented in terms of the number of shares.

(2) Size and status of stock options
For stock options existed during the consolidated fiscal year under review, the number of stock options is presented in terms of the number of shares.

(i) Number of stock options

	The Company new share subscription rights (1st series)	The Company new share subscription rights (2nd series)	The Company new share subscription rights (3rd series)
Before vesting			
At the end of previous fiscal year	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Outstanding	—	—	—
After vesting			
At the end of previous fiscal year	340,700 shares	217,800 shares	228,700 shares
Vested	—	—	—
Exercised	60,200 shares	37,800 shares	19,500 shares
Forfeited	—	—	—
Exercisable	280,500 shares	180,000 shares	209,200 shares

	The Company new share subscription rights (4th series)
Before vesting	
At the end of previous fiscal year	—
Granted	170,700 shares
Forfeited	—
Vested	170,700 shares
Outstanding	—
After vesting	
At the end of previous fiscal year	—
Vested	170,700 shares
Exercised	2,500 shares
Forfeited	—
Exercisable	168,200 shares

(ii) Unit price information

	The Company new share subscription rights (1st series)	The Company new share subscription rights (2nd series)	The Company new share subscription rights (3rd series)
Exercise price	1 yen	1 yen	1 yen
Average exercise price	1,424 yen	1,590 yen	1,638 yen
Fair value at grant date	685 yen	1,143 yen	1,153 yen

	The Company new share subscription rights (4th series)
Exercise price	1 yen
Average exercise price	1,415 yen
Fair value at grant date	1,708 yen

3. Method to estimate fair unit price of stock options
The method to estimate fair unit price of stock options granted during the consolidated fiscal year under review is as follows:
(1) Valuation technique used
Black-Scholes model

(2) Principal parameters used and their estimation method

	The Company new share subscription rights (4th series)
Stock price volatility (Note 1)	35.60%
Average expected life (Note 2)	6.21 years
Expected dividends (Note 3)	25.0 yen
Risk-free interest rate (Note 4)	0.126%

Notes: 1. Calculated based on the daily closing price of the Company's common stock in regular transactions from May 20, 2009 to August 3, 2015.
2. A period from the grant date to the averaged time when options are expected to be exercised is applied.
3. Calculated based on the actual dividends for the fiscal year ended March 31, 2015.
4. Based on Japanese government bond yield corresponding to the average expected life.

4. Method to estimate number of stock options vested
Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

Notes to the Consolidated Statement of Operations

1. Net gain per share
Net gain per share in the consolidated fiscal year under review was 111.00 yen.

2. Matters concerning impairment loss
Matters concerning impairment loss of the fixed assets in the current consolidated fiscal year are as follows.
(1) Method of asset grouping by purpose
Whole of the real estate used by the Three Life Insurance Companies for the purpose of insurance sales and related operations is classified as one asset group, while each property in the category of the real estate that are used for other purposes or underutilized is classified into individual asset group on its own.
Each party namely the Company and consolidated subsidiaries other than the Three Life Insurance Companies, has its own asset group each containing the real estate used by respective party for business purpose.
(2) Reason for the recognition of impairment loss
Some real estate for rent and other assets suffered a significant fall in market prices or decline in profitability due to stagnant rents, and as a result their book values were reduced to recoverable amounts where such reduced amounts are recorded as impairment loss under extraordinary losses.
(3) Asset groups that recognized impairment loss and the amount of such impairment loss by type of fixed assets

(Millions of yen)

Use	Location	Type		Total
		Land	Building etc.	
Real estate for rent	11 properties including one in Matsumoto-shi, Nagano	2,701	1,502	4,203

(4) Method of calculating recoverable amount
Value in use and net sales value are quoted as recoverable amounts.
The value in use of real estate for rent is calculated by discounting expected future cash flow by 5.50%-5.85%. The net sales value for real estate for rent is calculated based on appraisal value based on the real estate appraisal standard less estimated cost of disposal.

Notes to the Consolidated Statement of Changes in Net Assets

1. Matters concerning class and number of issued shares, and class and number of treasury stock

	Number of shares at the beginning of the current consolidated fiscal year (shares)	Increase in the current consolidated fiscal year (shares)	Decrease in the current consolidated fiscal year (shares)	Number of shares at the end of the current consolidated fiscal year (shares)
Total number of shares issued: Common shares	681,480,000	—	—	681,480,000
Treasury stock: Common shares	16,632,735	16,210,557	120,270	32,723,022

Notes: 1. The increases in the number of treasury stock of common shares are due to the reasons as follows.
Acquisition of treasury stock in accordance with the resolution at the Board of Directors' Meeting on May 20, 2015: 16,201,400 shares
Purchase of fractional shares: 9,157 shares
2. The decreases in the number of treasury stock of common shares are due to the reasons as follows.
Exercise of stock option: 120,000 shares
The Company's sale of fractional shares upon shareholders' request: 270 shares

2. Matters concerning dividends
(1) Dividend payment

	Class of shares	Total dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2015	Common stock	16,621 million yen	25.0 yen	March 31, 2015	June 26, 2015

(2) Of the dividends whose record date is within the consolidated fiscal year under review, and whose effective date is the following consolidated fiscal year

	Class of shares	Total dividends	Source of dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders on June 28, 2016	Common stock	19,462 million yen	Retained earnings	30.0 yen	March 31, 2016	June 29, 2016

Note: This proposal is scheduled to be voted on June 28, 2016, at the Ordinary General Meeting of Shareholders for approval.

