



**The Dai-ichi Life
Insurance Company, Limited**

Annual Report 2011

DAI-ICHI LIFE



Katsutoshi Saito, *Chairman of the Board (Left)*, and Koichiro Watanabe, *President (Right)*

Thinking People First

Individual lifestyles will continue to diversify in the future.

To propose, in a way that is easy to understand, quality products and services tailored to these diversified lifestyles, Dai-ichi Life aims to become a company that thinks about people first.

Thinking people: means taking action based on sincere consideration for people and everything that surrounds their lives.

Thinking people: means listening to people, thinking and contemplating together, and creating human capital that can lead to happiness.

Thinking people: means constantly taking on new challenges for the future based on a global perspective.

Thinking most sincerely about people

To maintain the management philosophy of “Customer First” that we have practiced since 1902, Dai-ichi Life and Dai-ichi Life Group will continue to reform in line with the times, aiming to create new value for people and achieve sustainable growth.

BASIS OF PRESENTATION

Unless otherwise noted, financial figures in this annual report are reported on a non-consolidated basis.

FORWARD-LOOKING STATEMENTS

This annual report was prepared by the Dai-ichi Life Insurance Company, Limited (hereinafter, “Dai-ichi,” “DL,” the “Company,” or the “Parent company”) solely for the purpose of disclosure of relevant information, and does not constitute a solicitation or an offer to buy or sell any securities in or outside of Japan. Though Dai-ichi has relied upon and assumed the accuracy and completeness of all information available to it in preparing this presentation, Dai-ichi makes no representations as to its actual accuracy or completeness.

Statements contained herein that relate to future operating performance are forward-looking statements. Forward-looking statements may include – but are not limited to – words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “possibility” and similar words that describe future operating activities, business performance, events or conditions.

Forward-looking statements are based on judgments made by Dai-ichi’s management based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. Dai-ichi disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

CONTENTS

FINANCIAL HIGHLIGHTS -----	01	INDIVIDUAL LIFE INSURANCE-----	26
MESSAGE FROM THE PRESIDENT-----	02	GROUP LIFE INSURANCE-----	29
RELATIONSHIPS WITH SHAREHOLDERS		INVESTMENTS-----	30
AND INVESTORS-----	03	INTERNAL CONTROL AND OVERALL RISK	
RESPONSE TO THE GREAT EAST JAPAN EARTHQUAKE -	04	MANAGEMENT-----	34
MANAGEMENT POLICY -----	06	CORPORATE CITIZENSHIP AND EFFORTS	
DSR MANAGEMENT-----	13	REGARDING ENVIRONMENTAL ISSUES-----	40
FINANCIAL SOUNDNESS -----	14	FINANCIAL SECTION -----	44
SUMMARY OF FINANCIAL RESULTS-----	22	SUPPLEMENTARY FINANCIAL DATA-----	116
ASSETS AND LIABILITIES-----	22	ORGANIZATION CHART-----	157
REVENUES AND EXPENDITURES -----	24	BOARD OF DIRECTORS AND EXECUTIVE OFFICERS/ OVERSEAS NETWORK-----	158
		HISTORY	

Financial Highlights

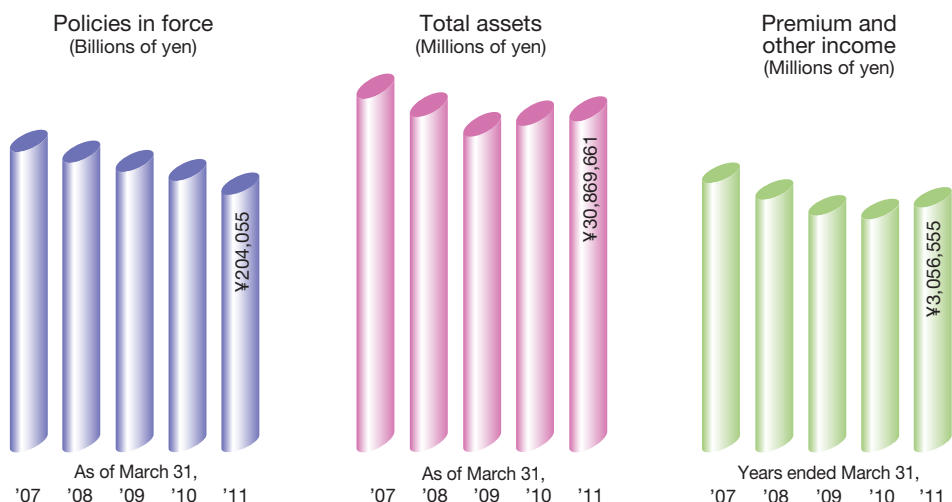
Years ended March 31, 2009, 2010 and 2011
(Non-Consolidated Basis)

	Millions of yen (except percentages and number of personnel)			Millions of US\$
	2009	2010	2011	2011 ⁽¹⁾
Total assets.....	¥30,022,243	¥30,822,467	¥30,869,661	\$371,252
General account	28,883,735	29,551,663	29,733,868	357,593
Policy reserves and others	27,527,576	27,803,736	28,190,891	339,036
Policy reserves.....	27,006,977	27,324,838	27,589,524	331,804
Total net assets	619,827	1,000,307	766,437	9,217
Premium and other income	¥2,904,336	¥2,837,251	¥3,056,555	\$36,759
Investment income	1,178,355	1,153,480	922,686	11,096
Interest and dividends	741,330	708,082	698,159	8,396
Benefits and claims	2,753,596	2,610,535	2,625,013	31,569
Investment expenses	1,414,800	330,067	429,594	5,166
Operating expenses	444,015	438,729	424,686	5,107
Extraordinary losses	11,864	116,509	11,828	142
Net surplus for the year	130,535	60,807	-	-
Net income for the year	-	-	16,936	203
Fundamental profit	¥360,829	¥330,152	¥275,921	\$3,318
Solvency margin ratio	768.1%	953.5%	983.9%	-
Administrative personnel	10,364	13,570	13,381	
Sales representatives	43,405	44,233	43,527	

	Billions of yen			Billions of US\$
	2009	2010	2011	2011 ⁽¹⁾
Policies in force	¥220,817	¥211,822	¥204,055	\$2,454
New policies	7,919	7,057	7,572	91

Notes:

1. U.S. dollar figures have been converted at the rate of ¥83.15 to \$1.00, the rate of exchange at March 31, 2011.
2. Yen amounts of less than ¥1 million/billion have been truncated.
3. U.S. dollar amounts of less than \$1 million/billion have been truncated.



Message from the President

I am pleased to report our operating results and initiatives in this Annual Report. I hope the report will offer our stakeholders greater insight into our company. Please let me take this opportunity to express my gratitude to all of our stakeholders for your outstanding support over the period.

Great East Japan Earthquake

I would like to extend my heartfelt condolences to all those affected by the Great East Japan Earthquake and related tsunami on March 11, 2011. I truly hope that their lives will return to normal in the very near future. The earthquake was an unprecedented catastrophe, severely damaging Japan's society and economy.

Our company believes that it is essentially a social responsibility of an insurance company and the mission of the Dai-ichi Life Group to support customers by taking action and making an accurate and prompt payment of claims and benefits to those customers who suffered damages, always taking the customers' perspective. Management and employees are united in their commitment to offer those affected by the earthquake reassurance as soon as possible.

Management Strategies

Beginning the fiscal year under review, the Dai-ichi Life Insurance Company, Limited (hereinafter "Dai-ichi" or the "Company") is executing its medium-term management plan "Success 110!! Achieve a Recovery and Growth by Utilizing All Available Resources" for fiscal 2012, when the Company will celebrate the 110th anniversary of its founding. We will make every effort to contribute to the reconstruction of the local communities of our customers by providing comprehensive insurance functions as a life insurance company. We will also continue our efforts to achieve further growth in the domestic and international markets while making additional strides in efficiency over the medium and long term, building on our work in the previous medium-term management plan.

The basic strategies in the new medium-term management plan consist of five elements: 1) Fulfillment of Security Function, Recovery and Renewal; 2) Acceleration of Business Development for Growth; 3) Enforcement of Financial Base and Implementation of Disciplined Capital Strategy to



Support Growth Strategies; 4) Establishment of Internal System for Next Level Group Management and 5) Promotion of Dai-ichi's Social Responsibility (DSR) to Improve Corporate Value.

Under the Plan and its group vision of "Thinking People First," the Group is united in its aspiration to offer the highest quality products and services, the highest productivity, and the highest growth potential with the most energetic employees.

Since its founding in 1902, the Company has been striving to maintain the trust of customers by pursuing its "Customer First" management philosophy. We will continue to position this philosophy as our permanent *raison d'être* and aim to become the life insurance company that is most highly regarded by customers, by seeking to be their lifelong partner.

July 2011

A handwritten signature in black ink that reads "K. Watanabe". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Koichiro Watanabe
President and Representative Director

Relationships with Shareholders and Investors

We aim to create sustainable corporate value.

IR Policy

The Company, through its IR activities, strives to provide information, including information about its management strategies, financial condition, financial results, to shareholders, investors, and securities analysts (collectively, “Investors”) in a fair and timely manner. By making efforts to accurately deliver information, the Company strives to earn trust and proper evaluation from the financial markets.

The Company is committed to fair disclosure in accordance with (1) laws and ordinances including the Financial Instruments and Exchange Act (the “Act”) and (2) Securities Listing Regulations (the “Regulation”) of the Tokyo Stock Exchange (the “TSE”). The Company will also make fair and timely disclosure of information that is not required to be disclosed by such laws, ordinances, and the Regulation, but which it believes helps the Investors achieve a better understanding of the Company.

Requests and opinions obtained from Investors will be reported to the Company’s management to be considered and shared within the Company to improve its corporate value.

Communication and Information Disclosure

We place great value on communication with our shareholders and investors. The Company provides an opportunity for its senior management to communicate directly with these stakeholders at results briefings, held four times a year, and at results and management meetings, held twice a year. Senior management also participated in more than 350 meetings with institutional investors in the most recent year (of which, 108 were overseas). They also participated in IR events for individual investors such as the Nikkei IR Fair 2010 and the Tokyo Stock Exchange IR Festa 2011, as well as company information sessions, to offer more insight into the Company.

The Company has set up a page for shareholders and investors on its website and posts useful information for shareholders, investors, and security analysts, such as news releases, briefing documents, videos, and voices. We also provide clear explanations about our market share, management strategies, and embedded value, so that individual investors can develop a better understanding of the Company.

Shareholders’ Meeting

We held the Annual General Meeting of Shareholders for the 1st Fiscal Year on June 27, 2011.

We explained our business strategies to facilitate shareholder understanding and sought to enhance communication with them through questions and answers on proposals and management of the Company.

We sent a convocation notice to the shareholders well in advance of the meeting, aiming to provide the shareholders with enough time to consider their attendance. We also devised a use of colors and design to make the notice more comprehensible, and included guidance designed to encourage shareholders to exercise their voting rights.

After the meeting, we actively disclosed and provided information by posting on our website a summary of the business report and questions we received at the meeting as well as the notice of resolutions.

Response to the Great East Japan Earthquake

We would like to extend our heartfelt condolences to the victims of the Great East Japan Earthquake. After the earthquake, the Company took the following initiatives:

1. Various Special Measures Related to the Great East Japan Earthquake

■ Payment of the full amount of claims and benefits related to accident riders

Although accident riders stipulate in their policy conditions that there are some cases in which an accidental death benefit and a disaster hospital expense benefit due to an earthquake, etc. shall be reduced or not paid, we will pay the full amount of the accidental death benefit, etc. this time, without applying this exemption clause.

■ Extension of the grace period of premiums

For policies the premiums of which are being paid in the areas to which the Disaster Relief Act applies, we will extend the grace period automatically (by nine months) to the end of December to effectively continue the policies even if an application for extending the grace period is not made.

With respect to premiums during the grace period, we will accept a method of paying the full amount by the last day of the grace period and a method of postponing the date of payment to October 31, 2012 under certain conditions, depending on the circumstances of customers.

■ Simplified procedures for the prompt payment of premiums, benefits, and policy loans

We will adopt simplified procedures, such as shortening certain necessary documents to promptly handle payment, based on the application of customers.

In addition, when a policyholder performs procedures in person over the counter at a branch, we will make payments of up to 500,000 yen in principle at the branch, despite a usual rule of making payment by bank transfer.

■ Application of special interest rate to new policy loans (reduction or exemption of interest)

We will apply a special interest rate to new policy loans (reduction or exemption of interest) for policyholders affected by the earthquake in areas to which the Disaster Relief Act applies.

■ Special handling of business loans

If companies affected by the earthquake in the areas to which the Disaster Relief Act applies currently use a business loan of Dai-ichi, we will consult on extending interest and principal payments based on their application, taking individual circumstances into account.

■ Special handling of hospital care

If customers affected by the earthquake in the areas to which the Disaster Relief Act applies cannot be admitted to a hospital or a clinic although they require treatment by hospital stay, we will apply special handling to the payment of hospitalization benefits.

2. Services to Customers

■ Strengthening services to customers in afflicted areas

We have extended the reception hours at our head office call center and have established a dedicated dial-up service for disaster (toll free) to reliably provide information about various special handling and to enable us to respond thoroughly to customer inquiries.

We have also opened temporary contacts in areas that have sustained serious damage, to promptly take procedures and respond to customer requests and consultations.

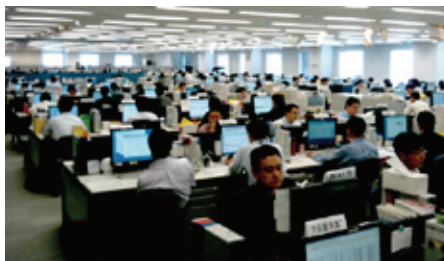


Services to customers at a temporary contact point in Kesenuma

■ **Activities to confirm the safety of customers, send information, and advise on procedures**

Since immediately after the earthquake, sales representatives, agents, and branch staff of Dai-ichi have been working to confirm the safety of customers and send approximately 580,000 customers in the afflicted areas a card that provides advice on the special handling and the dedicated dial-up service for disaster (toll free) described above.

We also take steps to confirm the safety of customers, send out information, and advise on procedures by using all of the resources of Dai-ichi, including a call center that reaches out to customers in particularly hard-hit areas and informs them of the dedicated dial-up service for the disaster as well as teams of head office staff who search safety confirmation websites and visit customer homes and evacuation centers in the affected areas on an ongoing basis.



Two hundred head office staff searching for customers at evacuation centers

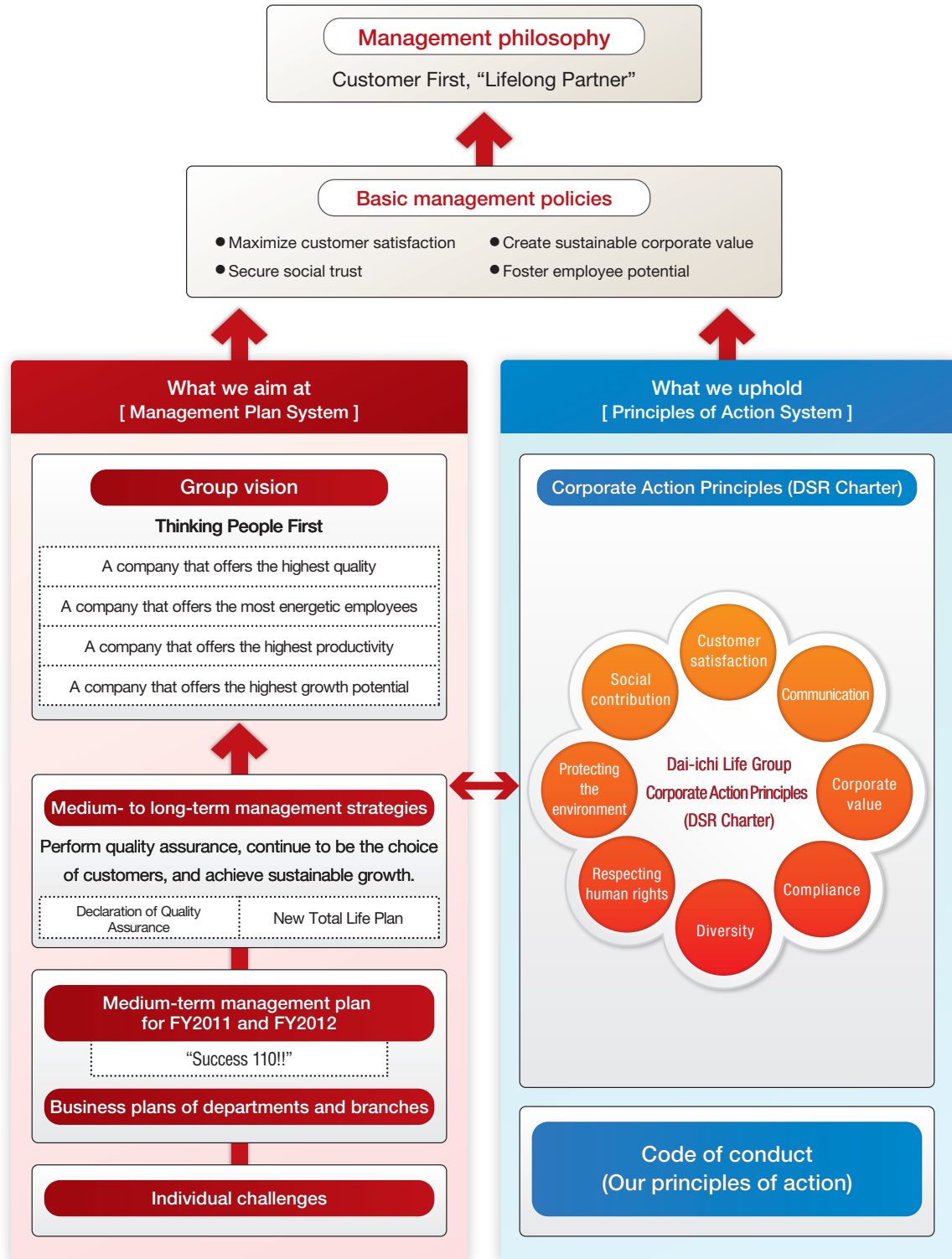


Activities of sales representatives in the affected areas

Management Policy

Management Philosophy

For more than 100 years since our foundation in 1902, we have endeavored to embody our “Customer First” principle. We will continue to position this management philosophy as our permanent raison d’être and we will seek to be a lifelong partner of our customers. Our basic management policies are the pillars of the management approach we take to realize our philosophy.



Declaration of Quality Assurance

The Company has made a Declaration of Quality Assurance in its resolution to pursue policies that value customers most.

We believe that quality means providing a high level of satisfaction to customers in our products and services at each stage of insurance, including the point when an insurance policy is concluded, throughout the policy term, and the point when claims are paid. We will continue to take steps to improve and strengthen our systems by taking into account the opinions of customers. Our aim is to improve our quality to the point at which we have the highest reputation with customers.

Medium-term management plan “Success 110!!” for FY2011 and FY2012

We selected the name “Success 110!!” and the underlying theme of “Achieve a Recovery and Growth by Utilizing All Available Resources,” to be promoted over the two year-period looking forward to the 110th anniversary of our foundation in the year ending March 31, 2013.

<With the theme, We will:>

- fulfill our security function as a life insurer for customers affected by the major earthquake and related tsunami that occurred in northeastern Japan and make a maximum effort to help customers and local communities recover from the disaster and,
- at the same time, continue efforts under our medium- to long-term management strategies to (1) consolidate growth in the domestic and international markets, (2) improve operating efficiency and (3) strengthen management of our corporate value, as an extension of the underlying theme “Establish the Foundations for Growth and Public Listing” of the last medium-term management plan “Value Up 2010.”

■ Fulfillment of Security Function, Recovery and Renewal

It is not only our role as a life insurer but also our primary mission to support our customers affected by the earthquake, namely by processing filed claims and making the necessary payments quickly and accurately, from the perspective of customers. We will make every effort to provide services such as the payment of claims to customers affected by the earthquake quickly and smoothly.

■ Acceleration of Business Operation for Growth

Under the “New Total Life Plan,” an expanded and evolved form of the concept of the “Total Life Plan” which we had been promoting since 1997, Dai-ichi will aim to grow its top line at a pace that outperforms the market by (1) developing and introducing competitive products in the Third Sector (medical and survival) and the individual saving markets where growth in Japan can be expected and (2) strengthening the consulting capability of its sales forces.

With respect to the overseas life insurance business, we will increase our contribution to the profit of the Dai-ichi Life Group by focusing our efforts on the Asia-Pacific region, where the life insurance market is expected to grow. We will also consider moving into the life insurance business in developed countries where market growth is likely, to achieve growth in income at the earliest possible stage.

With the aim of changing our business model in existing operations, we will undertake five business reform projects: “Cost-mind Reform” project, “Business Operation Reform” project, “Business Formation Reform” project, “Office Infrastructure Reform” project, and “Work-Style Reform” project. With the five projects, we intend to reduce fixed costs, widen customer contacts, and strengthen our overall competitiveness.

■ Enforcing the Financial Base and Adopting a Disciplined Capital Strategy to Support Growth

We aim to achieve steady growth in Embedded Value (“EV”), a major indicator of economic value based on the corporate value of a life insurer. We will also optimize our portfolio and increase the corporate value of the Group by improving capital efficiency in each business area through risk control measures, promoting disciplined capital allocation (including capital injection in M&As) in growth areas by using excess capital arising from the efforts described above.

■ Establishment of Internal System for Next Level Group Management

We will set out a framework for shifting to the holding company system for the purpose of building a management system that can (1) accelerate our operations in growth areas in Japan and overseas, and (2) improve flexibility in the allocation of

corporate resources. In addition, in light of global trends in regulations and accounting, we will seek to establish fully consolidated management by upgrading infrastructure to manage profitability, and risks for each company and each business unit within the Group.

Promotion of Dai-ichi's Social Responsibility (DSR) to Improve Corporate Value

All employees of the Dai-ichi Life Group will fulfill their social responsibilities to each stakeholder and strive to increase corporate value, consistently working to improve management quality by autonomously working through the self-directed PDCA (Plan-Do-Check-Action) cycle at each organization.

