

# Summary of Financial Results

## 1. Assets and Liabilities

### (1) Selected Balance Sheet Items

	As of March 31,			As of March 31,	
	2008	2009		2008	2009
	(billions of yen)			(billions of yen)	
<b>Assets</b>			<b>Liabilities and Net Assets (Capital)</b>		
Cash and deposits, call loans .....	338.5	359.0	Policy reserve and others: .....	28,254.9	27,527.5
Deposit paid for securities borrowing transactions .....	47.2	14.9	Policy reserves .....	27,744.7	27,006.9
Monetary claims bought .....	316.7	281.3	Reserve for policyholder dividends .....	353.5	347.6
Trading account securities .....	46.6	52.5	Subordinated bonds .....	50.0	49.1
Money held in trust .....	25.2	13.2	Reserve for employees' retirement benefits .....	480.4	403.6
Securities .....	22,919.8	21,588.9	Reserve for price fluctuations .....	221.4	101.4
Domestic bonds .....	12,186.7	12,620.2	Deferred tax liabilities .....	-	-
Domestic stocks .....	4,508.7	2,846.0	Deferred tax liabilities for revaluation .....	126.0	125.5
Foreign Securities .....	5,925.7	5,908.7	Others .....	1,114.8	1,195.0
Loans: .....	4,647.1	4,248.4	<b>Total liabilities</b> .....	<b>30,247.8</b>	<b>29,402.4</b>
Policy loans .....	629.5	604.7	Foundation funds .....	120.0	120.0
Ordinary loans .....	4,017.6	3,643.7	Accumulated redeemed foundation funds .....	300.0	300.0
Real estate .....	1,233.9	1,235.1	Revaluation reserve .....	0.2	0.2
Deferred tax assets .....	162.3	640.9	Surplus .....	269.9	309.6
Others .....	636.2	459.8	Reserve for future losses .....	5.1	5.4
Reserve for possible loan losses ·	(12.3)	(10.9)	Other surplus .....	264.8	304.2
<b>Total general account assets</b> .....	<b>30,361.8</b>	<b>28,883.7</b>	Unappropriated net surplus for the year .....	143.3	133.7
Foreign currency-denominated assets .....	4,940.8	4,404.1	<b>Total foundation funds and surplus</b> .....	<b>690.1</b>	<b>729.9</b>
<b>Total separate account assets</b> .....	<b>1,472.1</b>	<b>1,138.5</b>	Net unrealized gains on securities, net of tax .....	957.3	(47.4)
<b>Total assets</b> .....	<b>31,833.9</b>	<b>30,022.2</b>	Deferred hedge gains (losses) .....	-	(0.3)
			Reserve for land reevaluation .....	(61.5)	(62.2)
			<b>Total of valuation and translation adjustments</b> .....	<b>895.8</b>	<b>(110.1)</b>
			<b>Total net assets</b> .....	<b>1,586.0</b>	<b>619.8</b>
			<b>Total liabilities and net assets</b> .....	<b>31,833.9</b>	<b>30,022.2</b>

### (2) Status of Assets

In asset investment during the fiscal year ended March 31, 2009, Dai-ichi continued to set fixed income investments, including bonds and loans, as a core of its asset portfolio, consistent with its mid- to long-term investment policies.

In addition, Dai-ichi increased its position in policy-reserve-matching bonds, principally by purchasing long-term and super-long-term domestic bonds, in an effort to promote ALM and enhance its profitability.

Although the global financial market deteriorated in the second half of the fiscal year under review, Dai-ichi has appropriately managed the risk associated with its risk assets, such as domestic stocks and foreign securities that have been acquired primarily to diversify its investment portfolio and achieve higher profitability, by taking market trends into account.

Outstanding general account assets as of March 31, 2009 declined by ¥1,478.0 billion from the end of the previous fiscal year, to ¥28,883.7 billion, reflecting a fall in unrealized gains on securities, among other factors. The balance of separate account assets slipped by ¥333.5 billion, to ¥1,138.5 billion. As a result, total assets fell by ¥1,811.6 billion, to ¥30,022.2 billion.

## 2. Revenues and Expenditures

### (1) Selected Items on Results of Operations

	Years ended March 31,	
	2008	2009
	(billions of yen)	
Ordinary revenues:		
Premium and other income .....	3,098.5	2,904.3
Investment income .....	1,026.3	1,178.3
Other ordinary revenues .....	327.5	1,100.1
Total ordinary revenues .....	4,452.4	5,182.8
Ordinary expenses:		
Benefits and claims .....	2,648.0	2,753.5
Provision for policy reserves and others .....	159.9	27.1
Investment expenses .....	563.9	1,414.8
Operating expenses .....	443.4	444.0
Other ordinary expenses .....	436.5	434.1
Total ordinary expenses .....	4,251.8	5,073.6
Net surplus from operations .....	200.5	109.1
Extraordinary gains .....	4.4	122.4
Extraordinary losses .....	33.2	11.8
Net surplus before adjustment for taxes, etc. ....	171.7	219.7
Corporate income taxes:		
Current .....	122.1	0.8
Deferred .....	(89.7)	88.3
Total of corporate income taxes .....	32.3	89.1
Net surplus for the year .....	139.4	130.5

### (2) Insurance-Related Income and Expenses (Premiums and Other Income, and Benefits and Claims)

Premium and other income declined by 6.3% from the previous fiscal year, to ¥2,904.3 billion, reflecting the impact of the transfer of sales of bancassurance products to Dai-ichi Frontier Life and a fall in premium income from group annuities.

Benefits and claims payments rose by 4.0%, to ¥2,753.5 billion, on an increase in payments of maturity claims.

### (3) Investment-Related Income and Expenses

Interest and dividend income decreased by ¥90.8 billion, to ¥741.3 billion, largely because of a decrease in foreign interest income triggered by the appreciation of the yen against other currencies, together with a decrease in dividends from domestic stocks caused by poor market conditions. Meanwhile, because of an increase in gains on sale of securities, investment income rose by ¥151.9 billion from the previous fiscal year, to ¥1,178.3 billion.

On the other hand, investment expenses increased by ¥850.8 billion, to ¥1,414.8 billion, mainly because of an increase in losses on sale of securities and devaluation losses on securities caused by declines in the equity market.

As a result, net investment income and expenses fell by ¥698.8 billion from the previous fiscal year, resulting in net investment losses of ¥236.4 billion.

---

**(4) Net Surplus from Operations**

Total ordinary revenues rose by ¥730.3 billion from the previous fiscal year, due to an increase in investment income and other ordinary revenues. Ordinary expenses climbed by ¥821.7 billion, reflecting higher investment expenses and payments of benefits and claims. The net surplus from operations obtained by deducting ordinary expenses from total ordinary revenues decreased by ¥91.4 billion from the previous fiscal year, to ¥109.1 billion.

**(5) Appropriation of Surplus**

The unappropriated surplus for the fiscal year ended March 31, 2009, including net surplus from operations plus extraordinary gains, and excluding corporate income taxes, residential taxes and other tax-related adjustments, totaled ¥133.7 billion. Of the ¥133.9 billion, which consisted of the unappropriated surplus for the term and the reversal of general reserve, ¥64.9 billion has been transferred to the reserve for policyholder dividends. Of the net surplus, ¥0.2 billion was transferred to a reserve for future losses, ¥2.3 billion was paid as interest on foundation funds, and ¥66.4 billion was transferred to general reserves.