3. Matters concerning new share subscription rights

Category	Breakdown of new share subscription rights	Balance at the end of the consolidated fiscal year under review (Millions of yen)
The Company	New share subscription rights as stock options	926

Significant subsequent events

Not applicable.

The amounts listed in this financial statement are rounded down to the nearest displayed unit.

Non-consolidated Balance Sheet for Fiscal Year 2015

(as of March 31, 2016)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	48,033	Current liabilities	27,707
Cash and deposits	18,018	Lease obligations	2
Prepaid expenses	24	Accounts payable	7,959
Deferred tax assets	95	Accrued expenses	130
Accounts receivable	29,894	Income tax payable	19,457
Other current assets	0	Consumption tax payable	42
Fixed assets	745,151	Deposits received	12
Tangible fixed assets	354	Reserve for bonus to directors and audit & supervisory board members	103
Buildings	303		
Machinery and equipment	45	Fixed liabilities	32,092
Lease assets	5	Subordinated bonds	30,125
Intangible fixed assets	0	Lease obligations	3
Investments and other assets	744,797	Long-term accounts payable-other	546
Investments in subsidiaries	742,877		
Long-term loans receivable from subsidiaries	200	Deposits received	1,416
Deferred tax assets	185	Total liabilities	59,799
Deposit for rent	1,537	(Net assets)	
Reserve for possible loan losses	(2)	Stockholders' equity	732,459
		Common stock	207,111
		Capital surplus	539,351
		Additional paid-in capital	89,420
		Other capital surplus	449,931
		Retained earnings	34,872
		Other retained earnings	34,872
		Retained earnings brought forward	34,872
		Treasury stock	(48,876)
		New share subscription rights	926
		Total net assets	733,386
Total assets	793,185	Total liabilities and net assets	793,185

Non-consolidated Statement of Operations for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account	Amount
Operating income	20,409
Dividends on investments in affiliate companies	16,627
Fees and commissions received from affiliate companies	3,779
Interest on loans receivable from affiliate companies	2
Operating expenses	3,074
General and administrative expenses	3,074
Operating profit	17,335
Non-operating income	164
Interest income	26
Interest on securities	4
Gains on expired dividends payable	118
Other income	14
Non-operating expenses	135
Interest expenses	0
Bond issuance cost	121
Other expenses	13
Ordinary profit	17,364
Extraordinary losses	257
Head office transfer cost	257
Income before income taxes	17,107
Income taxes-current	283
Income taxes-deferred	(69)
Total income taxes	214
Net income	16,893

Non-consolidated Statement of Changes in Net Assets for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Stockholders' equity					
		Capital surplus			Retained earnings	
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2015	207,111	89,420	449,966	539,387	34,601	34,601
Changes in the period						
Dividends					(16,621)	(16,621)
Net income					16,893	16,893
Acquisition of treasury stock						
Disposal of treasury stock			(35)	(35)		
Net changes of items other than stockholders' equity						
Total changes in the period			(35)	(35)	271	271
Balance as of March 31, 2016	207,111	89,420	449,931	539,351	34,872	34,872

(Millions of yen)

	Stockholders' equity		New share subscription rights	Total net assets
	Treasury stock	Total stockholders' equity		
Balance as of April 1, 2015	(19,008)	762,091	746	762,837
Changes in the period				
Dividends		(16,621)		(16,621)
Net income		16,893		16,893
Acquisition of treasury stock	(30,015)	(30,015)		(30,015)
Disposal of treasury stock	147	111		111
Net changes of items other than stockholders' equity			180	180
Total changes in the period	(29,868)	(29,631)	180	(29,451)
Balance as of March 31, 2016	(48,876)	732,459	926	733,386

Individual notes to non-consolidated financial statements

Notes to matters concerning important accounting policies

1. Appraisal standard and appraisal method for securities
   Appraisal of subsidiary stocks is stated at cost determined by the moving-average method.
   In addition, securities with market quotations are stated at cost determined by the marked-to-market method (all valuation differences are reported as a component of shareholders' equity while cost of sales/disposal is calculated by moving-average method) based on the market value etc. as at the balance sheet date.