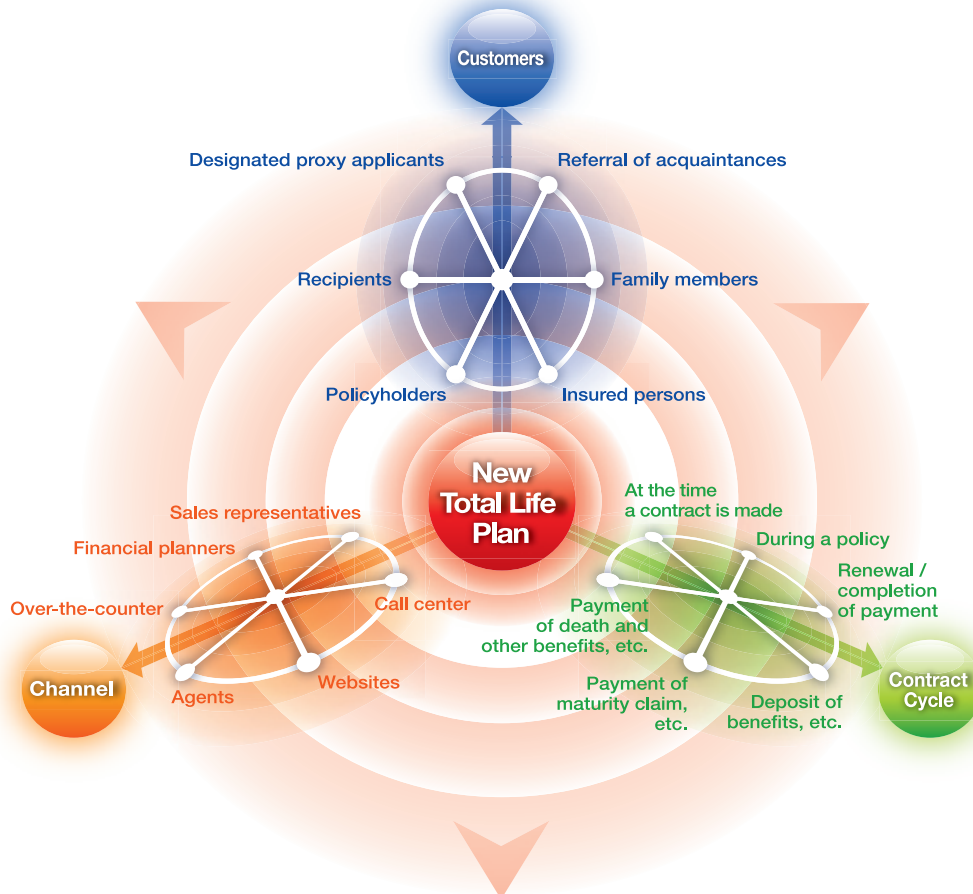
*For the DSR management, please refer to page 13.

New Total Life Plan

"New Total Life Plan" –
 For all customers,
 Everyone of us
 Will be their lifelong partner
 At all points of contact

Based on this concept, Dai-ichi will deliver better quality products, proposals, and services to all customers including policyholders, leveraging the comprehensive strength of the Dai-ichi Life Group by mobilizing all communication functions with customers, centering on Total Life Plan Designers (sales representatives), and strengthening points of contact with customers in all settings of all cycles of a contract, such as before and when a contract is made, during the policy, and when the payout is made.

Overview of "New Total Life Plan"



Strengthening Competitiveness in Core Businesses

We aim to strengthen competitiveness in our core business by improving quality. As a result of our customer-focused activities, overall customer satisfaction reached a record high of 84.6% in a nationwide customer survey in FY2010.

Promoting Consulting by Total Life Plan Designers

To act on our Declaration of Quality Assurance, we have introduced a system that evaluates customer-oriented activities by our Total Life Plan Designers (sales representatives), who operate our core business, under a sales promotion plan named Success 110!!. Our priority challenges in Success 110!! include training sales representatives, maintaining the existing policies, and promoting compliance. Under Success 110!!, we seek to improve operational performance, pursuing quality assurance.

Our Total Life Plan Designers visit customers each year when Total Life Plan Reports are sent to customers and explain the details of customers' policies. While customers check their policies, the Total Life Plan Designers seek feedback from them to improve the quality of their activities and services.

Using eNavit portable personal computers, the Total Life Plan Designers will focus on listening to the opinions of customers directly through face-to-face consultation and will thereby continue to strive to enhance customer satisfaction.

The Total Life Plan Report Informs Policyholders of the Contents of Their Policies

The Total Life Plan Report informs policyholders each year of the contents of their policies and the performance and financial statements of the Company.

The reports include not only the contents of life insurance policies of the Company but also the contents of nonlife insurance policies of Sampo Japan and the cancer insurance policies of AFLAC, which the Company has handled as an insurance agency, so that policyholders can confirm all their policies. Moreover, to ensure that policyholders can claim insurance benefits, the report also includes an eligibility list for the payment of claims for each main policy and a rider, a check sheet for the necessary procedures. Starting with the fiscal 2010 edition, policyholders have been able to access

more detailed information about their claims, as the Report has begun posting the payment history of claims and benefits related to hospitalization and operation by policy over the past 10 years in the eligibility list page.

We also try to improve readability and understandability, paying attention to how to use colors and design and acquiring color universal design (CUD) certification, to communicate information accurately to as many policyholders as possible.

Nationwide Customer Survey

Nationwide Customer Survey in FY2010*
Overall satisfaction
84.6%

* [Purpose]	To clarify the reasons for customer satisfaction and dissatisfaction and to identify the steps required to improve customer satisfaction, through feedback from customers.
[Survey period]	September 1 to September 30, 2010
[Research agency]	Research and Development, Inc.

Each year, we calculate customer satisfaction as an indicator to measure the degree to which we are attaining our goal of "Maximize Customer Satisfaction," as set forth in our basic management policy. We use the opinions from customers we receive from the survey to improve customer satisfaction.

The overall satisfaction in the Nationwide Customer Survey in FY2010 was 84.6%, the highest level ever.

We are taking steps to further improve the "information provision and service areas," in which customer satisfaction is relatively low, particularly in recent years.

■ Payment of Insurance Claims, Benefits, and Annuities

Payments in FY2010
¥1,786.4 billion

The total amount of insurance claims, benefits, and annuities paid in FY2010 stood at 1,786.4 billion yen. As a lifelong partner of our customers, we will continue to support their total life plans through the payment of insurance claims, benefits, and annuities.

	(billions of yen)		Changes (%, YoY)
	FY2009	FY2010	
Death, disability, and sickness benefits	468.4	453.0	96.7%
Hospitalization and operation benefits	112.0	115.6	103.3%
Maturity claims, survival benefits, and annuities	1,209.0	1,217.6	100.7%
Total	1,789.5	1,786.4	99.8%

Proactive Investments in Growth Markets

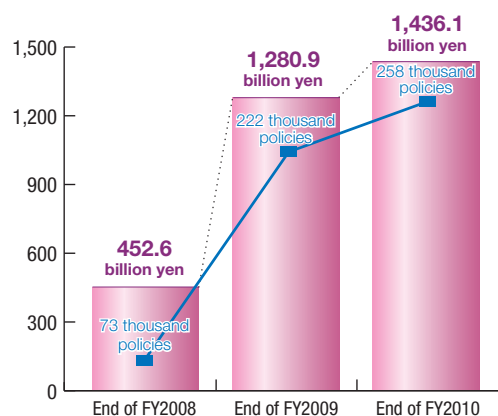
With changes in the social environment, the life insurance market is evolving. To respond to the changes and achieve sustainable growth, we position the individual savings product business and overseas life insurance business as growth businesses.

Initiative in Savings-type Product Market

The life insurance market in Japan is being shaped by significant environmental and structural changes, such as demographic shifts associated with the declining birth rate and the aging society. Most baby boomers have retired from supporting their companies and families, and have started their second lives. Consequently, demand in the individual savings market to maintain a robust retirement lives and to enjoy long lives has been growing. To bolster our operations in the savings-type product market, including the individual annuity insurance business, which we position as a growth field, our subsidiary The Dai-ichi Frontier Life Insurance Co., Ltd. commenced operations in

October 2007. The subsidiary provides products tailored to customer needs for banks, securities firms, and other financial institutions and is enjoying steady sales growth. Its sum insured of policies in force at the end of March 2011 was 1,436.1 billion yen.

The Dai-ichi Frontier Life Insurance Sum insured and number of insurance policies in force



<Basic Management Policy of Dai-ichi Frontier Life>

As a group company of Dai-ichi, whose management philosophy has been “Customer First (Lifelong Partner)” since its foundation, Dai-ichi Frontier Life follows the concepts included in the basic management policies of Dai-ichi, positioning the following policies as the foundation of its management:

- To become a company with the very strong trust and support of its customers, business partners, and many other stakeholders, Dai-ichi Frontier Life will fully develop internal control systems, including a compliance system, and aim for sound and sustainable development.
- Dai-ichi Frontier Life will go ahead of changes in the business environment and the evolution of customers’ needs and will continue to provide the most appropriate products and services that will satisfy customers.
- Dai-ichi Frontier Life will comprehensively pursue prompt, secure, and low-cost business operations and will seek to improve business efficiency.
- Employees will continue to perform challenging tasks to realize both their own dreams and the aspirations of Dai-ichi Frontier Life.

Initiatives for Overseas Businesses

We have also been developing our overseas businesses by leveraging the expertise in life insurance we have developed over the past one hundred years.

We are aiming to increase the earnings of the Dai-ichi Life Group by encouraging the use of life insurance and the development of the life insurance market, while securing income according to the economic development in each country through our overseas subsidiaries and affiliates.

■ Vietnam

In January 2007, Dai-ichi acquired Bao Minh CMG, which commenced operations as Dai-ichi Life Insurance Company of Vietnam, Limited. This was the first instance of a Japanese life insurer operating in Vietnam.

With the life insurance market in Vietnam growing rapidly, premium income of Dai-ichi Life Insurance Company of Vietnam stood at 4.18 billion yen in FY2010, about 2.69 times the pre-acquisition level in FY2006. The company's market share also expanded from 5.0% in FY2007 to 7.2% in FY2010.

■ Australia

In May 2011, TOWER Australia Group Limited, an affiliate of Dai-ichi, became a wholly owned subsidiary of Dai-ichi through a friendly takeover. TOWER Australia Group is a competitive player in the insurance product market in Australia, specializing in a promising market with high growth potential, and continues to expand its market share. Although we have been building an alliance with this affiliate in a wide range of operations, including reinsurance, we will support the growth of TOWER Australia Group more strongly than ever now that it has become a wholly owned subsidiary.

In June 2011, TOWER Australia Group changed its corporate name to TAL Limited.

■ India

Star Union Dai-ichi Life Insurance Company Limited, a joint life insurance company established together with the Bank of India and Union Bank of India, commenced operations in February 2009 after obtaining a registration certificate of business approval and product approval. It was the first instance of a Japanese life insurance company launching a life insurance business in India.

In FY2010, premium income from new business significantly exceeded the level of the previous fiscal year and made solid progress.

■ Thailand

In July 2008, Dai-ichi agreed to take an equity stake in Ocean Life Insurance Co., Ltd. and form a strategic business alliance. Ocean Life Insurance subsequently became Dai-ichi's affiliate in the same year.

Dai-ichi has been cooperating with Ocean Life Insurance in developing new products and building a staff training system to bolster the corporate value of Ocean Life Insurance. As a result, insurance premium income in FY2010 increased from the year-ago result.



International Insurance Business

Services for Japanese Companies Operating Overseas

To support the overseas expansion and operations of Japanese companies, Dai-ichi manages a group reinsurance business through which it introduces Japanese companies to its partner insurance companies in countries and regions that have concluded a reinsurance agreement. Dai-ichi also provides group insurance services to Japanese companies through its partner insurance companies. At present, Dai-ichi has 14 partner insurance companies and underwrote 287 reinsurance policies (as at the end of March 2011).

To improve services provided by our partner insurance companies, we dispatch staff to provide support in the form of sophisticated services that meet the needs of customers.

Group reinsurance agreements by country and region

(As of March 31, 2011)

Country/region	Company name	Date of conclusion*
U.K.	AXA PPP healthcare	Apr. 1994
Czech Republic	Cooperativa	Mar. 2009
France	Quatrem	June 1991
Singapore	AVIVA	Dec. 1988
Thailand	Ocean Life	July 2006
	Muang Thai Life	Mar. 1994
China	Ping An Life Insurance	June 2010
Hong Kong	Pacific Century	Oct. 1997
	AXA China Region	Mar. 1987
Taiwan	Shin Kong Life	June 2006
Malaysia	ING	July 1994
Philippines	First Life	Feb. 1997
Australia	AMP	Jan. 1988
	TOWER (current TAL Life)	Oct. 2009

* Months and years that agreements were concluded

Services for International Companies Operating in Japan

Dai-ichi provides comprehensive welfare services to international companies operating in Japan through its International Corporate Relations Department. We have concluded transactions with more than 500 international companies in terms of corporate insurance alone.

Services provided to international companies cover a broad array of products. These include the planning of bereaved families' compensation through group term insurance, management of corporate pension assets, and consultation on the introduction of the defined contribution pension. Moreover, business alliances with Sompo Japan and AFLAC have enabled Dai-ichi to provide an even more extensive product lineup, including long-term disability insurance and accident insurance.

As a representative of Japanese insurance companies, Dai-ichi has become a member of the International Group Program (IGP), the international group insurance network created at the initiative of John Hancock Life Insurance Company, a major U.S. insurer. In principle, one representative life insurance company for each country or region becomes a member of the IGP. Currently, insurance companies in more than 65 countries and regions have become members and have formed an international group insurance network that spans the globe.

Our group term insurance business takes advantage of the IGP system, in which global member companies cooperate in providing support to multinational companies. The number of companies adopting IGP has been rising steadily.

Individual Reinsurance

Dai-ichi also operates an individual reinsurance business. We focus especially on the Asian region, where we have developed strong relationships with Asian life insurance companies by providing them with the management expertise we have developed. Today, Dai-ichi conducts a reinsurance business with 13 life insurance companies in 5 countries and regions in Asia.

DSR (Dai-ichi's Social Responsibility) Management

DSR represents the Dai-ichi Life Group's original approach to improving management quality.

DSR (Dai-ichi's Social Responsibility) Management

Dai-ichi has traditionally viewed efforts to increase corporate value while improving management quality as its own corporate social responsibility (CSR). To evolve this framework further, under the new banner of Dai-ichi's Social Responsibility (DSR), all the employees will fulfill their social responsibility to each stakeholder (customers, society, shareholders, investors, and employees) and strive to increase corporate value through consistent efforts to improve management quality through the autonomous execution of PDCA (Plan-Do-Check-Action) cycle in each organization.

Dai-ichi Life Group's Corporate Action Principles (DSR Charter)

Dai-ichi will contribute to the building of a sustainable society by adopting its corporate action principles (DSR Charter) so that it continually meets the expectations of customers, society, shareholders, investors, and employees.

DSR Management Promotion System

The DSR Promotion Committee, which is chaired by our president, promotes DSR management. Every special committee dealing with key DSR issues is established under the DSR Promotion Committee. They develop and execute plans and manage progress. It enhances the effectiveness of DSR activities.

DSR management promotion system



Dai-ichi Life Group's Corporate Action Principles (DSR Charter)

[Customer satisfaction]	With the aim of becoming a lifelong partner for our customers, we will provide high quality products and services that emphasize customer satisfaction.
[Communication]	We will fulfill our accountability to all stakeholders and accept opinions from them with sincerity to actively reflect their opinions in our corporate management.
[Compliance]	We will maintain high ethical standards and full compliance in all business activities. We also respect privacy, and will fully enforce the protection and management of personal and other information.
[Respect to human rights]	We will respect the culture and customs in each country and region and operate in a way that contributes to local development. We will also respect and proactively protect human rights.
[Diversity]	We will provide a motivating and rewarding working environment where people of all backgrounds can play an active role, and will encourage both personal development and good health.
[Environmental protection]	Recognizing that preserving the global environment is our social responsibility, we will be active in environmental protection on a daily and ongoing basis.
[Social contribution]	We will operate social action programs, aiming to grow together with the communities in which we operate as a good corporate citizen.
[Corporate value]	To create sustainable corporate value, we will seek to effectively use our management resources and improve business productivity, striving to maintain and strengthen our capital base.

Financial Soundness

Fundamental Profit

(1) Fundamental Profit

	Years ended March 31,	
	2010	2011
	(millions of yen)	
Fundamental revenues	4,084,372	4,086,378
Premium and other income	2,837,251	3,056,555
Investment income	906,291	700,598
[Interest and dividends]	708,082	698,159
Other ordinary revenues	340,828	329,224
Fundamental expense	3,754,220	3,810,457
Benefits and claims	2,610,535	2,625,013
Provision for policy reserve and others	212,853	233,881
Investment expenses	61,755	99,186
Operating expenses	438,729	424,686
Other ordinary expenses	430,345	427,688
Fundamental profit A	330,152	275,921
Capital gains	247,188	222,087
Gains on money held in trust	3,295	-
Gains on sale of securities	242,556	212,245
Derivative transaction gains	-	9,842
Gains on trading account securities	1,336	-
Capital losses	253,697	329,996
Losses on money held in trust	-	1,051
Losses on investments in trading securities	-	-
Losses on sale of securities	207,894	120,905
Losses on valuation of securities	10,502	179,621
Derivative transaction losses	16,772	-
Foreign exchange losses	18,528	28,417
Net capital gains B	(6,509)	(107,908)
Fundamental profit plus net capital gains A+B	323,642	168,012
Other one-time gains	-	25,000
Reversal of contingency reserve	-	25,000
Other one-time losses	130,022	114,110
Provision for contingency reserve	18,000	-
Provision for specific reserve for possible loan losses	12,916	-
Write-down of loans	573	410
Others	98,532	113,699
Other one-time profits C	(130,022)	(89,110)
Net surplus from operations A+B+C	193,620	78,902

For fiscal year 2010: ¥275.9 billion

(For fiscal year 2009: ¥330.1 billion)

(For fiscal year 2008: ¥360.8 billion)

Fundamental profit is one of the indicators that shows profit from the core insurance business during the term under review. It is net profit from our core business. Namely, we collect insurance premiums from policyholders and gain investment returns, to pay insurance claims and benefits in accordance with the content of insurance policies from those premiums and returns, while accumulating policy reserves for future payments and managing them.

Fundamental profit is an indicator used to measure ordinary profitability. Net surplus from operations is obtained by adding capital gains and losses which include gains and losses on the sale of securities and extraordinary gains and losses such as the provision for contingency reserve to fundamental profit.

Fundamental profit for fiscal 2010 declined from the previous fiscal year, to ¥275.9 billion, primarily attributable to the accumulation of policy reserves to prepare for the payment of claims and benefits associated with the Great East Japan Earthquake, as well as falls in interest and dividend income.

The Company will continue its commitment to maintaining and bolstering fundamental profit by strengthening the competitiveness of its core business and investing aggressively in growth markets.

(2) Breakdown of Fundamental Profit (Three Profit Sources)

	(billions of yen)	
	FY2009	FY2010
Fundamental profit (i).....	330.1	275.9
(Negative)/Positive spread	(82.8)	(90.3)
Effect of changes in policy reserves related to minimum guarantee	3.7	(0.2)
Insurance-related gains/losses	409.2	366.5
Mortality and morbidity gains.....	373.9	348.0
Capital gains/losses (ii).....	(6.5)	(107.9)
Other one-time gains/losses (iii).....	(130.0)	(89.1)
Net surplus from operations (iv) (= i + ii + iii)	193.6	78.9
Extraordinary gains/losses (v).....	(116.1)	28.2
Provision for allowance for policyholder dividends (vi)	(92.5)	-
Provision for reserve for policyholder dividends (vii)	-	(78.5)
Corporate income taxes (viii).....	(16.6)	(11.7)
Net income (ix) (= iv + v + vii + viii)	60.8	16.9

Notes:

1. The surplus of a life insurance company is unappropriated net surplus for the year (ix). Fundamental profit (i) and three profit sources, which constitute the fundamental profit, are parts of unappropriated net surplus. It is necessary to consider all items from fundamental profit to unappropriated net surplus for the year.
2. The allowance for policyholder dividends (vi) was provided as the source of policyholder dividends in fiscal 2009.
3. Negative spread is the difference between the assumed investment return from investments (assumed interest rate) and the actual investment return.
4. Mortality and morbidity gains are the difference between the assumed payments of insurance claims and benefits (assumed mortality and morbidity rate) and the actual payments.
5. Expense margins are the difference between the assumed operating expenses (assumed operating expense ratio) and actual operating expenses.

(3) Negative Spread

For fiscal year 2010: ¥90.3 billion

(Negative spread in fiscal 2009: ¥82.8 billion)

(Negative spread in fiscal 2008: ¥64.8 billion)

When calculating the amounts of insurance premiums, an insurance company guarantees policyholders a certain level of return from its investments in advance, and discounts future insurance premiums by the guaranteed rate of return. This discount rate is called the “assumed rate of (investment) return.” For this reason, an insurance company needs to secure the sum equivalent to guaranteed investment return from investment returns and other income.

If actual investment returns and other income are short of total guaranteed investment return, the difference is called a negative spread.

The negative spread for fiscal 2010 amounted to ¥90.3 billion, reflecting a lower rate of return of investment on fundamental profit.

Calculation Formula for Negative/Positive Spread Amount

Negative/positive spread amount = (Rate of investment return on fundamental profit – Average assumed rate of investment return) × Policy reserves for general account

Note: Values in the above formula are all in the general account

Negative/Positive Spread

	Years ended March 31,	
	2010	2011
Average assumed rate of (interest) return	2.89%	2.81%
Average actual rate of (investment) return	2.56%	2.46%
(Negative)/Positive spread	(0.33%)	(0.35%)
(Negative)/Positive spread amount (billions)	(¥82.8)	(¥90.3)

(4) Accumulation of Policy Reserves

Policy reserves are mandatory reserves the accumulation of which is required by law in preparation for the future payment of claims, annuities, and benefits. The accumulation level of policy reserves is determined by the accumulation method and actuarial assumptions. The Insurance Business Act that came into force in April 1996 introduced the standard policy reserve rules, in which the accumulation method and actuarial assumptions for policy reserves were set forth by the supervisory authorities.

Dai-ichi accumulates statutory reserves based on the criteria stipulated by the Insurance Business Act, etc. and adopts the most conservative method among those required by law. Effective FY2007, Dai-ichi also accumulates additional policy reserves for whole life insurance policies with a high assumed rate of return after the completion of premium payment to improve the future negative spread and thus its financial soundness.

The details of customers' policies will not change with the accumulation of additional policy reserves by Dai-ichi.

Unrealized Gains (Losses) on General Account Assets

At the end of fiscal year 2010: ¥639.2 billion

(At the end of fiscal year 2009: ¥942.0 billion)

(At the end of fiscal year 2008: ¥319.2 billion)

■ Unrealized Gains and Losses

Unrealized gains and losses represent differences between the market value of assets (securities, real estate, etc.) held and their book value, and are considered to be substantial capital because they constitute part of the solvency margin total used as a numerator when the solvency margin ratio is calculated. Unrealized gains also act as a buffer against the different types of risks to which Dai-ichi is exposed, and at the same time leave more room for risk taking in investments, and so make a substantial contribution to stronger profitability.

With respect to unrealized gains and losses as of March 31, 2011, unrealized gains on securities declined by ¥237.3 billion from the end of the previous fiscal year, to ¥614.1 billion, reflecting stock market weakness and the effect of the stronger yen, despite a fall in interest rates. Unrealized gains on real estate (land etc.) decreased by ¥70.3 billion, to ¥20.5 billion. As a result, total unrealized gains on all general account assets declined by ¥302.8 billion, to ¥639.2 billion.

Total Net Unrealized Gains (Losses) on General Account Assets

	As of March 31,	
	2010	2011
	(millions of yen)	
Securities.....	851,450	614,120
Domestic bonds.....	265,770	383,862
Domestic stocks.....	522,575	305,672
Foreign securities (Note 1).....	59,843	(80,496)
Foreign bonds.....	79,056	(65,501)
Foreign stocks and other securities.....	(19,213)	(14,995)
Other securities.....	(966)	(5,025)
Others (Note 2).....	4,227	10,108
Real estate (land and others) (Note 3).....	90,879	20,526
Total (including others not listed above) (Note 4).....	942,030	639,200

Notes:

1. Foreign exchange valuation gains (losses) only are taken into account for foreign securities whose fair values are considered very difficult to estimate.
2. "Others" includes assets that are considered appropriate to be treated as securities, as defined in the Financial Instruments and Exchange Law.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of land.
4. Unrealized gains (losses) on loans and buildings are not recorded.

Adjusted Net Assets

At the end of fiscal year 2010: ¥3,066.8 billion

(At the end of fiscal year 2009: ¥3,321.6 billion)

(At the end of fiscal year 2008: ¥2,703.7 billion)

If adjusted net assets fall into negative territory, the Company could be told to suspend operations by the supervisory authorities.

■ Adjusted Net Assets

Adjusted net assets are derived by subtracting non-capital adjusted liabilities from adjusted assets at fair market value. In other words, they refer to real net worth after market price-based valuation, and serve as one of the indicators used by the supervising administrative agency to ascertain the financial soundness of insurance companies.

Adjusted assets represent assets reported in the balance sheet plus unrealized gains/losses and other offbalance-sheet assets. Adjusted liabilities are calculated by deducting various reserves and allowances from onbalance-sheet liabilities.

Adjusted net assets as at the end of fiscal 2010 declined from the end of the previous fiscal year, to ¥3,066.8 billion, principally because of a decrease in unrealized gains on securities associated with falling share prices and the appreciation of the yen.

Solvency Margin Ratio

At the end of fiscal year 2010: 983.9%

(At the end of fiscal year 2009: 953.5%)

(At the end of fiscal year 2008: 768.1%)

[Solvency margin ratio under the new standards: 547.7%]

■ Solvency Margin Ratio

The solvency margin ratio is one of the indicators used by the supervising administrative agency to ascertain the extent to which an insurance company can meet payments in the event risks exceed a level greater than normally anticipated.

Specifically, the ratio is the index that shows how diverse risks are covered by the total of capital and other internal reserves, as well as by unrealized gains from securities and other assets (solvency margin total), when exposed to risks greater than normally anticipated. The diverse risks may include those involved in the payment for claims and other benefits and investment risks. The solvency margin ratio is obtained by dividing the solvency margin total by the risk total, and a ratio exceeding 200% is one indication of an insurance company's meeting the standard for general financial stability.

The solvency margin ratio as at the end of fiscal 2010 rose from the end of the previous fiscal year, to 983.9%, thanks to our efforts to reduce risks, among other factors. Some of the criteria for calculating the solvency margin ratio are due to be changed at the end of fiscal 2011 (a stricter calculation of solvency margin and the stricter and more refined measurement of risks). As a result of calculations under the new standards, the solvency margin ratio at the end of fiscal 2010 stood at 547.7%.

Dai-ichi views the solvency margin ratio as one of the most important indicators for giving customers a sense of security in Dai-ichi. The Company continues its efforts to maintain enough ability to meet payments of insurance claims.

Embedded Value

Embedded value of Dai-ichi Life Group

At the end of fiscal year 2010: ¥2,440.3 billion

(At the end of fiscal year 2009: ¥2,836.3 billion)

(At the end of fiscal year 2008: ¥1,758.4 billion)

Embedded value of Dai-ichi Life (non-consolidated): ¥2,479.6 billion

(At the end of fiscal year 2009: ¥2,868.0 billion)

(At the end of fiscal year 2008: ¥1,795.9 billion)

For the details of embedded value, please refer to pages 141.

■ Embedded Value

The Dai-ichi Life Group discloses its embedded value (EV) as an indicator of its corporate value in the market, aiming to improve its EV.

Under current statutory accounting practices applicable to life insurance companies in Japan, there is a time lag between the sale of policies and recognition of profits. Most expenses, such as sales commissions, are incurred in the initial period of each policy. On the other hand, life insurance policy periods are very long (20 years, 30 years, etc.), and revenues are generated over long periods. Since the EV principles allow life insurers to recognize discounted future profits from already-acquired policies in force at the time of sale, it is considered to complement financial data based on statutory accounting practices.

EV is widely used in overseas markets, especially in Europe, as a criterion for the valuation of the stock prices of life insurance companies. To facilitate investor understanding of Dai-ichi Life, the Dai-ichi Life Group has been disclosing EV in accordance with the European Embedded Value (EEV) Principles since the end of FY2007. EEV at the end of FY2010 decreased from the end of the previous fiscal year, to ¥2,440.3 billion.

EV is the sum of adjusted net worth, which is calculated primarily from the balance sheet, and the value of in-force policies, which is calculated based on in-force policies.

EV 2,440.3 billion Yen



As of March 31, 2011

EEV of the Dai-ichi Life Group

	As of March 31,	
	2010	2011
	(billions of yen)	
EEV	2,836.3	2,440.3
Adjusted net worth	1,863.5	1,454.2
Value of in-force business	972.8	986.0
Value of new business	118.9	158.1

Notes:

1. The Group EEV is calculated as follows: Dai-ichi Life's EEV plus DFL's EEV attributable to Dai-ichi Life's equity stake in DFL less Dai-ichi Life's carrying amount of equity of DFL.
2. Dai-ichi Life held 90.0% of the shares of DFL as of March 31, 2010 and as of March 31, 2011.
3. Dai-ichi Life's carrying amount of DFL's equity was ¥163.4 billion as of March 31, 2010 and as of March 31, 2011.

EEV of Dai-ichi Life (non-consolidated)

	As of March 31,	
	2010	2011
	(billions of yen)	
EEV	2,868.0	2,479.6
Adjusted net worth	1,880.9	1,518.7
Value of in-force business	987.1	960.9
Value of new business	135.6	158.5

- **Adjusted net worth**

Adjusted net worth is accumulation of realized profits and is the sum of net assets on the balance sheet, certain quasi-equity reserves in liabilities, and unrealized gains and losses on assets not required to be marked to market under the Japanese GAAP among other factors.

- **Value of in-force business**

The value of in-force business is the present value as of the closing date of future after-tax profits occurring from already-acquired policies in force in each fiscal year (Future profits on not-yet acquired policies are not included.)

- **Value of new business**

The value of new business is the value at the time of sale, after all acquisition-related costs, of new policies (including net increase by conversion) obtained during the reporting period (FY2010).

The Dai-ichi Life Group requested a third party (actuarial firm) with expertise in actuarial calculation to review the assumptions and calculation method and obtained a written opinion. For information on the written opinion, please refer to the news release posted on the Company's website (http://www.dai-ichi-life.co.jp/english/investor/ir/financial/results/2010/pdf/index_036.pdf).

The calculation of EV involves certain assumptions regarding future projections that are subject to risks and uncertainties. Actual future results might materially differ from the assumptions used in the EV calculations. Moreover, changes of assumptions might cause significant changes in future results. We therefore ask that full care is exercised when using or analyzing EV figures.

Ratings

As of July 2011

Rating and Investment Information	A+	Rating on Insurance Claims Paying Ability
Japan Credit Rating Agency	A+	Rating on Ability to Pay Insurance Claims
Standard & Poor's	A	Insurer Financial Strength Rating
Fitch Ratings	A	Insurer Financial Strength Rating

Ratings

Ratings are given and published by independent third-party agencies primarily as their opinions about the financial soundness of businesses. Ratings are usually expressed in symbols for ease of understanding. There are two types of ratings: those published by rating agencies at the request of the subject company and those published by rating agencies as their independent opinions irrespective of whether they are requested or not.

Ratings for life insurance companies usually represent the degree of certainty with which insurance claims, annuities, etc. are paid in accordance with the policies involved.

Dai-ichi views credit ratings as one of the factors for objectively determining the soundness of a company's finances and other results of management. It obtains ratings for the capability to pay insurance claims from Rating and Investment Information, Inc. and Japan Credit Rating Agency, Ltd. and those for the insurer's financial strength from Standard & Poor's and Fitch Ratings.

As of July 1, 2011, Rating and Investment Information rated Dai-ichi at A+, and Japan Credit Rating Agency gave Dai-ichi a high rating of A+, Standard & Poor's gave Dai-ichi rating of A, and Fitch Ratings rated Dai-ichi at A.

Dai-ichi's Capital Strategies

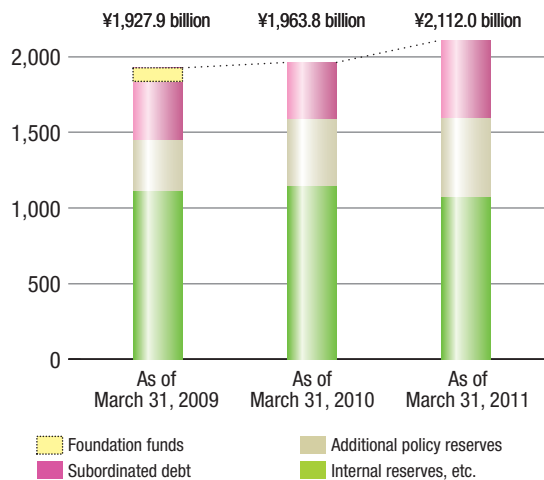
Dai-ichi understands that building a strong capital base is important if it is to retain the trust of its customers. To this end, Dai-ichi has sought to enhance capital by securing periodic profits and building up shareholders' equity and internal reserves, such as a contingency reserve and a reserve for price fluctuations.

The Company has also supplemented its core capital through subordinated debt that is permitted to be incorporated into an insurance company's capital. In October 2010, the Company revised the terms of its contracts to replace dated subordinated borrowings made in the past with perpetual subordinated borrowings that have stronger capital characteristics. In March 2011, the Company also issued U.S. dollar-denominated perpetual subordinated debt to further bolster its capital base.

In addition to these efforts, Dai-ichi has been accumulating additional policy reserves since fiscal 2007 to further enhance its financial soundness by improving the future negative spread. Meanwhile, the Company redeemed all foundation funds, a fund raising system permitted only for mutual companies, before demutualization in April 2010.

Based on regulatory trends, Dai-ichi will continue to maintain a capital base adequate to deal with risks. Specifically, we will increase internal reserves, continue to promote ALM, and mitigate risks primarily by controlling risk assets.

Breakdown of Capital



Summary of Financial Results

1. Assets and Liabilities

(1) Selected Balance Sheet Items

	As of March 31,		As of March 31,	
	2010	2011	2010	2011
	(billions of yen)		(billions of yen)	
Assets			Liabilities and Net Assets (Capital)	
Cash and deposits, call loans	356.4	441.1	Policy reserve and others:	27,803.7 28,190.8
Deposit paid for securities borrowing transactions	–	–	Policy reserves	27,324.8 27,589.5
Monetary claims bought	289.8	2,911.1	Reserve for policyholder dividends	329.2 403.6
Trading account securities	–	–	Subordinated bonds	46.5 149.1
Money held in trust	22.2	21.1	Reserve for employees' retirement benefits	409.6 418.3
Securities	22,793.3	23,201.3	Allowance for policyholder dividends	92.5 –
Domestic bonds	12,989.9	13,434.9	Reserve for price fluctuations	115.4 80.4
Domestic stocks	3,258.1	2,538.0	Deferred tax liabilities for land revaluation	124.7 123.6
Foreign Securities	6,325.9	7,035.6	Others	1,229.6 1,140.8
Loans:	3,834.3	3,627.4	Total liabilities	29,822.1 30,103.2
Policy loans	571.4	539.4	Foundation funds	– –
Ordinary loans	3,262.9	3,087.9	Accumulated redeemed foundation funds	420.0 –
Real estate (Note 1)	1,238.8	1,290.7	Revaluation reserve	0.2 –
Deferred tax assets	337.6	475.1	Surplus	184.4 –
Others	699.9	398.5	Reserve for future losses	5.6 –
Reserve for possible loan losses ..	(21.0)	(12.9)	Other surplus	178.8 –
Total general account assets	29,551.6	29,733.8	Unappropriated net surplus for the year	64.1 –
Foreign currency-denominated assets	5,027.8	5,435.2	Total foundation funds and surplus	604.6 –
Total separate account assets (Note 2)	1,270.8	1,135.7	Capital stock	– 210.2
Total assets	30,822.4	30,869.6	Capital surplus	– 210.2
Notes:			Legal capital surplus	– 210.2
1. The amount of real estate is the sum of the amounts of land, buildings, and construction in progress.			Retained earnings	– 192.8
2. Receivables generated from transactions involving general account assets are deducted under the Insurance Business Act.			Legal retained earnings	– 5.6
			Other retained earnings	– 187.2
			Retained earnings brought forward	– 61.2
			Treasury stock	– (20.4)
			Total shareholders' equity	– 592.8
			Net unrealized gains on securities, net of tax	461.1 237.5
			Deferred hedge gains (losses)	(2.0) 1.2
			Reserve for land reevaluation	(63.5) (65.1)
			Total of valuation and translation adjustments	395.6 173.6
			Total net assets	1,000.3 766.4
			Total liabilities and net assets	30,822.4 30,869.6
			For the details of the balance sheet, please refer to pages 90 and 91.	

In accordance with the plan for demutualization under Article 86 of the Insurance Business Act, the balance sheet (major items of net assets) was determined as in the table below at the time the organization was changed on April 1, 2010.

	Commencement of business on April 1, 2010 (billions of yen)
Capital stock	210.2
Capital surplus	210.2
Legal capital surplus	210.2
Retained earnings	184.2
Legal retained earnings	5.6
Other retained earnings	178.6
Retained earnings brought forward	64.1
Total shareholders' equity	604.6
Net unrealized gains on securities, net of tax	461.1
Deferred hedge gains (losses)	(2.0)
Reserve for land reevaluation	(63.5)
Total of valuation and translation adjustments	395.6
Total net assets	1,000.3

(2) Status of Assets

During the fiscal year ended March 31, 2011, Dai-ichi continued to position fixed income investments, including bonds, a core of its asset portfolio, so that they are consistent with its medium- to long-term investment policies. Meanwhile, Dai-ichi increased its position in policy reserve-matching bonds, centering on long-term and super long-term bonds, in an effort to promote ALM and enhance its profitability.

Dai-ichi has appropriately managed the risk associated with its risk assets, such as domestic stocks and foreign securities, which have been acquired primarily to diversify its investment portfolio and achieve higher profitability. In doing so, the Company takes market trends into account.

Outstanding general account assets as of March 31, 2011 increased by ¥182.2 billion from the end of the previous fiscal year, to ¥29,733.8 billion, primarily reflecting a rise in premium and other income due to strong sales of the main products, despite a decline in unrealized gains on securities. The balance of separate account assets decreased by ¥135.0 billion, to ¥1,135.7 billion. As a result, total assets climbed by ¥47.1 billion, to ¥30,869.6 billion.

2. Revenues and Expenditures

(1) Selected Items on Results of Operations

	Years ended March 31,	
	2010	2011
	(billions of yen)	
Ordinary revenues:		
Premium and other income	2,837.2	3,056.5
Investment income	1,153.4	922.6
Other ordinary revenues	340.8	329.2
Total ordinary revenues	4,331.5	4,308.4
Ordinary expenses:		
Benefits and claims	2,610.5	2,625.0
Provision for policy reserves and others	328.2	322.5
Investment expenses	330.0	429.5
Operating expenses	438.7	424.6
Other ordinary expenses	430.3	427.6
Total ordinary expenses	4,137.9	4,229.5
Ordinary profit	193.6	78.9
Extraordinary gains	0.3	40.1
Extraordinary losses	116.5	11.8
Provision for allowance for policyholder dividends	92.5	-
Provision for reserve for policyholder dividends	-	78.5
Net surplus before adjustment for taxes, etc.	77.4	-
Income before income taxes	-	28.6
Corporate income taxes:		
Current	0.3	25.9
Deferred	16.3	(14.2)
Total of corporate income taxes	16.6	11.7
Net surplus for the year	60.8	16.9
The provision for the reserve for policyholder dividends	-	-
Net income	60.8	16.9

* For the details of the results of operations, please refer to pages 92.

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

Premiums and other income increased by 7.7% from the previous fiscal year, to ¥3,056.5 billion, reflecting steady premium income related to new individual insurance policies. Benefits and claims payments rose by 0.6%, to ¥2,625.0 billion, on an increase in surrender value payment, etc. in group annuity insurance, despite a significant fall in the payment of surrender value in individual insurance.

(3) Investment-Related Income and Expenses

Interest and dividend income declined from the previous fiscal year due to a fall in (1) interest income from foreign bonds reflecting the appreciation of the yen (2) gains on sale of securities and (3) net separate account investment income as a result of a fall in the market value of separate account assets associated with the weaker financial market environment. As a result, investment income slipped by ¥230.7 billion from the previous fiscal year, to ¥922.6 billion.

Meanwhile, investment expenses increased by ¥99.5 billion, to ¥429.5 billion, mainly due to an increase in devaluation losses on securities.

As a result, net investment income and expenses declined by ¥330.3 billion from the previous fiscal year, to net investment income of ¥493.0 billion.

(4) Provision for Reserve for Policyholder Dividends

The Company accumulated a reserve for policyholder dividends to pay policyholder dividends and provided ¥78.5 billion for the reserve for policyholder dividends in fiscal 2010.

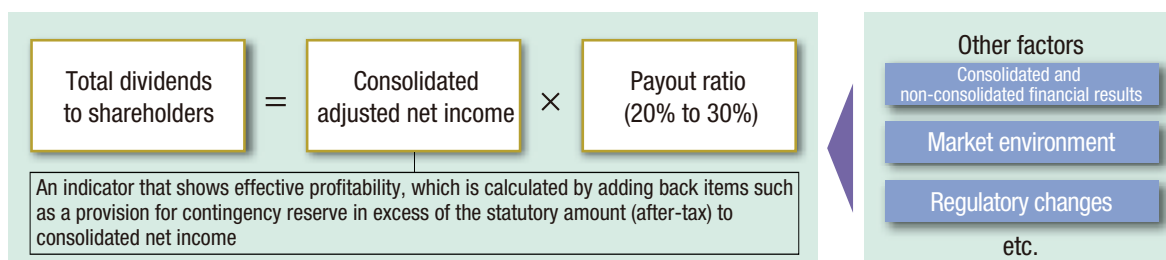
The rate of policyholder dividends for fiscal 2010 was 65.6%. This is the ratio of the amount of the provision for the reserve for policyholder dividends (¥78.5 billion in fiscal 2010) to the surplus attributable to participating policyholders (¥119.6 billion in fiscal 2010), calculated based on earnings relating to participating policies defined in the Articles of Incorporation and the plan for demutualization.

(5) Dividends to Shareholders

Public life insurance companies pay policyholder dividends and dividends to shareholders.

The policyholders of the mutual life insurance company are owners with the rights to receive the policyholder dividends. Those rights are transferred to the public company after its demutualization. Our policy for policyholder dividends is included in the Articles of Incorporation under the Insurance Business Act, and the rights of policyholders relating to dividends are protected.

We aim to provide stable returns to shareholders in the medium to long term, taking into account the need to enhance the soundness and strike a balance between dividends to shareholders and policyholder dividends. Specifically, we intend to determine a dividend level each year with a targeted dividend payout ratio of 20-30% based on our consolidated adjusted net income, while taking into account factors such as consolidated and non-consolidated financial results, the market environment, and regulatory changes.



Individual Life Insurance

Individual Life Insurance Products Offered to Individuals

In August 2010, we launched Junpu Life, a product able to meet diverse customer needs more flexibly, as the first product commemorating the demutualization. In December 2010, we also launched Medical Yell (term-life type) and Medical Yell (whole-life type), products that provide protection coverage for the latest medical services. These products have earned high marks with customers.