2. Depreciation method for fixed assets
   (1) Tangible fixed assets (excluding lease assets)
   The Japanese declining balance method is adopted for tangible fixed assets (provided, however, that the straight-line method is adopted for buildings, excluding attached facilities).
   The service life ranges of major types of assets are as follows:
   Buildings and attached facilities: 8 to 39 years
   Equipment and furniture: 3 to 15 years
   (2) Intangible fixed assets (excluding lease assets)
   The straight line method is adopted.
   (3) Lease assets
   With regard to the lease assets concerning finance lease transactions that do not involve transfer of ownership, the lease periods are considered their service life, and the straight-line method is used.

3. Accounting for deferred assets
   Bond issuance cost is charged to expenses when incurred.

4. Posting standard for reserves
   (1)Reserve for possible loan losses
   To provide for possible loan losses, estimated unrecoverable amounts are recorded in consideration of recoverability through historical loan loss ratio for general accounts receivable, or on an individual basis for certain receivable such as doubtful accounts receivable.
   (2)Reserve for bonus to directors and audit & supervisory board members
   To provide for the payment of directors' and audit & supervisory board members' bonuses, the Company has posted an allowance for an estimated amount of bonus payment during the fiscal year under review.

5. Other important fundamental matters for preparation of accounting documents
   (1) Accounting for consumption and other taxes
   Accounts are processed exclusive of national and local consumption taxes.

   (2) Adoption of the consolidated tax payment system
   The consolidated tax payment system is adopted with the Company serving as the consolidated tax-paying parent company.

6. Additional information
   Following the passage of the "Act on Partial Revision of the Income Tax Act" and the "Act on Partial Revision of the Local Tax Act, etc." through the Diet on March 29, 2016, normal effective statutory tax rate used for calculating deferred tax assets and deferred tax liabilities for the fiscal year under review (for only those with temporary differences expected to be eliminated on or after April 1, 2016) has been changed from the 32.3% of the previous fiscal year to 30.9% for those expected to be recovered or paid during the period from April 1, 2016 to March 31, 2018, and to 30.6% for those expected to be recovered or paid on and after April 1, 2018.
   Following the aforementioned change, income taxes-deferred increased by 13 million yen and net income decreased by 13 million yen, while deferred tax assets decreased by 13 million yen.

Notes to the Non-consolidated Balance Sheet

1. Monetary claims and liabilities toward affiliated companies

Short-term monetary claims	29,895 million yen
Short-term monetary liabilities	6,755 million yen
Long-term monetary claims	298 million yen
Long-term monetary liabilities	1, 416 million yen

2. Accumulated depreciation of tangible fixed assets 35 million yen

Notes to the Non-consolidated Statement of Operations

Volume of transactions with affiliated companies

Volume of transactions by operating transaction	
Operating income	20,409 million yen
Operating expenses	220 million yen

Notes to the Non-consolidated Statement of Changes in Net Assets

Class and number of treasury stock shares at the end of the fiscal year under review

Common stock	32,723,022 shares

Notes to deferred tax accounting

1. Breakdown of deferred tax assets by major reason

(Deferred tax assets)	
Losses on valuation of investment in subsidiaries	652 million yen
Long-term accounts payable-other	167 million yen
Share-based compensation expenses	69 million yen
Reserve for bonuses	33 million yen
Others	97 million yen
Subtotal of deferred tax assets	1,020 million yen
Valuation reserve	(739 million yen)
Total of deferred tax assets	280 million yen

2. Breakdown of major items that caused major differences between the normal effective statutory tax rate and the contribution ratio of corporate and other taxes after the application of the deferred tax accounting, when such discrepancies exist

The effective tax rate stipulated by the law	33.1 %
(Adjustment)	
Non-calculation of proceeds such as received dividend	(32.1 %)
Valuation reserve	(0.3%)
Others	0.6%
The contribution ratio of corporate and other taxes after the application of the deferred tax accounting	1.3%

Notes to transactions with related parties

Not applicable.

Notes on information per share

Net assets per share	1,129.02 yen
Net income per share	25.85 yen

Significant subsequent events

Not applicable.

The amounts listed in this financial statement are rounded down to the nearest displayed unit.

Audit Report of the Accounting Auditor Concerning Consolidated Financial Statements (Copy)

Audit Report of Independent Auditor

May 12, 2016

To the Board of Directors
T&D Holdings, Inc.

Yuji Ozawa
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Tsuyoshi Kabaya
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Masato Takezawa
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Ernst & Young ShinNihon LLC

We have audited the Consolidated Financial Statements, namely the Consolidated Balance Sheet, the Consolidated Statement of Operations, the Consolidated Statement of Changes in Net Assets, and the Individual Notes to Consolidated Financial Statements of T&D Holdings, Inc., for the consolidated fiscal year from April 1, 2015 to March 31, 2016 for the purpose of reporting under the provisions of Article 444, Paragraph 4 of the Japanese Companies Act.