We sell savings products of Dai-ichi Frontier Life through financial institutions such as banks and securities companies.

We also provide products that are highly tailored to the needs of a wide range of customers by selling non-life insurance products of Sampo Japan and cancer insurance products of AFLAC.

To maintain and strengthen comprehensive communication with customers over the long term, Dai-ichi has introduced a number of new customer-service initiatives. These initiatives include the provision of the With Partner service for policyholders, face-to-face consulting by Total Life Plan Designers using the portable personal computer eNavits, the call center, and a Total Life Plan e-Report, which enables policyholders to check the contents of policies on the Company's website.

■ Policies in Force, New Business, and Decreased Policies of Individual Insurance and Individual Annuities

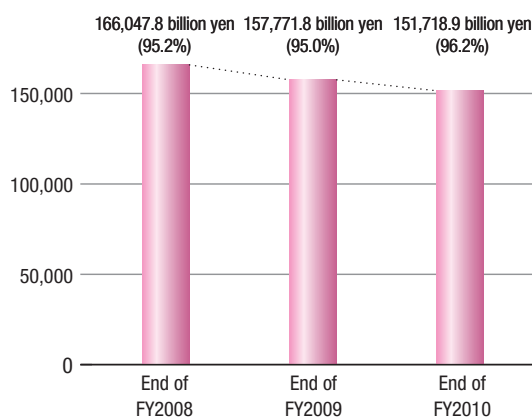
The sum insured of new business of individual insurance and individual annuities in fiscal 2010 rose by 6.2% from the previous fiscal year, to ¥7,260.1 billion. Decreased sum insured fell by 11.9%, to ¥13,312.9 billion.

As a result, sum insured of policies in force at the end of fiscal 2010 declined by 3.8%, to ¥151,718.9 billion.

The sum insured of new business including that of Dai-ichi Frontier Life declined by 2.3%, to ¥7,469.5 billion.

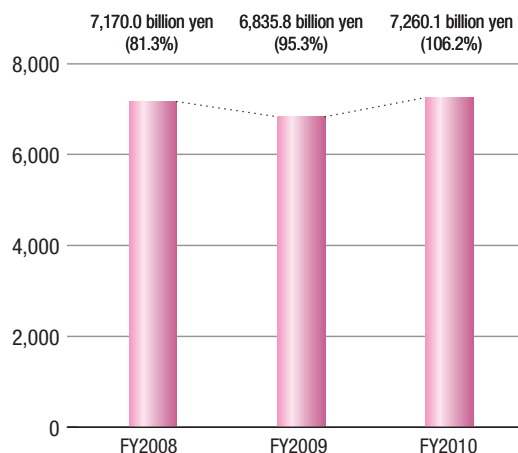
Sum Insured of Policies in Force

(Figures in parentheses show the year-on-year comparison.)



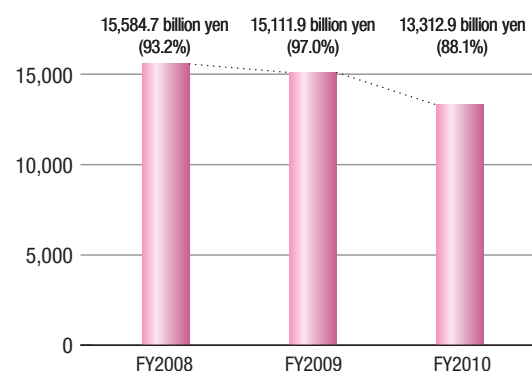
Sum Insured of New Business

(Figures in parentheses show the year-on-year comparison.)



Decreased Sum Insured

(Figures in parentheses show the year-on-year comparison.)



New Total Life Plan: Providing Lifelong Security

■ As A Lifelong Partner

The Company has been striving to practice its “Customer First” management philosophy since its foundation, pursuing a range of initiatives since 1997 based on the concept of “Total Life Plan,” in which it delivers quality proposals, products, and services to customers as their “Lifelong Partner.”

We will continue to face challenges in the environment surrounding the life insurance business in Japan, marked by the declining birthrate and aging population, changes in customer needs and life cycles and the intensified competition.

To be the life insurance company of choice and to sustain growth in this environment, the Company will execute the “New Total Life Plan” in which it will make every effort as a group to strengthen points of contact with customers. To do this, we will expand and evolve the existing “Total Life Plan” concept and leverage our resources, including our customer base, people, products, and services.

To remain a “Lifelong Partner” for customers, Dai-ichi will continue to focus on customer-oriented services, and will strive to create a New Total Life Plan that is suitable for each customer.

Consultation Systems That Support the New Total Life Plan

Provision of Consultation Services by Total Life Plan Designers

Dai-ichi calls sales representatives who provide total life plans to customers as their lifelong partners Total Life Plan Designers. Over 40,000 Total Life Plan Designers are providing face-to-face consultation and services to policyholders.

Bolstering Consultation Functions

■ eNavit, a portable personal computer

Dai-ichi provides eNavit, a portable personal computer, to Total Life Plan Designers (sales representatives) to bolster the quality of their proposals.

The functions offered by eNavit include an Explanation Navigator, which helps the designers describe the need for insurance, propose insurance products, and provide information. It enables them to make easy-to-understand, visual explanations.

We also use eNavit for e-learning for our Total Life Plan Designers, to strengthen their consulting capabilities. eNavit enables designers to promptly answer all kinds of inquiries from customers even when they are out of the office, by loading a data communication card. At the same time, security is enhanced by consolidating customer information in the headquarters’ computer system, rather than retaining it in personal computers, while strengthening the identification function with a PC key assigned to each user.

To promote the New Total Life Plan, we plan to introduce a new tablet-type mobile PC with our original specifications called the DL Pad (tentative name) in August 2012, by revamping the current eNavit to make our consulting and services to customers, online communications, and procedures more effective and more convenient.

■ Total Life Plan Proposals to Customers

The Total Life Plan is a blueprint tailored to individual customers using specific data and amounts to match their life stage. The Total Life Plan takes into account the status of customers’ income and expenditures over their whole lives, as well as the size of the public pension payments they would receive, the size of their retirement benefits, and their savings level.

The Total Life Plan provides customers with simulations to prepare for unexpected deaths and accidents, medical needs, nursing care, and life after retirement, in accordance with the status of each customer.

Provision of Consultation Services by Financial Planners (FPs)

Specialist knowledge about products and tax is required in proposing life insurance to customers.

To promptly and accurately respond to the diversified requests of customers, Dai-ichi deploys approximately 400 financial planners (FPs) nationwide.

In principle, Dai-ichi FPs possess qualifications such as a Certified Skilled Worker of Financial Planning, a national accreditation, or CFP or AFP certifications provided by the Japan Association for Financial Planners.

Aiming to improve customer satisfaction, FPs are engaged in a wide range of activities nationwide, including proposals such as: structuring a corporate welfare system using life insurance products, to

local small and medium-size enterprises; and the effective use of life insurance based on their extensive knowledge of tax. Dai-ichi has 4,859 employees holding qualifications as a 2nd Grade Certified Skilled Worker of Financial Planning and/or AFP including 326 1st Grade Certified Skilled Workers of Financial Planning, or CFPs (at the end of March 2011).

Internet Consulting

Dai-ichi has developed a Life Design Cyber Shop on its website so that customers can easily ask questions about insurance estimates and other matters. Through the Life Design Cyber Shop, Dai-ichi FPs provide comprehensive consultation services, including: preparations for diverse types of insurance in accordance with customers' objectives; and provision of consultations and advice via e-mail, telephone, or even face-to-face communications.

In addition, Dai-ichi provides a wide range of sophisticated consultations on post-retirement financing plans, inheritance planning, and other topics through the "FP Consultation site", and its specialist financial planners provide private consultations to individual customers via e-mail and telephone.

Call Center

■ Dai-ichi Call Center

The Dai-ichi Call Center handles inquiries about services and their procedures from customers. To promptly deal with customer inquiries, it uses the latest call center technology through which customers' calls are quickly and reliably transferred to professional communicators.

In fiscal 2010, the Call Center handled 1.22 million inquiries. The Call Center internally shares comments and requests received from customers to help Dai-ichi in its endeavor to improve the quality of customer services and to refine its operational processes.

■ Communication Desk

To further improve customer services, the Communication Desk directly calls customers to confirm the details of their policies and to provide the latest information about Dai-ichi's products, services, and campaigns. In addition to weekdays, the Desk also calls them on Saturdays when they are easily contactable to ensure that they are fully informed.

Group Life Insurance

Sales Results of Products and Services for Corporate Clients

Dai-ichi has been offering a range of products and services to corporate clients, including consulting about welfare, pension, and retirement benefit systems, as well as a broad range of information through seminars.

In group insurance, Dai-ichi is proposing its corporate clients general welfare group term life insurance products that support systems for condolence money and retirement benefits at the time of death, and group term life insurance and (group) medical care insurance products, which help employees prepare insurance by themselves.

In the arena of corporate pension plans, sweeping systemic government reforms are underway, including the abolishment of the tax-qualified pension plan scheduled at the end of March 2012. In response, Dai-ichi is proposing the New DB Master Plan II, the system design of which is standardized by fixing the amount of contributions in the defined benefit (DB) system, and the Dai-ichi Life DC Smart Plan, which is designed to operate the corporate defined contribution (DC) plans of multiple companies based on a single pension code in the DC system, in addition to customized pension plans to meet the needs of customers.

A look at the status of group life insurance as of March 31, 2011 shows that the number of organizations with policies in force declined, reflecting surrenders in association with changes in employment systems and revisions to benefit programs. As a result, the sum insured of group insurance policies in force fell by 3.2% from the end of the previous fiscal year, to ¥52,336.6 billion.

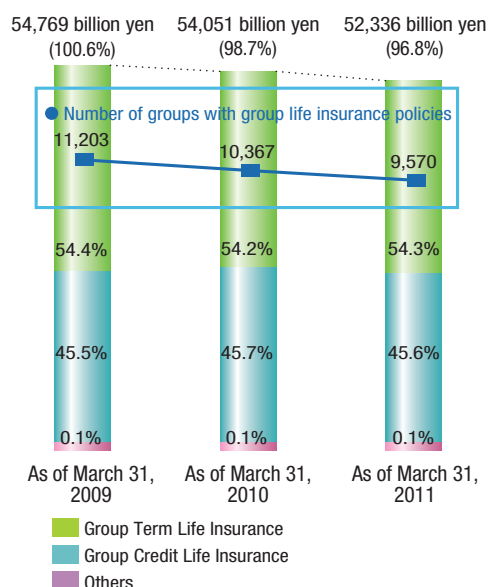
With respect to the group life insurance, the sum insured of group annuity policies in force as of March 31, 2011 fell by 2.4% from the end of the previous fiscal year, to ¥6,041.7 billion, primarily reflecting a decline in the balance of the separate account due to deteriorated financial market conditions.

The balance of group pension assets of DIAM Co., Ltd. decreased by 3.6% from the end of the previous fiscal year, to ¥3,620 billion.

As a result, the balance of group pension assets for the Dai-ichi Life Group overall on March 31, 2011 declined by 2.9% from the end of the previous fiscal year, to ¥9,661.7 billion.

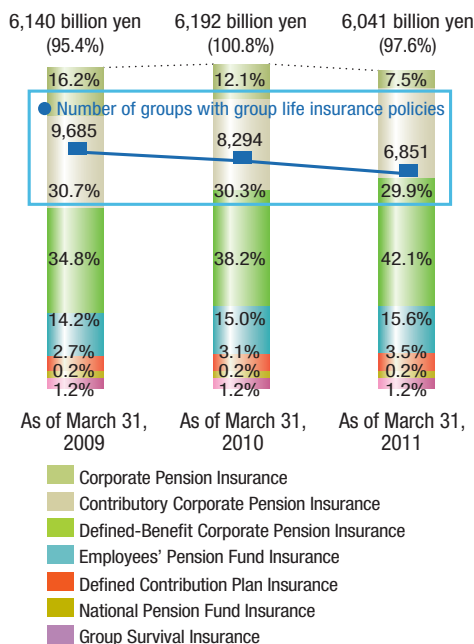
Policies in Force of Group Life Insurance

(Figures in parentheses show the year-on-year comparison.)



Policies in Force of Group Annuities

(Figures in parentheses show the year-on-year comparison.)



*The amount of group annuities is the amount of outstanding policy reserves.

Investment Environment

The global economy generally recovered, albeit moderately, in fiscal 2010, particularly in emerging nations, despite downward factors such as the fiscal insecurity in Europe, rising resource and food prices, and the Great East Japan Earthquake. Although the Japanese economy avoided a recession, thanks to solid external demand in Asia and the supporting effect of monetary easing by the Bank of Japan, economic activities were significantly weakened by the effects of the Great East Japan Earthquake that struck in March 2011. The U.S. economy remained firm, primarily owing to the underlying support of various tax breaks by the government and large-scale monetary easing by the Federal Reserve Board (FRB), although employment conditions and the housing market were still in the process of recovering.

Given the economic conditions described above, the investment environment was as follows:

■ Domestic Interest Rates

The yield on ten year government bonds fell below 1.0% at one point, for the first time in seven years, as interest rates trended downwards on stepped up monetary easing by the Bank of Japan, in addition to concern that the economy may slow because of the fiscal insecurity in Europe and the termination of policy effects such as subsidies for eco-friendly vehicles. Although the yield turned up towards the end of the fiscal year based on expectations of an economic recovery following large-scale monetary easing in the United States, the rise was limited by concerns linked to growing tension in the Middle East and the Great East Japan Earthquake.

Yield on ten-year government bonds:

March 31, 2010	1.390%
March 31, 2011	1.250%

■ Domestic Stocks

The Nikkei 225 Stock Average topped 11,000 at one point, on expectations of improving corporate earnings due to higher external demand. However, it began to weaken in the early fall, with investors taking action to avoid risks associated with the fiscal insecurity in Europe and concern about the economic slowdown, and with concerns rising about a deterioration in corporate earnings because of the appreciating yen. Although the index began to rise towards the end of the fiscal year, reflecting hope for an economy recovery due to enhanced

credit easing measures in Japan and the United States and the end of the yen's climb, it temporarily dropped to the 8,000 level, reflecting the future uncertainty caused by the Great East Japan Earthquake.

Nikkei 225 Stock Average:

March 31, 2010	11,089
March 31, 2011	9,755

TOPIX:

March 31, 2010	978
March 31, 2011	869

■ Foreign Currency

Reflecting the stronger risk aversion of investors following increasing insecurity about fiscal conditions in Europe and the adoption of large-scale monetary easing by the FRB, the yen remained strong against the dollar. The yen hit a new postwar high at the end of the fiscal year based on (1) speculation that Japanese companies and investors may bring their overseas assets back to Japan because of the effects of the Great East Japan Earthquake and (2) growing tension in the Middle East. However, it subsequently returned to the pre-earthquake level, primarily because of the effect of the coordinated intervention of the G7 nations in foreign exchange markets.

Although the yen also appreciated against the euro as against the dollar, upward pressure on the Japanese currency was attenuated towards the end of the fiscal year, as the disparity between future interest rates in Japan and overseas was recognized based on speculation about a rate hike by the European Central Bank (ECB).

Yen/U.S. dollar:

March 31, 2010	¥93.04
March 31, 2011	¥83.15

Yen/Euro:

March 31, 2010	¥124.92
March 31, 2011	¥117.57

Fundamental Investment Policy

Our fundamental investment policy is based on the Asset Liability Management (ALM) approach. The objective of the approach is to make stable long-term payment of annuities or claims and benefits, taking into consideration the characteristics of the liability. Specifically, our investment portfolio is built around a core of yen-denominated fixed income assets, consisting mainly of domestic bonds. On the other hand, we are striving to increase the profitability of our portfolio by incorporating stocks and foreign securities within an acceptable range of risk in securing financial soundness. Through a meticulous risk management system, Dai-ichi ensures the effectiveness of its risk monitoring and seeks to improve investment efficiency.

[ALM]

ALM is the abbreviation of Asset Liability Management. For the life insurance company, it is to grasp the risks arising from fluctuations in interest rates on liabilities (insurance policies) and manage the assets that are appropriate given the characteristics of those risks. Among other imperatives, it is important to maintain assets in accordance with the characteristics of the liabilities and prepare for the payment of insurance claims.

[Portfolio]

A portfolio is a set of assets that a particular company has.

Summary of Investment Results

■ Summary of General Account Assets

● Balance of Cash and Deposits Kept Low

While domestic interest rates remained low, Dai-ichi sought to achieve improved investment efficiency by keeping the balance of cash and deposits low.

● Domestic Bonds: Increase

The Company actively replaced low-yield bonds with longer duration high-yield bonds, mainly when interest rates were rising, and also increased investment in policy-reserve-matching bonds (mainly long-term and super-long-term bonds) to strengthen its ALM. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products, including corporate bonds and asset backed securities, in accordance with its internal guidelines on risk-adjusted credit-spread (Note 1).

● Domestic Stocks: Decrease

The Company carried out sales of part of this asset category for risk-control purposes during the period, and the balance decreased because the valuation of stocks remaining in the portfolio declined following the market deterioration. We took steps to improve the profitability of the portfolio by replacing stocks of certain companies and sectors with those offering more competitiveness and growth potential, based on in-house analyses.

● Foreign Bonds: Increase

The Company increased its investment in foreign currency-denominated bonds with currency hedges, aiming for an improved investment return in the fixed income asset category, resulting in an increase in the total balance of foreign bonds. Also, the Company made efforts to improve return on investments and to control risk by diversifying its portfolio by sector and currency.

● Foreign Stocks: Decrease

The balance of foreign stocks in the Company's portfolio declined, primarily due to the appreciation of the yen, although stock prices rose with the global stock market recovery. The Company accelerated the diversification of geographic allocation and styles of foreign stock investment, utilizing in-house management (Note 2) as well as multi-manager investment (Note 3) in which outside managers were also used.

● **Loans: Decrease**

The Company sought to maintain excess returns by setting adequate risk-adjusted spreads, while paying attention to the credit spread changes in the bond market. However, the total balance of loans decreased, mainly owing to the effect of repayments.

● **Real Estate: Flat**

The Company sought to improve profitability, which include renegotiating the rents and improving the vacancy rates of its real estate portfolio. The Company also took steps to increase the value of existing real estate by refurbishment and housing rehabilitation.

Asset investment yield (general account)

	FY2008	FY2009	FY2010
Rate of return of investment on fundamental profit	2.70%	2.56%	2.46%
Investment yield	0.22%	2.17%	1.78%

Rate of return of investment on fundamental profit =

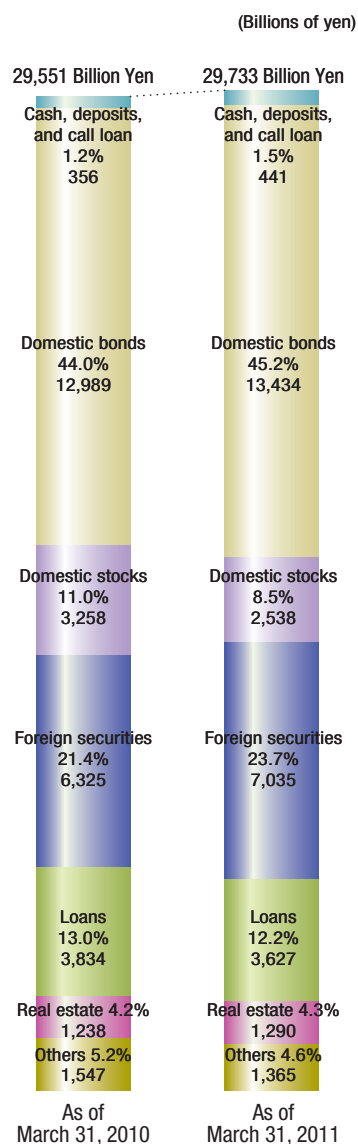
(Return of investment in fundamental profit – Interest on policyholder dividends) / Policy reserves

Investment yield = Net investment income / Average daily balance of general account assets

Notes:

1. Credit spread
Yield in excess of the yield of government bonds
2. In-house management
The investor manages assets, acquiring stocks and bonds and setting up deposits by itself, without assigning the management to outside management institutions.
3. Multi-manager investment
More than one manager manages assets that are allocated from one fund.

Breakdown of Assets in General Account



Promotion of ALM

Dai-ichi recognizes that, particularly at life insurance companies, it has become increasingly important to ensure the proper management of profit, risk, and capital through ALM, a system to control investment assets and liabilities (insurance policies) appropriately by being fully aware of the characteristics of liabilities.

Dai-ichi has adopted a number of management initiatives to ensure sound management. It has established the ALM Committee and built a system in which it examines (1) the integrated management of assets and liabilities and (2) the sophistication of its management system.

The Company has also introduced internal management accounting for each product group, the liabilities of which have different characteristics. We are also developing an administrative structure for each product group based on differences in market characteristics and profitability. Specifically, we identify and manage each risk associated with insurance underwriting, investment and liquidity for each major accounting unit, based on the product characteristics. We set an appropriate assumed interest rate in consideration of investment environment and other factors, draw up an investment policy taking into account the characteristics of liabilities, verify the appropriateness of the policy through the department in charge of risk management, and check the investment results. In addition, Dai-ichi will check the risks involved in insurance underwriting and investment at the time of the development and sale of new products.

The Company also promotes ALM based on the economic value. In the valuation based on the economic value, liabilities are calculated by (1) discounting future cash flows to be generated from policies in force, using the current interest rate, and (2) adding a risk margin (a consideration required for risks relating to policy obligations).

Investment Risk Management

■ Objective of Investment Risk Management

The objective of risk management at Dai-ichi is to maintain the soundness of its assets while paying close attention to the balance between risks and returns from a mid- to long-term perspective.

■ Investment Risk Management Structures

At Dai-ichi, the Risk Management Department carries out integrated risk management in which it oversees risks for the entire portfolio, including market, credit, and real estate investment risks, and strengthens its check function from the perspective of financial soundness.