Management's responsibility in respect of Consolidated Financial Statements

The management of T&D Holdings, Inc. is responsible for the preparation and appropriate presentation of the Consolidated Financial Statements in accordance with generally accepted corporate accounting principles in Japan. This includes development and operation of internal control as deemed necessary by the management in ensuring preparation and appropriate presentation of the Consolidated Financial Statements that are free of major material misrepresentations due to fraud or error.

Responsibility of the Accounting Auditor

We as an independent auditor are responsible for expressing our opinion in respect of the Consolidated Financial Statements from an independent standpoint, based on the audit we conducted. Our audit was conducted in accordance with auditing standards which are generally considered fair and appropriate in Japan. The auditing standards require us to develop an audit plan and conduct our audit in accordance with the plan in order to obtain reasonable assurance that the Consolidated Financial Statements are free of major material misrepresentations.

Our audit involves the procedures to obtain audit evidence that verifies if the accurate amounts were duly disclosed in the Consolidated Financial Statements. Audit procedures are selected and applied at our discretion, based on the risk assessment of major material misrepresentations in the Consolidated Financial Statements due to fraud or error. Although expressing our opinion regarding the effectiveness of the internal control does not constitute the purpose of the accounting audit, we review the internal control in respect of the preparation and appropriate presentation of the Consolidated Financial Statements, with the purpose to develop adequate audit procedures depending on the situation when we implement the risk assessment. Our audit also includes the assessment of the presentation of the Consolidated Financial Statements as a whole, including the accounting policies and application methods adopted by the management and evaluation of estimations made by the management.

We believe we have obtained sufficient and appropriate audit evidence that serves as the basis for expression of our opinion.

Audit opinion

In our opinion, the above mentioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position and operating results of the corporate

group consisting of T&D Holdings, Inc. and its consolidated subsidiaries during the period reported in the Consolidated Financial Statements in accordance with generally accepted corporate accounting principles in Japan.

Interest

There are no interests between T&D Holdings, Inc. and Ernst & Young ShinNihon LLC or its engagement partners that should be disclosed pursuant to the provisions of the Certified Public Accountant Law.

Audit Report of the Accounting Auditor (Copy)

Audit Report of the Independent Auditor

May 12, 2016

To the Board of Directors
T&D Holdings, Inc.

Yuji Ozawa
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Tsuyoshi Kabaya
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Masato Takezawa
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Ernst & Young ShinNihon LLC

We have audited the Financial Statements, including the Balance Sheet, the Statement of Operations, and the Statement of Changes in Net Assets, the Individual Notes to Financial Statements, and Supporting Schedules of T&D Holdings, Inc. for the 12th fiscal year from April 1, 2015 to March 31, 2016 for the purpose of reporting under the provisions of Article 436, Paragraph 2, Item 1 of the Japanese Companies Act.

Management's responsibility in respect of Financial Statements, etc.

The management of T&D Holdings, Inc. is responsible for the preparation and appropriate presentation of the Financial Statements and Supporting Schedules in accordance with generally accepted corporate accounting principles in Japan. This includes development and operation of internal control as deemed necessary by the management in ensuring preparation and appropriate presentation of the Financial Statements and Supporting Schedules that are free of major material misrepresentations due to fraud or error.

Responsibility of the Accounting Auditor

We as an independent auditor are responsible for expressing our opinion in respect of the Financial Statements and Supporting Schedules from an independent standpoint, based on the audit we conducted. Our audit was conducted in accordance with auditing standards which are generally considered fair and appropriate in Japan. The auditing standards require us to develop an audit plan and conduct our audit in accordance with the plan in order to obtain reasonable assurance that the Financial Statements and Supporting Schedules are free of major material misrepresentations.

Our audit involves the procedures to obtain audit evidence that verifies if the accurate amounts were duly disclosed in the Financial Statements and Supporting Schedules. Audit procedures are selected and applied at our discretion, based on the risk assessment of major material misrepresentations in the Financial Statements and Supporting Schedules due to fraud or error. Although expressing our opinion regarding the effectiveness of the internal control does not constitute the purpose of the accounting audit, we review the internal control in respect of the preparation and appropriate presentation of the Financial Statements and Supporting Schedules, with the purpose to develop adequate audit procedures depending on the situation when we implement the risk assessment. Our audit also includes the assessment of the presentation of the Financial Statements and Supporting Schedules as a whole, including the accounting policies and application methods adopted by the management and evaluation of estimations made by the management.

We believe we have obtained sufficient and appropriate audit evidence that serves as the basis for expression of our opinion.

Audit opinion

In our opinion, the above mentioned Financial Statements and Supporting Schedules present fairly, in all material respects, the financial position and operating results of T&D Holdings, Inc. during the period reported in the Financial Statements and Supporting Schedules in accordance with generally accepted corporate accounting principles in Japan.