■ Investment Risk Management Initiatives

● Market Risk Management

The balance of assets, including securities and derivatives, which involve market risks, and their transactions, as well as their unrealized gains/losses are managed on a daily basis and reported to management. The Company has a framework in place to control risks by setting risk limits in relation to holdings, etc. In addition, various methods, including value-at-risk (VaR) analysis, a principal market risk measurement method, are used to grasp market risk volumes in numerical terms, thus ensuring more effective market risk management.

● Credit Risk Management

Measures for credit risk management include rigorous preliminary reviews and post-transaction follow-ups on individual transactions. From the perspective of portfolio management, the Company analyzes and manages the makeup of transactions classified according to internal credit ratings, degree of concentration of credit granting by industry, and other factors. The Company has also developed a framework to prevent a concentration of credit extension, for example by setting credit limits for large-lot borrowers. Besides these measures, portfolio credit risks are determined in numerical terms for management through the periodic measurement of credit risk volumes using methods including VaR analysis.

Internal Control and Overall Risk Management

Management Control

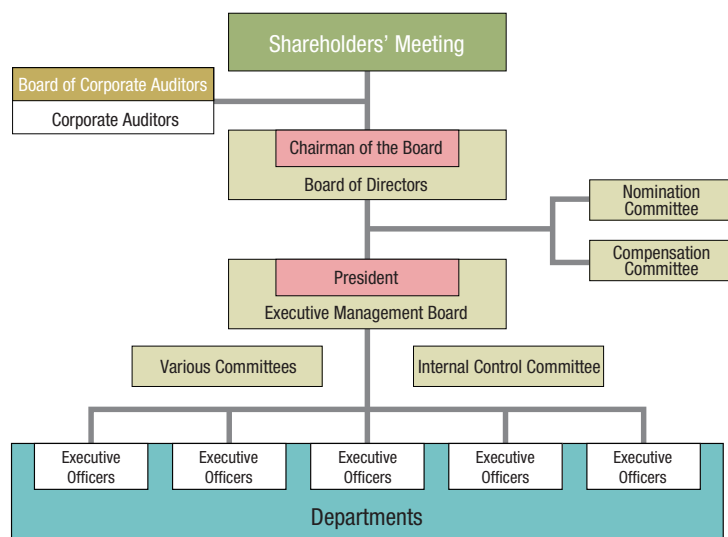
The Board of Directors makes important management decisions and supervises the execution of operations. To separate and thereby strengthen its functions of decision making and supervision on the one hand and operational execution on the other, Dai-ichi has introduced an executive officer system. Executive officers are elected by the Board of Directors and carry out duties assigned by the Board of Directors. Dai-ichi also has an Executive Management Board that consists of the president and executive officers appointed by the president and meets twice a month, in principle. The Executive Management Board considers important management and executive issues. As of July 1, 2011, Dai-ichi had 11 directors (including one outside director) and 24 executive officers (including eight officers who are concurrently directors).

To further enhance management transparency, Dai-ichi has established a Nomination Committee

and a Compensation Committee, each of which consists of the chairman, president, and outside members, as independent advisory committees to the Board of Directors. The Nomination Committee confirms the eligibility of candidate directors. The Compensation Committee deliberates on the compensation systems for directors and executive officers and other related matters.

In addition to attending meetings of the Board of Directors and the Executive Management Board, corporate auditors audit the execution of duties by directors and executive officers through interviews with directors, executive officers, and the relevant departments. Corporate auditors also audit the status of compliance, risk management in overall operations, and the operational and financial status of Dai-ichi and its subsidiaries. In addition, the Board of Corporate Auditors deliberates on important audit issues. As of July 1, 2011, Dai-ichi had 5 corporate auditors (including three outside auditors).

Management Control System



Status of Internal Control Systems

In response to the enforcement of the Companies Act, Dai-ichi has established a Basic Internal Control Policy, which sets out its basic approach and policy concerning internal control.

As part of the establishment of its internal control system, the Company has set up an Internal Control Committee. The Committee is a special organization assisting the Board of Directors and the Executive Management Board and is responsible for the following: driving the establishment and operation of an internal control system; checking the appropriateness of financial reports and the effectiveness of internal audits; and checking and discussing issues of compliance, the protection of information property, risk management, the handling of antisocial forces as an organization dominating the Compliance Committee, Risk Management Committees, and Antisocial Forces Handling Committee. The Internal Control Committee consists of representative directors and the executive officers in charge of the divisions responsible for internal control and holds a meeting every month, in principle.

To enhance the effectiveness of internal controls, Dai-ichi also carries out internal control self-assessment (CSA) in all operations. Through CSA, the Company (1) grasps the condition of the risk to identify major risks in each operation, (2) evaluates the importance of the risks in view of the magnitude of the potential effects for customers and losses they may cause, and (3) assesses risk prevention systems. The Company seeks to mitigate risks and improve operations by developing and introducing measures against risks in order of priority.

Basic Internal Control Policy

1. Conduct business activities in compliance with laws and regulations, the Articles of Incorporation, social standards, and rules in the market
2. Protect and manage information assets appropriately, including customer information, shareholder information, important facts, and other unique information
3. Manage risks effectively in accordance with the characteristics of those risks
4. Block any relationships with antisocial forces to prevent any damage that might occur
5. Ensure appropriate operations at subsidiaries
6. Ensure the reliability of financial reports and disclose them appropriately on a timely basis
7. Check the appropriateness and effectiveness of internal control through operational audits

Compliance (observance of laws and ordinances, etc.)

Basic Recognition

Dai-ichi understands that complying with laws and regulations, its Articles of Incorporation, social standards, and rules in the market is the basis for conducting business activities. To fulfill social responsibility and public missions as a life insurance company, Dai-ichi is developing systems to promote compliance in all of its operations, including insurance sales and investment.

Policies and Regulations Designed to Promote Compliance

Dai-ichi has established Compliance Regulations that set out a basic approach to compliance system and the details of that system, under the Basic Internal Control Policy. Based on its Basic Management Policy, the Company has also established the DSR Charter, the Corporate Action Principles of the Dai-ichi Life Group that set out the specific principles of action as a company, and a Code of Conduct that sets out the specific principles of the behavior of directors, executive officers and employees. The Company has created a Compliance Manual that includes explanations of laws and regulations and points to keep in mind in performing operations, in addition to the internal rules for promoting compliance. Distributing the manual to all directors, executive officers and employees and providing them with training programs, the Company seeks to keep them informed of the internal rules, laws and regulations, as well as other important points. The Compliance Committee holds preliminary discussions on important regulations and manuals, the Executive Management Board discusses them, and the Board of Directors makes decisions.

Organizational Systems Associated with Compliance

The Compliance Committee (consisting primarily of relevant directors and executive officers) under the Internal Control Committee discusses important matters relating to compliance and consults with the Executive Management Board, President, and the Board of Directors. The Compliance Control Department refines the Companywide compliance system. To ensure compliance, especially in the area of insurance sales management, at branch offices that directly engage in insurance sales, Dai-ichi has

established a Sales Compliance Promotion Center as a standing organ that bolsters the system and gives instructions and support directly to branches. To the Compliance Control Department and Sales Compliance Promotion Center the Company assigns compliance officers who ensure compliance at head office departments and branches, and they manage compliance and insurance sales in cooperation with compliance managers, who are the head of each department or branch.

Important matters associated with compliance that arise in departments and branches are reported through compliance managers to the Compliance Control Department. The Company handles and resolves the matters in the most appropriate way. The Company has established an internal inquiry desk in the Compliance Control Department as a channel through which employees can directly report and consult on compliance matters. The Company has also developed a system in which outside lawyers directly provide advice.

To check whether compliance is promoted effectively and appropriately, the Internal Audit Department conducts operational audits regularly.

■ Compliance Promotion

The Board of Directors of Dai-ichi sets out a Compliance Program each year as a specific plan of action for compliance in accordance with the issues identified for each fiscal year. The Company promotes compliance in a plan-do-check-action (PDCA) cycle, particularly among executives, in which the Compliance Committee checks the status of each issue in the Compliance Program regularly and reviews the issues as necessary.

In addition, the Company requires the general managers of the head office and branch offices to submit a confirmation sheet concerning compliance promotion semi-annually so that management officers can monitor the effectiveness of compliance promotion.

Information Property Protection

■ Basic Recognition

Dai-ichi keeps personal information on customers, including their names, birth dates, addresses, contract details, and medical information, for long times and also retains information about business clients that it has obtained in the course of its operations, such as financial transactions. The Company believes that complying with laws, regulations and its internal regulations and appropriately managing the protection of information property are the major premise for earning the trust of its customers.

■ Policy, Regulations, etc. Associated with the Protection of Information Property

Dai-ichi has established a Basic Internal Control Policy and, under that policy, Information Property Protection and Control Regulations. These regulations set out basic principles for protecting information property and standards for appropriately protecting information property. Dai-ichi has also created information property protection and control standards, which stipulate the details of standards for specific security measures. Based on the spirit of the Personal Information Protection Law, Dai-ichi has established a Personal Information Protection Policy and a Shareholder Personal Information Protection Policy, which describe the purposes of the use of personal information and shareholder information and the protection and control of personal information and shareholder information, based on decisions by the Board of Directors, and has posted those policies on its website.

The Company has created a Compliance Manual and an Information Property Protection and Management Manual, which specify rules and regulations relating to the management and promotion of information property protection, as well as points to keep in mind in the execution of operations. The Company has distributed these manuals to all directors, executive officers and employees and has provided training programs based on the manuals to keep them fully informed about the contents.

■ Organizational Systems Associated with the Protection of Information Property

The Information Property Protection Working Group, which has been established as a subsidiary body of the Compliance Committee, discusses important matters relating to the promotion of information property protection and reports the results of the discussions to the Compliance Committee. We have established an Information Security Management Center, a standing organ that promotes protection of information property across the board, within the Compliance Control Department. The Information Security Management Center gives the necessary instructions and support to each department of the head office and each branch, and develops a system for the appropriate protection and management of information property in each organ through compliance managers and compliance promoters, who have been appointed across the board.

The Internal Audit Department regularly carries out operational audits to ensure that these systems are working effectively throughout the Company and reports the results of the audits to the Board of Directors and the Executive Management Board.

■ Information Property Protection and Control

Dai-ichi has developed information property protection and control systems based on the Personal Information Protection Law, guidelines, and other regulations associated with the protection of personal information in the financial industry. To strengthen the protection and control, Dai-ichi takes the following steps:

- Strengthening compliance with information handling rules through regular staff training and conducting regular inspections of compliance with the rules
- Stepping up checks of Internet e-mail when it is used and reducing the use of external memory devices
- Supervising and checking outsourcing service providers, including their subcontractors

■ Handling of Requests for the Disclosure of Personal Information and Others

When customers or shareholders request the disclosure of their own personal information, Dai-ichi promptly and appropriately responds after confirming that the requests have been made by the customers or shareholders themselves or by legal proxies.

Information about disclosure requests based on the Personal Information Protection Law is also available on Dai-ichi's website.

■ Handling of Comments, etc.

Dai-ichi responds promptly and appropriately to any comments, etc. about the handling of customer information or personal information.

Handling of Antisocial Forces

■ Basic Recognition

Under the basic management policy of Securing Social Trust, all organizations of Dai-ichi are united in their resolution to reject any coercion from antisocial forces that threaten the order and security of civil society and disrupt sound economic and social development and corporate activities. Dai-ichi is fully committed to blocking the development of any relationships with such forces to prevent any damage that may occur.

■ Policies, Regulations, etc. Associated with the Handling of Antisocial Forces

In accordance with the Basic Internal Control Policy, which sets out basic approaches and policies for preventing damage from antisocial forces, Dai-ichi has established regulations to handle such antisocial forces, which cover basic principles, including the roles of directors, executive officers and employees, the roles of departments in charge, and measures taken by individual departments of the head office and branch offices. Moreover, based on the policy and regulations, Dai-ichi has established detailed standards, which set out rules for directors, executive officers and employees, and specific initiatives for blocking any relationships with antisocial forces from developing and preventing damage.

■ Systems for Handling Antisocial Forces

In an effort to hold Companywide deliberations with a wide range of participants about the handling of antisocial forces, Dai-ichi has established an Antisocial Forces Handling Committee. It has also designated the General Affairs Department as the department in charge of developing and strengthening systems to block the development of any relationships with antisocial groups or to prevent damage that may occur.

Dai-ichi also has developed a system in which each department and branch office appoints a manager in charge of the handling of antisocial forces and a person who promotes the appropriate handling of antisocial forces. Under this system, if a department or a branch office is contacted by antisocial forces, receiving undue claims and other demands, the manager and the designated person of that department or office play the leading role to take an appropriate response against such forces by cooperating with the General Affairs Department.

In addition, to appropriately handle antisocial forces, Dai-ichi is permanently committed to developing close cooperative systems with external specialist organizations, such as local police offices, the National Center for the Elimination of Boryokudan, and lawyers.

Risk Management

Basic Recognition

To ensure sound and proper business operations and to ensure that we fulfill the obligations arising from our insurance policies, we identify and evaluate potential risks, take appropriate action based on the specific characteristics of each risk and comprehensively manage these risks.

Specifically, we classify risks into insurance underwriting risks, investment risks, liquidity risks, operational risks, system risks, and others. Based on this classification, we have developed risk management structures and rules and manage our risks in accordance with their specific risk characteristics. We are committed, on a companywide basis, to improving soundness through the management and control of the financial base, including risk volume and capital.

We have established a crisis management system and a risk management system to respond to catastrophes, in addition to our everyday risk management system.

Risk Management Policies and Regulations

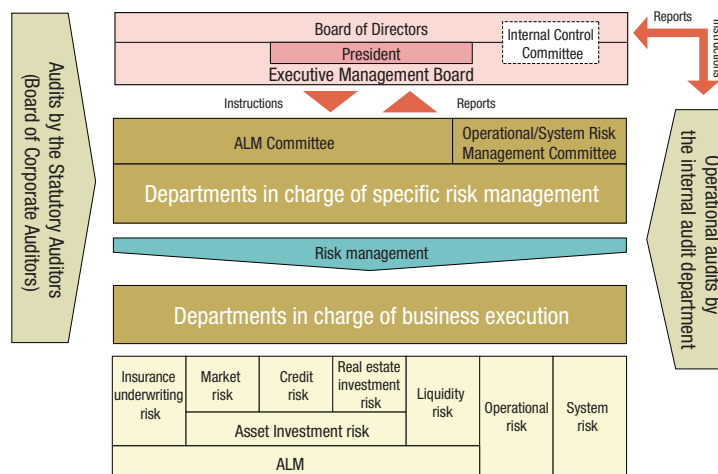
Our Basic Internal Control Policy includes our basic philosophy and policies regarding risk management. The approach used to manage each type of risk is developed in line with our series of Basic Risk Management Policies. In addition, each of the risk management regulations and standards is translated into practical rules, following our series of Basic Risk Management Policies.

Risk Management Structures

Risks arising from operations are managed at the discretion of the departments responsible for executing the related operations, in accordance with our series of Basic Risk Management Policies, and the management of risks is monitored by the departments responsible for risk management activities. To strengthen our risk management structure, we have established a Risk Management Department, which manages risks comprehensively, on a companywide basis. Management shares information regarding individual risks at regular meetings of our ALM Committee, Operational Risk Management Committee and System Risk Management Committee, and uses the shared information to guide its decision making. Moreover, our Internal Audit Department examines the effectiveness and appropriateness of our risk management functions.

Our Board of Directors receives reports on risk management to make its decisions about risk management. Our Corporate Auditors inspect overall risk management, including those taken by our management.

Dai-ichi's Risk Management Structure



Corporate Citizenship and Efforts regarding Environmental Issues

Corporate Citizenship

Basic Policy

Since by its very nature the life insurance business is devoted to enriching people's lives by offering them stability and well-being, one of Dai-ichi's most important aims is to grow as a good corporate citizen along with the communities in which it operates.

To retain the public's trust, we undertake corporate citizenship activities that enrich the lifecycle of our customers and make a contribution to their daily lives and their communities. These activities also include volunteer efforts by Dai-ichi employees.

Dai-ichi's corporate citizenship activities cover six areas: health and welfare, the living environment, education and research, local community support, fine art and culture, and sports. Our corporate citizenship activities are based on a concept of "nurturing" and "continuity." We try to increase the benefit of our activities by periodically reviewing and revising them in light of changing needs.

Public Health Award

In 1950, not long after the end of World War II, a Public Health Award was established to honor outstanding achievements by organizations or individuals in public health and sanitation. The Award has been presented every year since then with the sponsorship of the Ministry of Health, Labour and Welfare and other organizations. In the 62nd presentation of these awards in the fiscal year ended March 31, 2011, 10 organizations and 5 individuals were honored. To date, a total of 916 award winners, 605 organizations and 311 individuals, have been honored. Award winners every year receive an audience with the Emperor and Empress.

This award is highly regarded as the most prestigious in this field.



The achievements of the award winners are wide-ranging, and include medical treatment, local medical care, improvements to the living environment, maternal and child health, health and welfare for senior citizens and the physically challenged, initiatives to address the declining birth rate, and international health. The award clearly shows the history of the development of public health care in Japan after World War II.

Education and Research

■ Activities of FALIA

With an aspiration to assist in developing the life insurance industry, the Foundation for the Advancement of Life & Insurance Around the world (FALIA) holds a training program for people working in the life insurance industry in Japan and overseas. As of the end of March 2011, 3,260 trainees had attended the seminars in Japan and overseas. FALIA also holds seminars in other countries, totaling 152 seminars overall with more than 5,000 participants. In November 2010, the FALIA received the Golden Umbrella Award for its contribution to the healthy development of the insurance market in the Republic of Uzbekistan.



Research Activities

■ Dai-ichi Life Research Institute Inc.

Dai-ichi Life Research Institute Inc. (DLRI) operates in a broad spectrum of fields, from the economy to life.

The area of research and study covers a wide range, including the following:

- Macro economy, finance, and market trends relating to insurance and pension
- Life security, welfare, and population issues, etc.
- Life design, health, medical services, and nursing care

Some of the research and study results, including the Dai-ichi Life Research Institute Report and the Life Design Report, are published through news releases and on the Company website (<http://group.dai-ichi-life.co.jp/dlri/>). DLRI also contributes its work to newspapers and magazines and sends speakers to seminars hosted by Dai-ichi. At seminars for companies and groups, DLRI offers the YoYo Jinsei No Susume, a life design program which gives advice on post-retirement life design, and the Well Life Seminar with health among others as its theme.

Accompanying this rapid advance in a declining birthrate and an aging population in Japan, social and economic frameworks are also changing. DLRI will continue to engage in research and study activities, making full use of its characteristics as a life insurance think tank.

Local Community Support

■ Volunteer Activities

In their local communities, the Dai-ichi employee groups volunteer to take part in various activities, such as neighborhood cleanups, charity bazaars, support for welfare facilities, and fund-raising drives. In fiscal 1992, Dai-ichi has also established a “Matching Gift” program to give monetary support as donations or as expenses to employee groups. The company is encouraging employee participation in volunteer activities to contribute to their local communities.

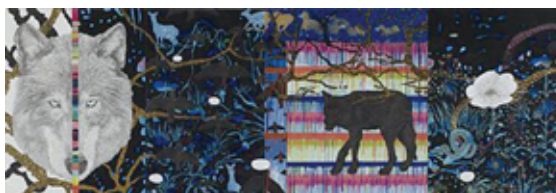
In fiscal 2010, the Company introduced the Action Gift System, in which it contributes a certain amount to activities that do not raise donations, such as cleanups, according to the number of participants, for donation to environmental protection groups. The number of participants in these activities was 4,840 in the Group as a whole.



Fine Art and Culture

■ VOCA Exhibition

We support the “Vision of Contemporary Art” (VOCA) exhibition as a part of our philanthropic efforts in the fine arts. The exhibition is intended to support the fostering of promising young modern artists and serve as a stimulus to the art world. In the 18th VOCA exhibition held in 2011, works of 36 young artists nationwide were exhibited, one of which was honored with the VOCA award, while others received other awards. Works honored with the VOCA award or the VOCA encouragement award are possessed by Dai-ichi, and are displayed periodically in the Dai-ichi Life Gallery located in the lobby on the ground floor of our Tokyo Head Office.



■ Dai-ichi Seimei Hall

In November of 2001, we opened “Dai-ichi Seimei Hall,” formerly a company facility, at Harumi Island Triton Square, located in Tokyo, as a hall hosting concerts, featuring a diverse range of performers. Dai-ichi Seimei Hall is managed by a non-profit cultural organization (NPO), Triton Arts Network (TAN). By supporting TAN, we are helping to promote music and develop communities. For these activities, Dai-ichi won the Grand Mécénat Award of 2009, which were presented by the Association for Corporate Support of the Arts, Japan.



Initiatives to Protect the Environment

To help achieve a sustainable society, Dai-ichi is pursuing comprehensive environmental conservation activities, seeking to (1) strike a balance between the development of societies and economies, and the global environment (2) contribute to the “building of a sustainable society.”

Establishment of an Environmental Management System to Promote DSR Management

The Dai-ichi Life Group’s Corporate Action Principles (DSR Charter) stipulate that “Recognizing that preserving the global environment is our social responsibility, we will be active in environmental protection on a daily and ongoing basis.” To put this into practice, we have adopted a set of basic environmental policies and developed a system to encourage environmental management to make concerted efforts as a group, in line with the PDCA cycle.

Formulation and Implementation of the Medium-Term Environmental Plan for FY2011 and FY2012

To become a global insurance group that contributes to the “building of a sustainable society” over the medium to long term, the Company has developed a Medium-Term Environmental Plan for FY2011 and FY2012 as part of its initiatives to promote the DSR management. The Plan sets out specific figures to target going forward through our business activities.

We will combine our efforts as a group to address environmental issues to achieve the Plan and contribute to harmony between social and economic development and the global environment through sound business activities, seeking to gain support from as many stakeholders as possible.

Medium-term Environmental Efforts Plan

Targets for FY2011 and FY2012

(1) Efforts to Prevent the Global Warming (Energy Saving)

Reduction of energy in offices

- CO₂ emissions (CO₂-ton)
Reducing CO₂ emissions by 10% compared to FY2007

Reduction of energy for distribution

- Energy for distribution (ton-km)
Reducing energy for distribution by 10% compared to FY2009

(2) Efforts to Build a Recyclable Society (Resource Saving)

Reduction of paper usage

- Total use of paper (ton)
Reducing the total use of paper by 20% compared to FY2009
- Use of office automation paper (ton)
Reducing the use of office automation paper by 15% compared to FY2009
- Number of kinds of business forms in mail box
Reducing the number of kinds of business forms in mail box by 20% compared to FY2009

Paper recycle

Promotion of the use of recycled paper

- Recovery of roll box resources
Maintaining a 100% recycling rate
- General waste in major offices
Maintaining a 100% recycling rate

Promotion of green purchase

- Green purchase rate 80%

(3) Corporate Efforts for Environmental Protection

Pro-environmental behavior through core businesses

- Promoting pro-environmental behavior in investment

Response to biodiversity conservation

- Promoting subsidies and support for environmental conservation activities

(4) Establishment of a System to Facilitate Environmental Management

Establishment of a system to facilitate environmental management

- Embedding the PDCA cycle in environmental efforts
- Raising awareness of directors, executive officers and employees about environmental efforts
- Stepping up disclosure of information relating to the environment

FINANCIAL SECTION

TABLE OF CONTENTS

TABLE OF CONTENTS -----	44
CONSOLIDATED BALANCE SHEETS -----	45
CONSOLIDATED STATEMENTS OF EARNINGS -----	46
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ---	47
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS --	48
CONSOLIDATED STATEMENTS OF CASH FLOWS -----	51
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	
As of and For the Years Ended March 31, 2010 and 2011-----	52
REPORT OF INDEPENDENT AUDITORS -----	89
NON-CONSOLIDATED BALANCE SHEETS -----	90
NON-CONSOLIDATED STATEMENTS OF EARNINGS -----	92
NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS ---	94
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS	
As of and For the Years Ended March 31, 2010 and 2011-----	99
REPORT OF INDEPENDENT AUDITORS -----	115

Consolidated Balance Sheets

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2010	2011	2011
(ASSETS)			
Cash and deposits	¥ 188,208	¥ 257,204	\$ 3,093
Call loans	249,100	244,700	2,942
Monetary claims bought	289,885	291,115	3,501
Money held in trust	55,685	62,838	755
Securities	25,147,356	25,597,752	307,850
Loans	3,834,955	3,627,991	43,631
Tangible fixed assets	1,244,006	1,296,105	15,587
Land	814,807	843,018	10,138
Buildings	408,356	445,572	5,358
Leased assets	646	1,474	17
Construction in progress	15,766	2,219	26
Other tangible fixed assets	4,428	3,821	45
Intangible fixed assets	105,381	104,173	1,252
Software	71,850	70,646	849
Other intangible fixed assets	33,531	33,527	403
Reinsurance receivable	45,828	45,764	550
Other assets	608,753	288,336	3,467
Deferred tax assets	339,534	477,206	5,739
Customers' liabilities for acceptances and guarantees	17,787	17,826	214
Reserve for possible loan losses	(21,111)	(12,928)	(155)
Reserve for possible investment losses	(1,123)	(223)	(2)
Total assets	32,104,248	32,297,862	388,428
(LIABILITIES)			
Policy reserves and others	29,112,220	29,641,967	356,487
Reserves for outstanding claims	150,313	198,841	2,391
Policy reserves	28,632,692	29,039,453	349,241
Reserve for policyholder dividends	329,214	403,671	4,854
Reinsurance payable	871	1,278	15
Subordinated bonds	46,510	149,129	1,793
Other liabilities	1,213,370	1,126,459	13,547
Reserve for employees' retirement benefits	411,440	420,067	5,051
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,336	3,168	38
Reserve for possible reimbursement of prescribed claims	1,100	1,100	13
Allowance for policyholder dividends	92,500	-	-
Reserves under the special laws	115,528	80,596	969
Reserve for price fluctuations	115,528	80,596	969
Deferred tax liabilities	682	798	9
Deferred tax liabilities for land revaluation	124,706	123,635	1,486
Acceptances and guarantees	17,787	17,826	214
Total liabilities	31,140,054	31,566,027	379,627
(NET ASSETS)			
Accumulated redeemed foundation funds	420,000	-	-
Revaluation reserve	248	-	-
Consolidated surplus	138,469	-	-
Total of foundation funds and surplus	558,718	-	-
Capital stock	-	210,200	2,527
Capital surplus	-	210,200	2,527
Retained earnings	-	149,007	1,792
Treasury stock	-	(20,479)	(246)
Total shareholders' equity	-	548,928	6,601
Net unrealized gains (losses) on securities, net of tax	462,289	238,886	2,872
Deferred hedge gains (losses)	(2,008)	1,243	14
Reserve for land revaluation	(63,540)	(65,194)	(784)
Foreign currency translation adjustments	(3,069)	(3,765)	(45)
Total accumulated other comprehensive income	393,671	171,169	2,058
Minority interests	11,804	11,737	141
Total net assets	964,193	731,835	8,801
Total liabilities and net assets	¥ 32,104,248	¥ 32,297,862	\$ 388,428

Consolidated Statements of Earnings

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
ORDINARY REVENUES.....	¥ 5,294,004	¥ 4,571,556	\$ 54,979
Premium and other income.....	3,704,259	3,312,456	39,837
Investment income.....	1,247,203	922,787	11,097
Interest and dividends.....	708,453	698,753	8,403
Gains on trading account securities.....	1,336	-	-
Gains on sale of securities.....	242,745	212,360	2,553
Gains on redemption of securities.....	4,472	1,533	18
Derivative transaction gains.....	-	9,233	111
Other investment income.....	561	906	10
Gains on investment in separate accounts.....	289,633	-	-
Other ordinary revenues.....	342,542	336,313	4,044
ORDINARY EXPENSES.....	5,105,793	4,490,356	54,003
Benefits and claims.....	2,656,900	2,711,314	32,607
Claims.....	777,372	765,792	9,209
Annuities.....	478,855	517,331	6,221
Benefits.....	538,923	514,565	6,188
Surrender values.....	671,927	659,025	7,925
Other refunds.....	189,822	254,599	3,061
Provision for policy reserves and others.....	1,194,284	466,486	5,610
Provision for reserves for outstanding claims.....	-	48,531	583
Provision for policy reserves.....	1,183,883	408,071	4,907
Provision for interest on policyholder dividends.....	10,401	9,882	118
Investment expenses.....	340,350	444,681	5,347
Interest expenses.....	12,725	13,074	157
Losses on money held in trust.....	9,616	5,718	68
Loss on trading securities.....	2,930	1,955	23
Losses on sale of securities.....	207,894	120,960	1,454
Losses on valuation of securities.....	7,824	179,622	2,160
Losses on redemption of securities.....	2,470	4,168	50
Derivative transaction losses.....	16,772	-	-
Foreign exchange losses.....	18,510	28,122	338
Provision for reserve for possible loan losses.....	10,299	-	-
Provision for reserve for possible investment losses.....	1,123	-	-
Write-down of loans.....	573	410	4
Depreciation of rented real estate and others.....	15,016	15,207	182
Other investment expenses.....	34,591	35,320	424
Losses on investment in separate accounts.....	-	40,119	482
Operating expenses.....	475,835	434,859	5,229
Other ordinary expenses.....	438,423	433,015	5,207
Net surplus from operations/ Ordinary profit.....	188,211	81,199	976
EXTRAORDINARY GAINS.....	336	40,023	481
Gains on disposal of fixed assets.....	166	3,350	40
Reversal of reserve for possible loan losses.....	-	1,052	12
Reversal of reserve for possible investment.....	-	498	5
Gains on collection of loans and claims written off.....	169	189	2
Reversal of reserve for price fluctuations.....	-	34,932	420
Other extraordinary gains.....	0	1	0
EXTRAORDINARY LOSSES.....	116,583	11,526	138
Losses on disposal of fixed assets.....	1,857	4,113	49
Impairment losses on fixed assets.....	4,897	3,338	40
Provision for allowance for policyholder dividends.....	92,500	-	-
Provision for reserve for price fluctuations.....	14,050	-	-
Losses on accelerated redemption of foundation funds.....	2,372	-	-
Effect of initial application of accounting standard for asset retirement obligations.....	-	4,074	48
Other extraordinary losses.....	906	0	0
Provision for reserve for policyholder dividends.....	-	78,500	944
Net surplus before adjustment for taxes, etc.....	71,964	-	-
Income before income taxes and minority interests.....	-	31,196	375
Corporate income taxes-current.....	911	26,514	318
Corporate income tax-deferred.....	16,092	(14,380)	(172)
Total of corporate income taxes.....	17,003	12,133	145
Income before minority interests.....	-	19,063	229
Minority interests in gain (loss) of subsidiaries.....	(703)	(75)	(0)
Net surplus for the year.....	¥ 55,665	-	-
Net income for the year.....	-	¥ 19,139	\$ 230

Consolidated Statement of Comprehensive Income

	(millions of yen)	(millions of US\$)
	Year ended March 31,	
	2011	2011
Income before minority interests.....	¥ 19,063	\$ 229
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	(223,366)	(2,686)
Deferred hedge gains (losses)	3,251	39
Foreign currency translation adjustments	(815)	(9)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method.....	102	1
Total other comprehensive income	(220,826)	(2,655)
Comprehensive income.....	(201,763)	(2,426)
(Details)		
Attributable to shareholders of the parent company.....	(201,708)	(2,425)
Attributable to minority interests	(54)	(0)

Consolidated Statements of Changes in Net Assets

	(millions of yen)		(millions of US\$)	
	Year ended March 31,			
	2010	2011	2011	
Foundation funds and surplus				
Foundation funds				
Balance at the end of the previous year	¥ 120,000	-	-	
Changes for the year				
Redemption of foundation funds	(120,000)	-	-	
Total changes for the year	(120,000)	-	-	
Balance at the end of the year	-	-	-	
Accumulated redeemed foundation funds				
Balance at the end of the previous year	300,000	-	-	
Changes for the year				
Transfer to accumulated redeemed foundation funds	120,000	-	-	
Total changes for the year	120,000	-	-	
Balance at the end of the year	420,000	-	-	
Revaluation reserve				
Balance at the end of the previous year	248	-	-	
Changes for the year				
Total changes for the year	-	-	-	
Balance at the end of the year	248	-	-	
Consolidated surplus				
Balance at the end of the previous year	265,787	-	-	
Changes for the year				
Transfer to reserve for policyholder dividends	(64,963)	-	-	
Transfer to accumulated redeemed foundation funds	(120,000)	-	-	
Interest payment for foundation funds	(2,328)	-	-	
Net surplus for the year	55,665	-	-	
Transfer from reserve for land revaluation	1,242	-	-	
Changes by capital increase of consolidated subsidiaries	2,457	-	-	
Others	607	-	-	
Total changes for the year	(127,317)	-	-	
Balance at the end of the year	138,469	-	-	
Total of foundation funds and surplus				
Balance at the end of the previous year	686,035	-	-	
Changes for the year				
Transfer to reserve for policyholder dividends	(64,963)	-	-	
Transfer to accumulated redeemed foundation funds	-	-	-	
Interest payment for foundation funds	(2,328)	-	-	
Net surplus for the year	55,665	-	-	
Redemption of foundation funds	(120,000)	-	-	
Transfer from reserve for land revaluation	1,242	-	-	
Changes by capital increase of consolidated subsidiaries	2,457	-	-	
Others	607	-	-	
Total changes for the year	(127,317)	-	-	
Balance at the end of the year	¥ 558,718	-	-	

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Shareholders' equity			
Capital stock			
Balance at the beginning of the year	-	¥ 210,200	\$ 2,527
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	210,200	2,527
Capital surplus			
Balance at the beginning of the year	-	210,200	2,527
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	210,200	2,527
Retained earnings			
Balance at the beginning of the year	-	138,318	1,663
Changes for the year			
Dividends	-	(10,000)	(120)
Net income for the year	-	19,139	230
Transfer from reserve for land revaluation	-	1,653	19
Others	-	(103)	(1)
Total changes for the year	-	10,689	128
Balance at the end of the year	-	149,007	1,792
Treasury stock			
Balance at the beginning of the year	-	-	-
Changes for the year			
Purchase of treasury stock	-	(20,479)	(246)
Total changes for the year	-	(20,479)	(246)
Balance at the end of the year	-	(20,479)	(246)
Total shareholders' equity			
Balance at the beginning of the year	-	558,718	6,719
Changes for the year			
Dividends	-	(10,000)	(120)
Net income for the year	-	19,139	230
Purchase of treasury stock	-	(20,479)	(246)
Transfer from reserve for land revaluation	-	1,653	19
Others	-	(103)	(1)
Total changes for the year	-	(9,790)	(117)
Balance at the end of the year	-	548,928	6,601
Accumulated other comprehensive income			
Net unrealized gains (losses) on securities, net of tax			
Balance at the beginning of the year	¥ (47,349)	462,289	5,559
Changes for the year			
Net changes of items other than foundation funds and surplus	509,639	-	-
Net changes of items other than shareholders' equity	-	(223,403)	(2,686)
Total changes for the year	509,639	(223,403)	(2,686)
Balance at the end of the year	462,289	238,886	2,872
Deferred hedge gains (losses)			
Balance at the beginning of the year	(357)	(2,008)	(24)
Changes for the year			
Net changes of items other than foundation funds and surplus	(1,651)	-	-
Net changes of items other than shareholders' equity	-	3,251	39
Total changes for the year	(1,651)	3,251	39
Balance at the end of the year	¥ (2,008)	¥ 1,243	\$ 14

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Reserve for land revaluation			
Balance at the beginning of the year	¥ (62,297)	¥ (63,540)	\$ (764)
Changes for the year			
Net changes of items other than foundation funds and surplus	(1,242)	-	-
Net changes of items other than shareholders' equity	-	(1,653)	(19)
Total changes for the year	(1,242)	(1,653)	(19)
Balance at the end of the year	(63,540)	(65,194)	(784)
Foreign currency translation adjustments			
Balance at the beginning of the year	(2,514)	(3,069)	(36)
Changes for the year			
Net changes of items other than foundation funds and surplus	(554)	-	-
Net changes of items other than shareholders' equity	-	(696)	(8)
Total changes for the year	(554)	(696)	(8)
Balance at the end of the year	(3,069)	(3,765)	(45)
Total accumulated other comprehensive income			
Balance at the beginning of the year	(112,519)	393,671	4,734
Changes for the year			
Net changes of items other than foundation funds and surplus	506,190	-	-
Net changes of items other than shareholders' equity	-	(222,501)	(2,675)
Total changes for the year	506,190	(222,501)	(2,675)
Balance at the end of the year	393,671	171,169	2,058
Minority interests			
Balance at the beginning of the year	6,412	11,804	141
Changes for the year			
Net changes of items other than foundation funds and surplus	5,391	-	-
Net changes of items other than shareholders' equity	-	(66)	(0)
Total changes for the year	5,391	(66)	(0)
Balance at the end of the year	11,804	11,737	141
Total net assets			
Balance at the beginning of the year	579,928	964,193	11,595
Changes for the year			
Transfer to reserve for policyholder dividends	(64,963)	-	-
Transfer to accumulated redeemed foundation funds	-	-	-
Interest payment for foundation funds	(2,328)	-	-
Net surplus for the year	55,665	-	-
Redemption of foundation funds	(120,000)	-	-
Dividends	-	(10,000)	(120)
Net income for the year	-	19,139	230
Purchase of treasury stock	-	(20,479)	(246)
Transfer from reserve for land revaluation	1,242	1,653	19
Changes by capital increase of consolidated subsidiaries	2,457	-	-
Others	607	(103)	(1)
Net changes of items other than foundation funds and surplus	511,582	-	-
Net changes of items other than shareholders' equity	-	(222,568)	(2,676)
Total changes for the year	384,264	(232,358)	(2,794)
Balance at the end of the year	¥ 964,193	¥ 731,835	\$ 8,801

Consolidated Statements of Cash Flows

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus before adjustment for taxes, etc.	¥ 71,964	¥ –	\$ –
Income before income taxes and minority interests	–	31,196	375
Depreciation of rented real estate and others	15,016	15,207	182
Depreciation	31,253	33,774	406
Impairment losses on fixed assets	4,897	3,338	40
Increase (decrease) in reserves for outstanding claims	(23,276)	48,531	583
Increase (decrease) in policy reserves	1,183,883	408,071	4,907
Provision for interest on policyholder dividends	10,401	9,882	118
Provision for (reversal of) reserve for policyholder dividends	–	78,500	944
Increase (decrease) in reserve for possible loan losses	10,189	(8,182)	(98)
Increase (decrease) in reserve for possible investment losses	1,123	(900)	(10)
Gains on collection of loans and claims written off	(169)	(189)	(2)
Write-down of loans	573	410	4
Increase (decrease) in reserve for employees' retirement benefits	5,869	8,629	103
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(150)	(167)	(2)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	100	–	–
Increase (decrease) in allowance for policyholder dividends	92,500	(92,500)	(1,112)
Transfer from allowance for policyholder dividends to reserve for policyholder dividends	–	92,500	1,112
Increase (decrease) in reserve for price fluctuations	14,050	(34,932)	(420)
Interest and dividends	(708,453)	(698,753)	(8,403)
Securities related losses (gains)	(317,067)	132,933	1,598
Interest expenses	12,725	13,074	157
Foreign exchange losses (gains)	18,510	28,122	338
Losses (gains) on disposal of fixed assets	1,690	763	9
Equity in losses (income) of affiliates	(892)	(4,355)	(52)
Decrease (increase) in trading account securities	52,597	–	–
Decrease (increase) in reinsurance receivable	(31,954)	64	0
Decrease (increase) in other assets	8,084	(5,688)	(68)
Increase (decrease) in reinsurance payable	284	406	4
Increase (decrease) in other liabilities	(23,951)	(2,150)	(25)
Others, net	78,453	41,408	497
Subtotal	508,252	98,996	1,190
Interest and dividends received	732,474	723,309	8,698
Interest paid	(11,463)	(9,091)	(109)
Policyholder dividends paid	(93,808)	(106,426)	(1,279)
Others, net	(258,298)	78,482	943
Corporate income taxes paid	56,097	(3,732)	(44)
Net cash flows provided by operating activities	933,254	781,539	9,399
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of monetary claims bought	(42,135)	(11,851)	(142)
Proceeds from sale and redemption of monetary claims bought	17,849	16,502	198
Purchases of money held in trust	(60,400)	(12,900)	(155)
Proceeds from decrease in money held in trust	26,611	–	–
Purchases of securities	(11,307,321)	(10,021,629)	(120,524)
Proceeds from sale and redemption of securities	10,226,631	9,035,758	108,668
Origination of loans	(391,340)	(389,518)	(4,684)
Proceeds from collection of loans	802,825	587,373	7,064
Others, net	(70,363)	48,715	585
Total of net cash provided by (used in) investment transactions	(797,643)	(747,550)	(8,990)
Total of net cash provided by (used in) operating activities and investment transactions	135,611	33,988	408
Acquisition of tangible fixed assets	(32,962)	(80,181)	(964)
Proceeds from sale of tangible fixed assets	653	6,829	82
Acquisition of intangible fixed assets	(21,454)	(21,165)	(254)
Proceeds from sale of intangible fixed assets	3	0	0
Payments for execution of assets retirement obligations	–	(151)	(1)
Net cash flows used in investing activities	(851,402)	(842,218)	(10,128)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing	–	55,597	668
Repayment of borrowings	(11)	(5,004)	(60)
Proceeds from issuing bonds	–	106,314	1,278
Repayment of financial lease obligations	(107)	(252)	(3)
Redemption of foundation funds	(120,000)	–	–
Interest paid on foundation funds	(5,963)	–	–
Purchase of treasury stock	–	(20,479)	(246)
Cash dividends paid	–	(9,881)	(118)
Proceeds from stock issuance to minority shareholders	8,500	–	–
Others, net	(4)	(12)	(0)
Net cash flows provided by (used in) financing activities	(117,586)	126,282	1,518
Effect of exchange rate changes on cash and cash equivalents	66	(1,006)	(12)
Net increase (decrease) in cash and cash equivalents	(35,667)	64,596	776
Cash and cash equivalents at the beginning of the year	472,975	437,308	5,259
Cash and cash equivalents at the end of the year	¥ 437,308	¥ 501,904	\$ 6,036

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED MARCH 31, 2010 AND 2011

1. Basis for Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by The Dai-ichi Mutual Life Insurance Company, or The Dai-ichi Life Insurance Company, Limited after April 1, 2010, (“DL”, the “Company” or the “Parent Company”) and its consolidated subsidiaries in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”) which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥83.15=US\$1.00, the foreign exchange rate on March 31, 2011, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

2. Principles of Consolidation

(1) Scope of Consolidation

The consolidated financial statements include the accounts of DL and its consolidated subsidiaries (collectively, “the Group”), including The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Frontier Life Insurance Co., Ltd. (“DFLI”), Dai-ichi Life Insurance Company of Vietnam, Limited, TAL Dai-ichi Life Australia Pty Ltd and TAL Dai-ichi Life Group Pty Ltd. The numbers of consolidated subsidiaries as of March 31, 2010 and 2011 were 3 and 5, respectively. TAL Dai-ichi Life Australia Pty Ltd and TAL Dai-ichi Life Group Pty Ltd were newly established in March 2011 and included in the scope of consolidation in the fiscal year ended March 31, 2011.

The numbers of affiliates under the equity method as of March 31, 2010 and 2011 were 30 and 27, respectively. The affiliates included DIAM Co., Ltd., DIAM U.S.A., Inc., DIAM International Ltd, DIAM SINGAPORE PTE. LTD., DIAM Asset Management (HK) Limited, Mizuho-DL Financial Technology Co., Ltd., Japan Real Estate Asset Management Co., Ltd., Trust & Custody Services Bank Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., NEOSTELLA CAPITAL CO., LTD., Ocean Life Insurance Co., Ltd., Tower Australia Group Limited, Star Union Dai-ichi Life Insurance Company Limited. In the year ended March 31, 2011, two subsidiaries and one affiliated company of Tower Australia Group Limited were excluded from the scope of the equity method as Tower Australia Group Limited disposed of its interest in the companies.