Interest

There are no interests between T&D Holdings, Inc. and Ernst & Young ShinNihon LLC or its engagement partners that should be disclosed pursuant to the provisions of the Certified Public Accountant Law.

Audit Report of the Audit & Supervisory Board Members (Copy)

Audit Report

The Audit & Supervisory Board is pleased to submit our audit report, which is based on the review of the audit reports prepared by each of the Audit & Supervisory Board Members concerning the execution of duties by the Directors of T&D Holdings, Inc. (the "Company") during the 12th fiscal year from April 1, 2015 to March 31, 2016.

1. The Method and Content of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established the policy and plan of audit, as well as division of duties, among other matters, and received reports from each Audit & Supervisory Board Member regarding the circumstances of audit implementation and audit results. In addition, the Audit & Supervisory Board received reports from the Board of Directors and the Accounting Auditor regarding the execution of their duties, and requested explanations as necessary.

(2) Each Audit & Supervisory Board Member, in compliance with the standards of audit & supervisory board member's audit, which was established by the Audit & Supervisory Board, attempted to communicate with Directors, the Internal Audit Department, other employees, etc. in order to collect information and develop an appropriate audit environment in accordance with the audit policy, the audit plans, and the division of duties, and at the same time, executed audits using the following methods.

1) The Audit & Supervisory Board Members attended the meetings of the Board of Directors and other important meetings, received business reports from the Directors and other employees concerning the execution of their duties, and requested explanations as necessary. Each Audit & Supervisory Board Member read important documents concerning decision-making, and investigated the conditions of the business and financial standing at the Company. With regard to subsidiaries, the Audit & Supervisory Board Members attempted to communicate and exchange information with the subsidiaries' directors, audit & supervisory board members, and others, and received reports from subsidiaries on their business as necessary.

2) Each of the Audit & Supervisory Board Members received reports periodically from the Directors, employees and others, and requested explanations as necessary, about the content of the Board of Directors resolution on the development of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, which are provided in the Business Report, and other systems stipulated in the Enforcement Regulations of the Japanese Companies Act, Article 100, Paragraphs 1 and 3 as systems necessary to ensure the properness of operations of a Stock Company as well as a business group comprising such Stock Company and its subsidiaries, and about systems developed based on such resolution (internal control system), in order to monitor and verify the conditions concerning the establishment and operation of such systems. For internal controls of financial reporting, Audit & Supervisory Board Members received reports from Directors, etc. and Ernst & Young ShinNihon LLC, and requested explanations as necessary, about the conditions concerning evaluation and audit of such internal control.

3) We monitored and verified whether the Accounting Auditors maintained independent positions and executed appropriate audits. In addition, we received from the Accounting Auditor a report concerning the execution of their duties and requested explanations as necessity arose. In addition, we received a notice from the Accounting

Auditor that the "system to ensure that business duties are appropriately executed" (matters listed in each Item of Article 131 of the Ordinance on the Accounting of Companies) has been developed in accordance with the "standard for quality control of audit" (October 28, 2005, Business Accounting Council) and other documents, and requested explanations as necessary from the Accounting Auditor. Furthermore, we received explanations from the Accounting Auditor that they will make efforts to strengthen their auditing system including to ensure quality of their audits, in accordance with their improvement plan in response to the administrative penalty.

Based on the method described above, we reviewed the Business Report and its Supporting Schedules, Financial Statements for the fiscal year (the Balance Sheet, the Statement of Operations, the Statement of Changes in Net Assets, and the Individual Notes to Financial Statements) and their Supporting Schedules, as well as Consolidated Financial Statements (the Consolidated Balance Sheet, the Consolidated Statement of Operations, the Consolidated Statement of Changes in Net Assets, and the Individual Notes to Consolidated Financial Statements).

2. The Result of Audit

(1) Result of Audit of Business Report and other documents

1) In our opinion, the Business Report and its Supporting Schedules fairly represent the condition of the Company in compliance with applicable laws and regulations as well as the Articles of Incorporation of the Company.
2) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws and regulations or the Company's Articles of Incorporation by any of the Directors in carrying out the duties and responsibilities of their offices, including those regarding subsidiaries.
3) We have determined that the resolution of the Board of Directors regarding the internal control system is appropriate. In addition, we have determined that there are no matters that should be highlighted as a concern regarding the contents of the Business Report and the Directors' execution of duties in relation to such internal control system, including the internal controls of financial reporting.

(2) Result of Audit of Financial Statements and Supporting Schedules

In our opinion, the method and result of audit received from the Accounting Auditor, Ernst & Young ShinNihon LLC., are appropriate.

(3) Result of Audit of Consolidated Financial Statements

In our opinion, the method and result of audit received from the Accounting Auditor, Ernst & Young ShinNihon LLC., are appropriate.