The non-consolidated subsidiaries (Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Human Net K.K., and Dai-ichi Seimei Business Service K.K. and others), as well as certain affiliated companies (DSC No. 3 Investment Partnership, CVC No. 1 Investment Limited Partnership, CVC No. 2 Investment Limited Partnership, NEOSTELLA No. 1 Investment Limited Partnership, O.M. Building Management Co., Ltd., and others) are not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net income (net surplus) for the year, retained earnings (consolidated surplus) and others at the year end.

The summary of special purpose entities is described in 38. Specified Purpose Companies.

(2) Year-end Dates of Consolidated Subsidiaries

The closing date of domestic consolidated subsidiaries is March 31, whereas that of foreign consolidated subsidiaries is December 31. Financial information as of those closing dates is used to prepare the consolidated financial statements, although the necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

(3) Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries, including the portion attributable to minority shareholders, were valued at fair value as of the respective dates of acquisition.

(4) Amortization of Goodwill and Negative Goodwill

The entire amount is expensed as incurred due to its immateriality.

3. Summary of Significant Accounting Policies

(1) Securities

Securities held by DL and its consolidated subsidiaries including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums or discounts is calculated by the straight-line method.

a) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

b) Held-to-maturity Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

- c) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry” issued by the Japanese Institute of Certified Public Accountants (JICPA))
- Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.
- Risk Management Policy

DL categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, it periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:

 - individual life insurance and annuities,
 - financial insurance and annuities, and
 - group annuities,

with the exception of certain types.
 - Changes in Classification

Effective the fiscal year ended March 31, 2010, in order to achieve integrated duration control, and thus promote more sophisticated ALM, DL added (a) defined benefit corporate pension insurance, (b) employees’ pension fund insurance (with the exception of certain types), and (c) new corporate pension insurance (with the exception of certain types) to the sub-group of employee-funded corporate pension contracts, and renamed it to “group annuities.” This redefinition did not have any impact on profits and losses of DL for the fiscal year ended March 31, 2010.
- d) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method
Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.
- e) Available-for-sale Securities
- i. Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value at the end of the year (for domestic stocks, the average value during March), with cost determined by the moving average method.

However, a certain domestic stock with market value was valued at fair value as of March 31, 2011, due to the factors including the significant differences between their average value during March 2011 and their fair value as of March 31, 2011.
 - ii. Available-for-sale Securities Whose Market Values Are Extremely Difficult to Be Recognized
 - a. Government/Corporate Bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment, are valued at the amortized cost, determined by the moving average method.
 - b. Others

All others are valued at cost using the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statements of earnings.
- f) Stocks of Subsidiaries
The amounts of stocks of non-consolidated subsidiaries and affiliated companies DL held as of March 31, 2010 and 2011 were ¥59,083 million and ¥64,653 million (US\$777 million), respectively.
- (2) Derivative Transactions
Derivative transactions are reported at fair value.
- (3) Depreciation of Depreciable Assets
- i) Depreciation of Tangible Fixed Assets Excluding Leased Assets
Depreciation of tangible fixed assets excluding leased assets is calculated by the following method:
 - a. Buildings (excluding leasehold improvements and structures)
 - i. Acquired on or before March 31, 2007
Calculated by the previous straight-line method.
 - ii. Acquired on or after April 1, 2007
Calculated by the straight-line method.
 - b. Assets Other than Buildings
 - i. Acquired on or before March 31, 2007
Calculated by the previous declining balance method.
 - ii. Acquired on or after April 1, 2007
Calculated by the declining balance method.

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that are acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the year ended March 31, 2008, the salvage values are depreciated in the five years following the year end when such assets were depreciated to their final depreciable limit.

Depreciation of tangible fixed assets owned by consolidated subsidiaries in Japan is principally calculated by the declining balance method, while the straight-line method is principally used to compute depreciation for such assets of consolidated overseas subsidiaries.

ii) Amortization of Intangible Fixed Assets Excluding Leased Assets

DL uses the straight-line method of amortization for intangible fixed assets excluding leased assets.

Amortization of software for internal use is based on the estimated useful life of five years.

iii) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value. Finance leases, which commenced on or before March 31, 2008, are accounted for in the same manner applicable to ordinary operating leases.

(4) Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, “bankrupt obligors”) and loans to and claims on obligors that have suffered substantial business failure (hereafter, “substantially bankrupt obligors”), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans and claims to obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, “obligors at risk of bankruptcy”), the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor’s ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in DL performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the years ended March 31, 2010 and 2011 were ¥4,206 million and ¥3,832 million (US\$46 million), respectively.

(5) Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of DL is established for securities whose market values are extremely difficult to be recognized. It is calculated based on the internal rules for self-assessment, write-offs and reserves on assets.

(6) Reserve for Employees’ Retirement Benefits

For the reserve for employees’ retirement benefits, the amount calculated in accordance with the accounting standards for retirement benefits (“Statement on Establishing Accounting Standards for Retirement Benefits” issued on June 16, 1998 by the Business Accounting Council) is provided.

Gains/losses on plan amendments are amortized by the straight-line method through a certain period of 3 to 7 years, which is within the employees’ average remaining service period.

Actuarial differences are amortized by the straight-line method through a certain period of 3 to 7 years starting from the following year, which is within the employees’ average remaining service period.

Certain consolidated subsidiaries applied simplified methods in calculating their projected benefit obligations.

Effective the fiscal year ended March 31, 2010, DL and its consolidated subsidiaries adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part3)” issued on July 31, 2008 by the Accounting Standards Board of Japan (ASBJ). This change did not have any impact on profits and losses of DL and its consolidated subsidiaries.

(Additional Information)

A certain consolidated subsidiary of DL introduced defined benefit pension plans as a replacement of tax-qualified pension plans on July 1, 2010. This change in retirement benefit plans had a minimal impact on the consolidated financial results for the fiscal year ended March 31, 2011.

(7) Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of DL, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of DL and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders of DL are provided.

For the reserve for retirement benefits of directors, executive officers, and corporate auditors of some of the consolidated subsidiaries, an amount considered to have been rationally incurred is provided.

(8) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had run out in the previous years, DL provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

(9) Allowance for policyholder dividends

Allowance for policyholder dividends is provided for paying out policyholder dividends deemed appropriate after demutualization of DL.

Transfers to reserve for policyholder (member) dividends by mutual life insurance companies constitute dispositions of net surplus. On the other hand, the equivalent of such transfer in the case of life insurance companies that are joint stock corporations is the allowance for policyholder dividends, which is reflected as a separate expense in the statement of earnings.

As DL reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010, DL recorded the allowance for policyholder dividends as a reserve to prepare for paying out policyholder dividends after the demutualization to its policyholders.

However, DL's reserve for policyholder dividends as of March 31, 2010 represents a combined amount of its allowance for policyholder dividends and reserve for policyholder dividends.

(10) Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

(11) Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

DL translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition.

Assets, liabilities, revenues, and expenses of its consolidated overseas subsidiaries are translated to yen at the exchange rates at the end of their fiscal year. Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheets.

At a certain consolidated subsidiary of DL, effective the fiscal year ended March 31, 2011, changes in fair value of foreign currency denominated available-for-sale bonds held for foreign currency-denominated insurance are divided into change in bond market prices in denominated currencies and changes in foreign exchange rates and accounted for as "net unrealized gains (losses) on securities" and "foreign exchange gains (losses)", respectively. (Additional Information)

Effective the fiscal year ended March 31, 2011, in order to achieve appropriate accounting for foreign exchange gains and losses of foreign currency-denominated available-for-sale securities and liabilities related to foreign currency-denominated annuity products introduced in the fiscal year, changes in fair value of foreign currency denominated available-for-sale bonds held for foreign currency-denominated individual annuities are divided into change in bond market prices in denominated currencies and changes in foreign exchange rates and accounted for as "net unrealized gains (losses) on securities" and "foreign exchange gains (losses)", respectively.

(12) Hedge Accounting

i) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" issued on March 10, 2008 by the Accounting Standards Board of Japan. Primarily, (1) special hedge accounting for interest rate swaps and the deferral hedge method are used for cash flow hedges of certain loans, government and corporate bonds, and loans and bonds payable; (2) the currency allotment method and deferral hedge method are used for cash flow hedges by foreign currency swaps and foreign currency forward contracts against exchange rate fluctuations in certain foreign currency-denominated loans, loans payable, bonds payable, term deposits and stocks (forecasted transaction); and (3) the fair value hedge method by currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds.

ii) Hedging Instruments and Hedged Instruments
Year Ended March 31, 2010

Hedging instruments	Hedged instruments
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps.....	Foreign currency-denominated loans
Foreign currency forward contracts.....	Foreign currency-denominated bonds, foreign currency-denominated term deposits
Currency options	Foreign currency-denominated bonds

Year Ended March 31, 2011

Hedging instruments	Hedged instruments
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps.....	Foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts.....	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transactions)
Currency options	Foreign currency-denominated bonds

iii) Hedging Policies

DL conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

iv) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

(13) Calculation of National and Local Consumption Tax

DL accounts for national and local consumption tax by the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

(14) Policy Reserves

Policy reserves of DL and its consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

- i) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
- ii) Reserves for other policies are established based on the net level premium method.
Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired on or before March 31, 1996, premium payments for which were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, additional provisions for policy reserves for the year ended March 31, 2010 and 2011 were ¥96,154 million and ¥112,631 million (US\$1,354 million), respectively.

(15) Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the year ended March 31, 2010 and 2011 were as follows:

- i) Method of Grouping Assets
Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.
- ii) Background for Recognition of Impairment Losses
As a result of significant declines in profitability or market value in some asset groups, DL wrote down the book value of these assets to the recoverable value, and reported the reduced amount as impairment losses in extraordinary losses.

iii) Breakdown of Impairment Losses

Impairment losses by asset group for the year ended March 31, 2010 were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasing Rights	Buildings	Total
(millions of yen)						
Real estate for rent	Assets including Yao City, Osaka Prefecture	6	¥ 341	¥ 200	¥ 605	¥ 1,147
Real estate not in use	Assets including Hiroshima City, Hiroshima Prefecture	56	2,733	–	1,016	3,749
Total		62	¥ 3,074	¥ 200	¥ 1,621	¥ 4,897

Impairment losses by asset group for the year ended March 31, 2011 were as follows:

Asset Group	Place	Number	Impairment Losses					
			(millions of yen)			(millions of US\$)		
			Land	Buildings	Total	Land	Buildings	Total
Real estate for rent	Assets including Iwaki City, Fukushima Prefecture	4	¥ 132	¥ 169	¥ 302	\$ 1	\$ 2	\$ 3
Real estate not in use	Assets including Himeji City, Hyogo Prefecture	64	2,082	953	3,036	25	11	36
Total		68	¥ 2,215	¥ 1,123	¥ 3,338	\$ 26	\$ 13	\$ 40

iv) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.96% and 2.89% for the years ended March 31, 2010 and 2011, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as the net sale value.

(16) Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2011, the market value of the securities borrowed which were not sold or pledged was ¥1,301 million, among which no securities were pledged as collateral.

(17) Policy Acquisition Costs

The costs of acquiring and renewing business, which include agent commissions and certain other costs directly related to the acquisition of business, are expensed when incurred as the Insurance Business Act in Japan does not permit insurance companies to defer and amortize these costs.

(18) Application of "Accounting Standard for Asset Retirement Obligations"

Effective the fiscal year ended March 31, 2011, the Group applied "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008). As a result, ordinary profit and income before income taxes and minority interests for the fiscal year ended March 31, 2011 decreased by ¥497 million (US\$5 million) and ¥4,572 million (US\$54million), respectively, compared to the corresponding figures calculated by the previous method. The amount of change in asset retirement obligations incurred due to the initial application of the accounting standard for the fiscal year was ¥3,247 million (US\$39 million).

i) Overview of Asset Retirement Obligation

The Group recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to the removal of (1) tangible fixed assets and (2) certain harmful substances in the tangible fixed assets and so recorded the asset retirement obligation.

ii) Calculation of Asset Retirement Obligation

The Group calculated the asset retirement obligation by (1) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and (2) applying discount rates ranging from 0.144% to 2.293%.

iii) Increase and Decrease in Asset Retirement Obligation

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2011:

	(millions of yen)	(millions of US\$)
Beginning balance	¥ 3,247	\$ 39
Time progress adjustments	43	0
Others	728	8
Ending balance	¥ 4,019	\$ 48

Note:

The "Beginning balance" in the above table represents the amount of asset retirement obligations as of April 1, 2010 instead of that of March 31, 2010, as the Group applied the standard effective the fiscal year ended March 31, 2011.

(19) Presentation of Net Assets

Due to DL's demutualization on April 1, 2010, net assets in its balance sheet as of March 31, 2011 were reported in a joint stock corporation format, while those as of March 31, 2010 were reported in a mutual company format.

(20) Income Before Minority Interests

Following application of "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No.5, March 24, 2009) based on "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued on December 26, 2008), income before minority interests account was newly added to the consolidated statements of earnings effective the fiscal year ended March 31, 2011.

(21) Introduction of Stock Granting Trust (J-ESOP)

Effective the fiscal year ended March 31, 2011, DL introduced Stock Granting Trust (J-ESOP). J-ESOP is an incentive program granting middle managements who fulfill requirements under its Stock Granting Regulations shares of common stock to motivate them to improve corporate value and financial results and, thus, stock prices by (1) linking their retirement benefits to the stock price and financial results of DL and (2) sharing economic benefits with stockholders.

DL vests points to each managerial level employee based on her/his contribution to DL and grants stocks of DL based on her/his total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from DL.

Taking into consideration the economic reality of the J-ESOP trust, assets, including stocks of DL, and liabilities of the J-ESOP trust are recorded in DL's consolidated balance sheet as of March 31, 2011 and statement of earnings, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the fiscal year ended March 31, 2011.

The J-ESOP trust owned 45 thousand shares of common stock of DL as of March 31, 2011.

(22) Introduction of Trust-type Employee Shareholding Incentive Plan (E-Ship®)

Effective the fiscal year ended March 31, 2011, DL introduced a Trust-type Employee Shareholding Incentive Plan (E-Ship®). E-Ship® is an incentive program for employees who are members of the Dai-ichi Life Insurance Employee Stock Holding Partnership Plan (the "Plan"). In the E-Ship®, DL sets up the E-Ship trust at a trust bank. The E-ship trust estimates the number of shares of common stock of DL which the Plan is to acquire in the next 5 years after the setup of the E-Ship trust and purchases the shares in advance. The Plan buys shares of DL from the E-Ship trust periodically. At the end of the trust period, the Plan's retained earnings, accumulation of net gains on sales of shares of DL, are to be distributed to the members, who fulfill the requirements for eligible beneficiaries. On the other hand, DL will compensate outstanding debt at the end of the period due to accumulation of net losses on shares as DL guarantees the debt of the E-Ship trust for share purchases.

Taking into consideration the economic reality of the E-Ship trust, assets, including stocks of DL, and liabilities of the E-ship trust are recorded in DL's consolidated balance sheet as of March 31, 2011 and statement of earnings, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the fiscal year ended March 31, 2011.

The E-ship trust owned 93 thousand shares of common stock of DL as of March 31, 2011.

4. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

Cash and cash equivalents in the consolidated statements of cash flows consist of the following items contained in the consolidated balance sheets: cash and deposits, call loans, commercial paper included in monetary claims bought, money market funds included in securities, and overdrafts included in other liabilities.

5. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were as follows:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Securities (Government bonds)	¥ 390,274	¥ 445,706	\$ 5,360
Securities (Foreign securities).....	8,791	7,347	88
Cash/deposits.....	86	86	1
Securities and cash/deposits pledged as collateral	¥ 399,153	¥ 453,140	\$ 5,449

The amounts of secured liabilities were as follows:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Cash collateral for securities lending transactions	¥ 390,728	¥ 439,443	\$ 5,284
Loan	14	10	0
Secured liabilities	¥ 390,743	¥ 439,454	\$ 5,285

Among the amounts, "Securities (Government bonds)" for securities lending transactions as of March 31, 2010 and 2011 were ¥389,085 million and ¥436,425 million (US\$5,248 million), respectively.

6. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheets. The total balance of securities lent as of March 31, 2010 and 2011 was ¥436,743 million and ¥482,741 million (US\$5,805 million), respectively.

7. Problem Loans

As of March 31, 2010 and 2011, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were ¥35,981 million and ¥25,639 million (US\$308 million), respectively.

As of March 31, 2010, the amount of credits to bankrupt borrowers was ¥5,259 million, the amount of delinquent loans was ¥28,338 million, DL held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,383 million.

As of March 31, 2011, the amount of credits to bankrupt borrowers was ¥5,034 million (US\$60 million), the amount of delinquent loans was ¥17,349 million (US\$208 million), DL held no amount of loans past due for three months or more, and the amount of restructured loans was ¥3,255 million (US\$39 million).

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Law. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans, credits to bankrupt borrowers and delinquent loans decreased by, ¥736 million and ¥3,469 million respectively, in the year ended March 31, 2010, and ¥739 million (US\$8 million) and ¥3,093 million (US\$37 million), respectively, in the year ended March 31, 2011.

8. Commitment Line

As of March 31, 2010 and 2011, there were unused commitment line agreements under which DL is the lender of ¥6,529 million and ¥5,300 million (US\$63 million), respectively.

9. Accounting of Beneficial Interests in Securitized Mortgage Loans

As of March 31, 2010 and 2011, the trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by DL in August 2000, amounted to ¥25,337 million and, ¥25,105 million (US\$301 million) respectively, and are included as loans in the consolidated balance sheets. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balances of the underlying loans in the trust as of March 31, 2010 and 2011 were ¥53,995 million and, ¥44,268 million (US\$532 million), respectively.

10. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2010 and 2011 was ¥645,081 million and ¥658,950 million (US\$7,924 million), respectively.

11. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2010 and 2011 were ¥2,470,865 million and ¥2,461,453 million (US\$29,602 million), respectively. Separate account liabilities were the same amount as separate account assets.

12. Reinsurance

As of March 31, 2010 and 2011, reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter, "reserves for outstanding claims reinsured") were ¥27 million and ¥21 million (US\$0 million), respectively.

As of March 31, 2010 and 2011, the amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter, "policy reserves reinsured") was ¥1,498 million and ¥7,473 million (US\$89 million), respectively.

13. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Balance at the end of the previous year	¥ 347,658	¥ 329,214	\$ 3,959
Transfer from allowance for policyholder dividends	–	92,500	1,112
Transfer from surplus in the previous year	64,963	–	–
Dividends paid in the year	(93,808)	(106,426)	(1,279)
Interest accrual in the year	10,401	9,882	118
Provision for reserve for policyholder dividends	–	78,500	944
Balance at the end of the year	¥ 329,214	¥ 403,671	\$ 4,854

14. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of DL and its subsidiaries that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2010 and 2011 were ¥62,175 million and ¥61,381 million (US\$738 million), respectively. These obligations will be recognized as operating expenses in the years in which they are paid.

15. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), DL revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land
The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.
- The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law of Revaluation of Land was ¥8,994 million as of March 31, 2010, which included ¥39,087 million negative excess (deficiency) attributable to real estate for rent, and ¥55,701 million (US\$669 million) as of March 31, 2011, which included ¥2,419 million (US\$29 million) negative excess (deficiency) attributable to real estate for rent.

16. Subordinated Bonds

Subordinated bonds of ¥46,510 million and ¥149,129 million (US\$1,793 million) shown in liabilities as of March 31, 2010 and 2011 were foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

Issuer	Description	Issuance Date	Balance as of March 31, 2010	Balance as of March 31, 2011	Interest rate (%)	Collateral	Maturity Date
(millions of yen)							
DL	Foreign currency (US dollar) denominated subordinated bonds	March 17, 2004	46,510 [499 mil USD]	41,567 [499 mil USD]	5.73	None	March 17, 2014
DL	Foreign currency (US dollar) denominated perpetual subordinated bonds	March 15, 2011	-	107,562 [1,300 mil USD]	7.25	None	Perpetual
Total	-	-	46,510	149,129	-	-	-

Note:

- The figures in parentheses represent the principle amount in US dollars.
- The following table shows the maturities of long-term borrowings for the 5 years subsequent to March 31, 2011.

Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
(millions of yen)				
-	-	41,575	-	-

17. Subordinated Debt

As of March 31, 2010 and 2011, other liabilities included subordinated debt of ¥313,000 million and ¥350,000 million (US\$4,209 million), respectively, the repayment of which is subordinated to other obligations.

Category	Balance as of March 31, 2010	Balance as of March 31, 2011	Average interest rate (%)	Maturity
(millions of yen)				
Current portions of long-term borrowings.....	¥ 2	¥ 2	5.2	-
Current portions of lease obligations	161	363	-	-
Long-term borrowings (excluding current portion).....	313,012	363,605	2.7	September 2012 - perpetual
Lease obligations (excluding current portion)	485	1,111	-	April 2012 - February 2016
Total	¥ 313,661	¥ 365,082	-	-

Note:

- Those borrowings and lease obligations above are included in the "other liabilities" on the consolidated balance sheets.
- The average interest rate represents the weighted-average rate applicable to the balance as of March 31, 2011. As for lease obligations, description is omitted since interest method is applied.
- The following table shows the maturities of long-term borrowings (excluding the current portion or those without maturities) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2011.

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
(millions of yen)				
Long-term borrowings	¥ 2	¥ 30,002	¥ 1	¥ 0
Lease obligations.....	355	350	280	125

18. Assets Denominated in Foreign Currencies

Assets of DL denominated in foreign currencies as of March 31, 2010 totaled ¥5,382,291 million. The principal foreign currency asset amounts as of March 31, 2010 were US\$27,224 million and €17,327 million, respectively.