May 13, 2016

Akimasa Yokokawa, Full-Time Audit & Supervisory Board Member [Seal]
Takashi Shimoda, Full-Time Audit & Supervisory Board Member [Seal]
Shigekazu Iwai, Audit & Supervisory Board Member [Seal]
Yuichi Ozawa, Audit & Supervisory Board Member [Seal]

The Audit & Supervisory Board
T&D Holdings, Inc.

(Note) Audit & Supervisory Board Members Shigekazu Iwai and Yuichi Ozawa are outside audit & supervisory board members stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Japanese Companies Act.

Reference Materials

1. Summary of financial results of Taiyo Life Insurance Company p. 82

Non-consolidated Balance Sheet for Fiscal Year 2015 (as of March 31, 2016)

Non-consolidated Statement of Operations for Fiscal Year 2015 (from April 1, 2015 to March 31, 2016)

2. Summary of financial results of Daido Life Insurance Company p. 85

Non-consolidated Balance Sheet for Fiscal Year 2015 (as of March 31, 2016)

Non-consolidated Statement of Operations for Fiscal Year 2015 (from April 1, 2015 to March 31, 2016)

3. Summary of financial results of T&D Financial Life Insurance Company p. 88

Non-consolidated Balance Sheet for Fiscal Year 2015 (as of March 31, 2016)

Non-consolidated Statement of Operations for Fiscal Year 2015 (from April 1, 2015 to March 31, 2016)

1. Summary of financial results of Taiyo Life Insurance Company

Non-consolidated Balance Sheet for Fiscal Year 2015

(as of March 31, 2016)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and deposits	454,236	Policy reserves	6,318,824
Cash	372	Reserve for outstanding claims	18,385
Deposits	453,864	Policy reserve	6,258,038
Monetary claims purchased	82,551	Reserve for policyholder dividends	42,400
Securities	4,920,486	Due to reinsurers	67
Government bonds	1,305,837	Subordinated bonds	20,000
Local government bonds	199,759	Other liabilities	102,320
Corporate bonds	911,602	Borrowings	30,000
Stocks	431,002	Income taxes payable	1,630
Foreign securities	1,940,464	Accounts payable	12,869
Other securities	131,819	Accrued expenses	9,630
Loans	1,313,219	Unearned revenue	2,247
Policy loans	54,027	Deposits received	686
General Loans	1,259,192	Guarantee deposits received	5,414
Tangible fixed assets	197,544	Derivatives other than for trading-assets	8,883
Land	113,014	Cash collateral received for financial instruments	29,223
Buildings	68,412	Lease obligations	1,063
Lease assets	687	Suspense receipt	669
Construction in progress	15,089	Rest of the other liabilities	3
Other tangible fixed assets	339	Reserve for bonus to directors and audit & supervisory board members	81
Intangible fixed assets	13,488	Reserve for employees' retirement benefits	30,341
Software	12,750	Reserve for price fluctuations	95,199
Lease assets	290	Deferred tax liabilities	30,811
Other intangible fixed assets	447	Deferred tax liabilities on land revaluations	5,434
Due from reinsurers	180	Total liabilities	6,603,082
Other assets	104,470	(Net assets)	
Accounts receivable	8,330	Common stock	62,500
Prepaid expenses	1,952	Capital surplus	62,500
Accrued income	30,580	Capital reserve	62,500
Deposit for rent	4,738	Retained earnings	154,336
Initial margins of futures markets	3,335	Other retained earnings	154,336
Derivatives other than for trading-assets	52,925	Reserve for reduction entry of real estate	541
Suspense payments	2,056	General reserve	40,000
Rest of the other assets	551	Retained earnings brought forward	113,794
Reserve for possible loan losses	(1,377)	Total stockholders' equity	279,336
		Net unrealized gains on securities	254,272
		Deferred gains on hedging instruments	(8,601)
		Land revaluation	(43,288)
		Total valuation and translation adjustments	202,382
		Total net assets	481,718
Total assets	7,084,800	Total liabilities and net assets	7,084,800

Non-consolidated Statement of Operations for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account	Amount
Ordinary revenues	873,887
Income from insurance premiums	657,185
Insurance premiums	656,909
Reinsurance premiums	276
Investment income	202,909
Interests, dividends and income from real estate for rent	148,103
Interest on deposits	5
Interest and dividends on securities	119,654
Interest on loans	18,174
Rent revenue from real estate	6,995
Other interest and dividends	3,273
Gains on sales of securities	54,430
Foreign exchange gains	230
Reversal of reserve for possible loan losses	19
Other investment income	125
Other ordinary income	13,792
Proceeds from contracts of annuity	361
Proceeds from deferred insurance	10,856
Other ordinary income	2,575
Ordinary expenses	794,763
Insurance claims and other payments	604,261
Insurance claims	192,077
Annuity payments	191,730
Insurance benefits	78,006
Surrender payments	95,445
Other payments	46,480
Reinsurance premiums	520
Provision for policy and other reserves	39,860
Provision for reserve for outstanding claims	180
Provision for policy reserve	39,665
Interest portion of reserve for policyholder dividends	15
Investment expenses	36,540
Interest expenses	871
Losses on sales of securities	9,814
Net derivative financial instruments loss	19,826
Depreciation of real estate for rent	2,354
Other investment expenses	3,669
Losses on separate accounts	5

Account	Amount
Operating expenses	76,424
Other ordinary expenses	37,676
Payments for deferred insurance	18,676
Taxes	6,515
Depreciation	5,708
Provision for retirement benefits	4,723
Rest of the other ordinary expenses	2,052
Ordinary profit	79,124
Extraordinary gains	3
Gains on sale of fixed assets	3
Extraordinary losses	20,255
Losses on sale, disposal and devaluation of fixed assets	517
Impairment loss	265
Provision for reserve for price fluctuations	17,831
Head office transfer cost	1,079
Other extraordinary losses	561
Provision for reserve for policyholder dividends	18,135
Income before income taxes	40,736
Income taxes-current	17,624
Income taxes-deferred	(3,722)
Total income taxes	13,902
Net income	26,834

2. Summary of financial results of Daido Life Insurance Company

Non-consolidated Balance Sheet for Fiscal Year 2015

(as of March 31, 2016)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and deposits	309,041	Policy reserves	5,301,162
Deposits	309,041	Reserve for outstanding claims	38,604
Monetary claims purchased	187,117	Policy reserve	5,200,368
Securities	4,966,940	Reserve for policyholder dividends	62,188
Government bonds	1,461,516	Due to reinsurers	552
Local government bonds	228,001	Other liabilities	84,157
Corporate bonds	1,214,562	Income taxes payable	2,267
Stocks	286,275	Accounts payable	50,306
Foreign securities	1,658,261	Accrued expenses	10,060
Other securities	118,323	Unearned revenue	492
Loans	464,892	Deposits received	484
Policy loans	76,139	Guarantee deposits received	6,345
General loans	388,752	Derivatives other than for trading-assets	10,138
Tangible fixed assets	129,040	Lease obligations	1,191
Land	75,447	Asset retirement obligations	1,851
Buildings	51,504	Suspense receipt	1,019
Lease assets	801	Reserve for bonus to directors and audit & supervisory board members	66
Construction in progress	34	Reserve for employees' retirement benefits	21,830
Other tangible fixed assets	1,252	Reserve for price fluctuations	79,655
Intangible fixed assets	8,215	Deferred tax liabilities	778
Software	7,196	Total liabilities	5,488,203
Lease assets	304	(Net assets)	
Other intangible fixed assets	715	Common stock	110,000
Due from agencies	617	Capital surplus	35,054
Due from reinsurers	510	Capital reserve	35,054
Other assets	86,037	Retained earnings	288,445
Accounts receivable	48,286	Retained earnings reserve	25,743
Prepaid expenses	1,465	Other retained earnings	262,702
Accrued income	21,281	Reserve for reduction entry of real estate	1,113
Deposit for rent	2,348	General reserve	150,000
Initial margins of futures markets	1,685	Retained earnings brought forward	111,589
Derivatives other than for trading-assets	9,051	Total stockholders' equity	433,499
Suspense payments	1,167	Net unrealized gains on securities	230,323
Rest of the other assets	752	Total valuation and translation adjustments	230,323
Reserve for possible loan losses	(387)		
		Total net assets	663,823
Total assets	6,152,026	Total liabilities and net assets	6,152,026

Non-consolidated Statement of Operations for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account	Amount
Ordinary revenues	935,739
Income from insurance premiums	748,914
Insurance premiums	747,740
Reinsurance premiums	1,174
Investment income	165,153
Interests, dividends and income from real estate for rent	136,624
Interest on deposits	1,137
Interest and dividends on securities	117,588
Interest on loans	8,221
Rent revenue from real estate	7,320
Other interest and dividends	2,356
Gains on sales of securities	21,287
Gain on redemption of securities	3,198
Foreign exchange gains	1,731
Reversal of reserve for possible loan losses	48
Other investment income	2,262
Other ordinary income	21,671
Proceeds from contracts of annuity	14,628
Payments for deferred insurance	1,538
Reversal of reserve for outstanding claims	1,349
Other ordinary income	4,155
Ordinary expenses	845,431
Insurance claims and other payments	502,896
Insurance claims	152,283
Annuity payments	48,171
Insurance benefits	79,265
Surrender payments	204,760
Other payments	16,209
Reinsurance premiums	2,205
Provision for policy and other reserves	181,357
Provision for policy reserve	181,309
Interest portion of reserve for policyholder dividends	48
Investment expenses	34,443
Interest expenses	32
Losses on investments in trading securities, net	7,823
Losses on sales of securities	6,540
Devaluation losses on securities	4,101
Net derivative financial instruments loss	774

Account	Amount
Depreciation of real estate for rent	2,658
Other investment expenses	12,038
Losses on separate accounts, net	472
Operating expenses	102,531
Other ordinary expenses	24,203
Payments for deferred insurance	3,034
Taxes	8,254
Depreciation	3,903
Provision for retirement benefits	7,183
Rest of the other ordinary expenses	1,827
Ordinary profit	90,307
Extraordinary gains	13,202
Gains on sale of fixed assets	13,152
State subsidy	50
Extraordinary losses	8,789
Losses on sale, disposal and devaluation of fixed assets	800
Impairment loss	3,938
Provision for reserve for price fluctuations	2,547
Loss on reduction of real estate	48
Head office transfer cost	1,454
Provision for reserve for policyholder dividends	13,788
Income before income taxes	80,932
Income taxes-current	29,351
Income taxes-deferred	(2,896)
Total income taxes	26,455
Net income	54,476

3. Summary of financial results of T&D Financial Life Insurance Company

Non-consolidated Balance Sheet for Fiscal Year 2015

(as of March 31, 2016)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and deposits	188,373	Policy reserves	1,270,904
Cash	0	Reserve for outstanding claims	10,425
Deposits	188,372	Policy reserve	1,259,756
Call loans	2,673	Reserve for policyholder dividends	722
Monetary trust	525,902	Due to agencies	630
Securities	608,173	Due to reinsurers	20
Government bonds	466,297	Other liabilities	11,886
Local government bonds	100	Income taxes payable	8
Corporate bonds	7,421	Accounts payable	496
Stocks	153	Accrued expenses	987
Foreign securities	30,993	Deposits received	31
Other securities	103,206	Derivatives other than for trading-assets	906
Loans	3,996	Cash collateral received for financial instruments	9,329
Policy loans	3,994	Suspense receipt	125
General loans	2	Other liabilities	1
Tangible fixed assets	267	Reserve for employees' retirement benefits	5,272
Buildings	191	Reserve for price fluctuations	903
Lease assets	0	Total liabilities	1,289,619
Other tangible fixed assets	76	(Net assets)	
Intangible fixed assets	1,820	Common stock	56,000
Software	1,820	Capital surplus	46,000
Other intangible fixed assets	0	Capital reserve	46,000
Due from agencies	3	Retained earnings	(34,113)
Due from reinsurers	0	Other retained earnings	(34,113)
Other assets	21,626	Retained earnings brought forward	(34,113)
Accounts receivable	8,226	Total stockholders' equity	67,886
Prepaid expenses	200	Net unrealized gains on securities	2,373
Accrued income	1,351	Total valuation and translation adjustments	2,373
Deposit for rent	310		
Derivatives other than for trading-assets	11,430		
Cash collateral paid for financial instruments	68		
Suspense payments	34		
Rest of the other assets	4		
Deferred tax assets	7,044		
Reserve for possible loan losses	(1)	Total net assets	70,260
Total assets	1,359,879	Total liabilities and net assets	1,359,879

Non-consolidated Statement of Operations for Fiscal Year 2015

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account	Amount
Ordinary revenues	218,035
Income from insurance premiums	165,436
Insurance premiums	165,300
Reinsurance premiums	135
Investment income	14,232
Interests, dividends and income from real estate for rent	7,425
Interest on deposits	58
Interest and dividends on securities	7,216
Interest on loans	135
Other interest and dividends	14
Gain on investments in money held in trust	5,172
Gains on sales of securities	1,633
Reversal of reserve for possible loan losses	2
Other investment income	0
Other ordinary income	38,365
Proceeds from contracts of annuity	7,299
Proceeds from deferred insurance	16
Reversal of reserve for outstanding claims	4,078
Reversal of policy reserve	26,902
Reversal of reserve for employees' retirement benefits	48
Other ordinary income	20
Ordinary expenses	216,822
Insurance claims and other payments	194,324
Insurance claims	30,670
Annuity payments	109,485
Insurance benefits	6,539
Surrender payments	41,352
Other payments	6,141
Reinsurance premiums	135
Provision for policy and other reserves	2
Interest portion of reserve for policyholder dividends	2
Investment expenses	7,950
Interest expenses	3
Net derivative financial instruments loss	1,579
Foreign exchange losses	1,159
Other investment expenses	110
Losses on separate accounts	5,097
Operating expenses	12,705

Account	Amount
Other ordinary expenses	1,840
Payments for deferred insurance	108
Taxes	1,389
Depreciation	136
Rest of the other ordinary expenses	205
Ordinary profit	1,212
Extraordinary gains	1
Gains on sale of fixed assets	1
Extraordinary losses	623
Provision for reserve for price fluctuations	189
Head office transfer cost	433
Reversal for reserve for policyholder dividends	3
Income before income taxes	593
Income taxes-current	(1,735)
Income taxes-deferred	1,837
Total income taxes	101
Net income	492