19. Redemption of Foundation Funds and Provision for Accumulated Redeemed Foundation Funds

In accordance with the Plan for Demutualization approved at the 108th general meeting of representative policyholders, in preparation for demutualization DL redeemed the whole unredeemed balance of its foundation funds amounting to ¥100,000 million (¥40,000 million of the unredeemed portion, at that point, of ¥60,000 million foundation fund issued in the year ended March 31, 2005 and the whole ¥60,000 million foundation fund issued in the year ended March 31, 2007) on March 26, 2010, before their maturity dates, in accordance with Article 89 of the Insurance Business Act.

In the year ended March 31, 2010, due to the redemption of foundation funds of ¥120,000 million (including foundation fund of ¥20,000 million redeemed in August 2009), DL provided the same amount as accumulated redeemed foundation funds, in accordance with Article 56 of the Insurance Business Act.

20. Organizational Change Surplus

The amount of DL's organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million (US\$1,416 million).

21. Operating Expenses

Details of operating expenses for the years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Sales activity expenses	¥ 198,910	¥ 172,140	\$ 2,070
Sales management expenses.....	73,020	70,536	848
General management expenses.....	203,905	192,183	2,311

22. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Land	¥ 134	¥ 3,122	\$ 37
Buildings	25	187	2
Other tangible assets.....	6	27	0
Other intangible assets.....	0	-	-
Other assets.....	-	11	0
Total	¥ 166	¥ 3,350	\$ 40

23. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Land	¥ 102	¥ 530	\$ 6
Buildings	1,003	2,515	30
Leased assets.....	21	-	-
Other tangible assets.....	103	180	2
Software.....	150	79	0
Other intangible assets.....	266	-	-
Other assets.....	209	806	9
Total	¥ 1,857	¥ 4,113	\$ 49

24. Minority Interests

The increases in minority interests in consolidated subsidiaries of DL during the fiscal year ended March 31, 2010 were due to the increase in their capital stock by ¥6,042 million.

25. Reconciliations of Cash and Cash Equivalents

Reconciliations of cash and cash equivalents to balance sheet accounts as of March 31, 2010 and 2011 were as follows:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Cash and cash deposits	¥ 188,208	¥ 257,204	\$ 3,093
Call loans	249,100	244,700	2,942
Cash and cash equivalents.....	¥ 437,308	¥ 501,904	\$ 6,036

26. Lease Transactions

Finance Leases (As lessee)

(i) Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2010 were as follows:

	Acquisition cost	Accumulated depreciation	Net carrying amount
		(millions of yen)	
Tangible fixed assets	¥ 12,520	¥ 10,856	¥ 1,663
Total	¥ 12,520	¥ 10,856	¥ 1,663

Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2011 were as follows:

	Acquisition cost	Accumulated depreciation	Net carrying amount	Acquisition cost	Accumulated depreciation	Net carrying amount
		(millions of yen)			(millions of US\$)	
Tangible fixed assets	¥ 2,138	¥ 1,653	¥ 484	\$ 25	\$ 19	\$ 5
Total	¥ 2,138	¥ 1,653	¥ 484	\$ 25	\$ 19	\$ 5

Note:

1. Acquisition cost is calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(ii) Obligations under finance leases as of March 31, 2010 and 2011 were as follows:

	As of March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
Due within one year	¥ 1,178	¥ 347	\$ 4
Due after one year	484	137	1
Total	¥ 1,663	¥ 484	\$ 5

Note:

1. Obligations under finance leases are calculated by the interest -payable- including- method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(iii) Total payments for finance leases and depreciation for years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
Total payments for finance leases	¥ 2,513	¥ 432	\$ 5
Depreciation.....	2,513	432	5

(iv) Calculation method of depreciation

Depreciation for leased assets is calculated over the lease term by the straight-line method assuming zero salvage value.

Operating Lease

As Lessee:

Future minimum lease payments under noncancellable operating leases as of March 31, 2010 and 2011 were as follows:

	As of March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
Due within one year	¥ 2,259	¥ 627	\$ 7
Due after one year	6,914	6,318	75
Total	¥ 9,173	¥ 6,945	\$ 83

27. Financial Instruments

Policies in Utilizing Financial Instrument

In an effort to manage our investment assets in a manner appropriate to our liabilities, which arise from the insurance policies we underwrite, we engage in asset liability management, or ALM, which considers the long-term balance between assets and liabilities in an effort to ensure stable returns. With such strategy, DL sets fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, DL holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

With respect to financing, DL has raised capital directly from the capital markets by issuing subordinated bonds and securitizing subordinated loans as well as indirectly from banks in order to strengthen its capital base and to invest such capital in growth areas. To avoid impacts from interest-rate fluctuations, DL utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

DL uses derivatives primarily to hedge the risks associated with our existing asset portfolio to supplement our investment objectives.

Moreover, DFLI, one of the consolidated subsidiaries of DL, utilizes derivatives to mitigate the risks associated with guaranteed minimum benefits.

Financial Instruments Used and Their Risks

Securities included in financial assets of DL, mainly stocks and bonds, are categorized by their investment objectives such as held-to-maturity, policy-reserve-matching and available-for-sale. Loans are exposed to credit risk arising from the defaults of obligors. Such securities and loans are exposed to (1) market fluctuation risk, (2) credit risk, and (3) interest-rate risk.

In certain circumstances, DL and its subsidiaries might be exposed to liquidity risk, in which they cannot access the financial market and make timely payments of principal, interest or other amounts. Also, some of our loans and bonds payable are floating interest rate based and/or foreign currency-denominated and, thus, DL is exposed to interest-rate and/or currency risk.

DL utilizes interest rate swaps to hedge interest-rate risk associated with some of its loans receivable and payable and adopts hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in the “Opinion on the establishment of accounting standards for financial instruments”, DL has established investment policy and procedure guidelines and clarifies the risk of underlying assets to be hedged and derivative instruments to be used, and conducts pre- and post-effectiveness tests of the transactions.

Risk Management

(i) Market Risk Management

Under its internal investment policy and risk management policy, DL manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups by the investment purpose and manages them taking into account each of their risk characteristics.

a. Interest rate risk

DL keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports them to its board of directors. It utilizes interest rate swaps to hedge some of interest rate risk associated with its financial assets.

b. Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports them to its board of directors. It utilizes derivatives such as foreign currency forward contracts and currency options to hedge some of the currency risk.

c. Fluctuation in market values

The Company defines risk management policies for each component of its overall portfolio, including securities, and specific risk management procedures. In such policies and procedures, it sets and manages upper limits of each asset balance and risk exposure.

Such management conditions are periodically reported by Risk Management Department of DL to the board of directors, management meetings, and ALM committee.

d. Derivative transactions

For derivative transactions, DL has established internal check system by segregating (i) executing department, (ii) department which engages in assessment of hedge effectiveness, and (iii) back-office. Additionally, in order to limit speculative use of derivatives, DL has put restrictions on utilization purpose such as hedging and establishes position limits for each asset class.

DFLI utilizes derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of variable annuities. In accordance with its internal regulations to manage the risks associated with its guaranteed minimum maturity benefits, DFLI (i) assesses hedge effectiveness of derivative transactions, (ii) manages gains and losses from derivative transactions on a daily basis, and (iii) periodically checks its progress on reducing the

risk associated with its guaranteed minimum maturity benefits and measures VaR (value-at-risk).

DFLI's Compliance and Risk Management Department is in charge of managing overall risks including risks associated with its guaranteed minimum maturity benefits, and periodically reports the status of such management to DFLI's Board of Directors and Internal Control Committee.

(ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, DL has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the Credit Department sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk taking is restricted since front offices such as Fixed Income Investment Department and Foreign Fixed Income Investment Department make investment within those caps. That credit management has been conducted by Credit Department and Risk Management Department, and has been periodically reported to Board of Directors and other management. Additionally, Internal Control and Auditing Department has checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the Credit Department which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the Risk Management Department which periodically calculates current exposures.

Supplementary Explanation for Fair Values of Financial Instruments

As well as the values based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in "Fair Values of Financial Instruments", the contract value itself does not indicate market risk related to derivative transactions.

Fair Values of Financial Instruments

Carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2010 and 2011 were as follows.

The following tables do not include financial instruments whose fair values were extremely difficult to be recognized.

As of March 31, 2010			
	Carrying amount	Fair value	Gains (Losses)
(millions of yen)			
(1) Cash and deposits.....	¥ 188,208	¥ 188,222	¥ 14
(2) Call loans	249,100	249,100	-
(3) Monetary claims bought.....	289,885	289,885	-
(4) Money held in trust.....	55,685	55,685	-
(5) Securities			
1. Trading securities	2,371,687	2,371,687	-
2. Held-to-maturity bonds	171,263	174,819	3,556
3. Policy-reserve-matching bonds	5,766,069	5,889,306	123,236
4. Stocks of subsidiaries and affiliates ..	15,784	24,415	8,631
5. Securities available for sale.....	15,466,378	15,466,378	-
(6) Loans	3,834,955		
Reserves for possible loan losses ^(*)	(19,478)		
	3,815,476	3,914,618	99,141
Total assets	¥ 28,389,540	¥ 28,624,119	¥ 234,579
(1) Bonds	¥ 46,510	¥ 48,112	¥ 1,602
(2) Long-term borrowings	313,014	331,171	18,156
Total liabilities	¥ 359,524	¥ 379,283	¥ 19,758
Derivative transactions ^{(*)2}			
1. Hedge accounting not applied	¥ [4,582]	¥ [4,582]	¥ -
2. Hedge accounting applied.....	[6,952]	[4,109]	2,842
Total derivative transactions	¥ [11,534]	¥ [8,691]	¥ 2,842

As of March 31, 2011						
	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
		(millions of yen)			(millions of US\$)	
(1) Cash and deposits.....	¥ 257,204	¥ 257,218	¥ 13	\$ 3,093	\$ 3,093	\$ 0
(2) Call loans.....	244,700	244,700	–	2,942	2,942	–
(3) Monetary claims bought.....	291,115	291,115	–	3,501	3,501	–
(4) Money held in trust.....	62,838	62,838	–	755	755	–
(5) Securities						
1. Trading securities	2,376,259	2,376,259	–	28,577	28,577	–
2. Held-to-maturity bonds.....	145,823	150,247	4,424	1,753	1,806	53
3. Policy-reserve-matching bonds	6,870,639	7,092,066	221,426	82,629	85,292	2,662
4. Stocks of subsidiaries and affiliates ..	21,256	42,999	21,743	255	517	261
5. Securities available for sale.....	14,943,895	14,943,895	–	179,722	179,722	–
(6) Loans.....	3,627,991			43,631		
Reserves for possible loan losses ^(*)	(11,033)			(132)		
	3,616,957	3,706,833	89,875	43,499	44,580	1,080
Total assets	¥ 28,830,691	¥ 29,168,174	¥ 337,483	\$ 346,731	\$ 350,789	\$ 4,058
(1) Bonds	¥ 149,129	¥ 149,557	¥ 427	\$ 1,793	\$ 1,798	\$ 5
(2) Long-term borrowings	363,607	391,832	28,224	4,372	4,712	339
Total liabilities	¥ 512,737	¥ 541,389	¥ 28,652	\$ 6,166	\$ 6,510	\$ 344
Derivative transactions ^(*)						
1. Hedge accounting not applied	¥ 1,519	¥ 1,519	¥ –	\$ 18	\$ 18	\$ –
2. Hedge accounting applied.....	[116,863]	[114,253]	2,609	[1,405]	[1,374]	31
Total derivative transactions.....	¥ [115,343]	¥ [112,734]	¥ 2,609	\$ [1,387]	\$ [1,355]	\$ 31

(*) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*) Credits/debts from derivative transactions are net base. Figures in [] are net debts.

Note 1: Notes to Methods for Calculating Fair Values of Financial Instruments, Securities and Derivative Transactions

• Assets

(1) Cash and deposits

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying amount for each segment based on the term, using deposit interest rate which is assumed to be applied to new deposit. As for deposits close to maturity and deposits without maturity, fair value is based on carrying amount since fair value is close to carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

Fair value of monetary claims bought is based on the price presented by counterparty financial institutions.

(4) Money held in trust

Fair value of stocks is based on the price on stock exchanges and that of bonds is based on price on bond markets or price presented by counterparty financial institutions. Fair value of mutual funds is based on unit price.

For details on derivative transactions of money held in trust, please refer to 30. Derivative Transactions.

(5) Securities

Fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. Fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in 28. Securities.

(6) Loans

Fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and fair value is close to the carrying amount on the balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without due date, because of its characteristics that the amount is limited to collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, its book value is recorded as the fair value.

• Liabilities

(1) Bonds

Fair value of bonds issued by DL is based on the price on the bond market.

(2) Long-term borrowings

Fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining period which are assumed to be applied to new borrowing.

• Derivative Instruments

For details on derivative transactions of money held in trust, please refer to 30. Derivative Transactions.

Note 2: Available-for-sale securities not recorded at market value are as follows and are not included in the market value of (5) Securities

	As of March 31,		
	2010	2011	2011
	Carrying amount		
	(millions of yen)		(millions of US\$)
1. Unlisted domestic stocks ^(*) (^(*) 2)	¥ 165,015	¥ 164,345	\$ 1,976
2. Unlisted foreign stocks ^(*) (^(*) 2)	17,409	17,069	205
3. Other foreign securities ^(*) (^(*) 2)	1,066,014	969,424	11,658
4. Other securities ^(*) (^(*) 2)	107,733	89,037	1,070
Total	¥ 1,356,172	¥ 1,239,877	\$ 14,911

(*) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of market value information.

(*)2 DL recorded impairment charges of ¥1,373 million for the year ended March 31, 2010 and ¥259 million for the year ended March 31, 2011.

Note 3: Scheduled redemptions of money held in trust and securities with maturities

	As of March 31, 2010			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(millions of yen)			
Cash and deposits	¥ 187,858	¥ 150	¥ 200	¥ -
Call loans	249,100	-	-	-
Monetary claims bought	210	15,251	2,953	267,232
Money held in trust ^(*)	-	1,489	-	-
Securities				
Held-to-maturity bonds	20,900	60,400	-	47,900
Held-to-maturity bonds (foreign bonds)	-	46,520	-	-
Policy-reserve-matching bonds	-	496,756	350,080	4,970,559
Available-for-sale securities with maturities (bonds)	473,594	1,878,038	2,211,457	2,526,402
Available-for-sale securities with maturities (foreign securities) ..	107,485	1,841,140	1,076,072	1,478,756
Available-for-sale securities with maturities (other securities) ...	4	55,852	23,473	31,986
Loans ^(*) 2	350,274	1,295,445	1,114,006	407,609

(*)1 Money held in trust without maturities amounted to ¥54,195 million and was not included.

(*)2 Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥29,801 million and were not included. Also, ¥637,371 million of loans without maturities were not included.

As of March 31, 2011				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(millions of yen)				
Cash and deposits	¥ 256,704	¥ 300	¥ 200	¥ -
Call loans	244,700	-	-	-
Monetary claims bought	-	9,343	-	271,645
Money held in trust ^{(*)1}	1,000	479	-	-
Securities				
Held-to-maturity bonds	10,000	50,400	-	47,900
Held-to-maturity bonds (foreign bonds)	-	41,575	-	-
Policy-reserve-matching bonds	-	588,586	220,320	6,116,459
Available-for-sale securities with maturities (bonds)	343,004	1,491,695	2,313,382	2,284,989
Available-for-sale securities with maturities (foreign securities) ..	172,323	2,002,335	1,363,306	1,902,048
Available-for-sale securities with maturities (other securities) ...	3,820	53,898	18,490	24,429
Loans ^{(*)2}	333,410	1,280,893	968,507	430,493

As of March 31, 2011				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(millions of US\$)				
Cash and deposits	\$ 3,087	\$ 3	\$ 2	\$ -
Call loans	2,942	-	-	-
Monetary claims bought	-	112	-	3,266
Money held in trust ^{(*)1}	12	5	-	-
Securities				
Held-to-maturity bonds	120	606	-	576
Held-to-maturity bonds (foreign bonds)	-	500	-	-
Policy-reserve-matching bonds	-	7,078	2,649	73,559
Available-for-sale securities with maturities (bonds)	4,125	17,939	27,821	27,480
Available-for-sale securities with maturities (foreign securities) ..	2,072	24,080	16,395	22,874
Available-for-sale securities with maturities (other securities) ...	45	648	222	293
Loans ^{(*)2}	4,009	15,404	11,647	5,177

(*)1 Money held in trust without maturities amounted to ¥61,358 million and was not included.

(*)2 Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥18,955 million and were not included. Also, ¥595,172 million of loans without maturities were not included.

Note 4: Scheduled maturities of bonds and long term borrowings

As of March 31, 2010						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(millions of yen)						
Bonds	-	-	-	46,520	-	-
Long term borrowings	2	2	2	30,002	1	283,002

As of March 31, 2011						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(millions of yen)						
Bonds	-	-	41,575	-	-	-
Long term borrowings	2	2	30,002	1	0	1

As of March 31, 2011						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(millions of US\$)						
Bonds	-	-	500	-	-	-
Long term borrowings	0	0	360	0	0	0

(Additional Information)

Effective April 1, 2009, the Group had adopted Accounting Standard for Financial Instruments and its Implementation Guidance (ASBJ Statement No. 10) and ASBJ Guidance No. 19 Guidance on Disclosures about Fair Value of Financial Instruments, both released on March 10, 2008.

28. Securities

Trading Securities:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Gains (losses) on valuation of trading securities	¥ 309,530	¥ (31,414)	\$ (377)

Held-to-maturity Securities:

	As of March 31, 2010		
	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds.....	¥ 80,351	¥ 82,037	¥ 1,686
1. Government bonds	80,351	82,037	1,686
(2) Foreign securities.....	47,009	50,227	3,218
1. Foreign bonds	47,009	50,227	3,218
Subtotal	¥ 127,360	¥ 132,265	¥ 4,904
Held-to-maturity securities with unrealized losses:			
(1) Bonds.....	¥ 43,902	¥ 42,554	¥ (1,348)
1. Government bonds	43,902	42,554	(1,348)
Subtotal	¥ 43,902	¥ 42,554	¥ (1,348)
Total.....	¥ 171,263	¥ 174,819	¥ 3,556

	As of March 31, 2011					
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)			(millions of US\$)		
Held-to-maturity securities with unrealized gains:						
(1) Bonds.....	¥ 103,924	¥ 105,161	¥ 1,237	\$ 1,249	\$ 1,264	\$ 14
1. Government bonds	103,924	105,161	1,237	1,249	1,264	14
(2) Foreign securities.....	41,899	45,085	3,186	503	542	38
1. Foreign bonds	41,899	45,085	3,186	503	542	38
Total.....	¥ 145,823	¥ 150,247	¥ 4,424	\$ 1,753	\$ 1,806	\$ 53

Policy-reserve-matching Bonds:

	As of March 31, 2010		
	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)		
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds.....	¥ 4,119,105	¥ 4,255,837	¥ 136,732
1. Government bonds	3,709,800	3,826,857	117,056
2. Local government bonds	166,394	174,155	7,761
3. Corporate bonds	242,910	254,824	11,914
Subtotal	¥ 4,119,105	¥ 4,255,837	¥ 136,732
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds.....	¥ 1,646,964	¥ 1,633,469	¥ (13,495)
1. Government bonds	1,646,964	1,633,469	(13,495)
Subtotal	¥ 1,646,964	¥ 1,633,469	¥ (13,495)
Total.....	¥ 5,766,069	¥ 5,889,306	¥ 123,236

As of March 31, 2011						
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)			(millions of US\$)		
Policy-reserve-matching bonds with unrealized gains:						
(1) Bonds.....	¥ 5,957,244	¥ 6,192,157	¥ 234,913	\$ 71,644	\$ 74,469	\$ 2,825
1. Government bonds	5,541,511	5,759,162	217,650	66,644	69,262	2,617
2. Local government bonds	168,243	174,697	6,453	2,023	2,100	77
3. Corporate bonds	247,489	258,298	10,809	2,976	3,106	129
Subtotal	¥ 5,957,244	¥ 6,192,157	¥ 234,913	\$ 71,644	\$ 74,469	\$ 2,825
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds.....	¥ 913,395	¥ 899,908	¥ (13,486)	\$ 10,984	\$ 10,822	\$ (162)
1. Government bonds	893,943	880,681	(13,261)	10,750	10,591	(159)
2. Local government bonds	13,752	13,706	(45)	165	164	(0)
3. Corporate bonds	5,699	5,519	(179)	68	66	(2)
Subtotal	¥ 913,395	¥ 899,908	¥ (13,486)	\$ 10,984	\$ 10,822	\$ (162)
Total.....	¥ 6,870,639	¥ 7,092,066	¥ 221,426	\$ 82,629	\$ 85,292	\$ 2,662

Available-for-sale Securities:

As of March 31, 2010			
	Carrying amount	Purchase cost	Unrealized gains (losses)
	(millions of yen)		
Available for sale securities with gains:			
(1) Bonds.....	¥ 5,948,102	¥ 5,797,438	¥ 150,663
1. Government bonds	3,859,496	3,781,637	77,859
2. Local government bonds	151,599	146,429	5,169
3. Corporate bonds	1,937,006	1,869,371	67,634
(2) Domestic stocks	2,228,949	1,526,004	702,945
(3) Foreign securities.....	3,890,328	3,737,672	152,656
1. Foreign bonds	3,753,565	3,629,147	124,418
2. Other foreign securities	136,762	108,525	28,237
(4) Other securities.....	258,179	245,783	12,396
Subtotal	¥ 12,325,560	¥ 11,306,899	¥ 1,018,661
Available for sale securities with losses:			
(1) Bonds.....	¥ 1,266,061	¥ 1,272,811	¥ (6,750)
1. Government bonds	1,109,300	1,113,592	(4,291)
2. Local government bonds	2,920	2,930	(9)
3. Corporate bonds	153,839	156,289	(2,449)
(2) Domestic stocks	710,889	891,259	(180,369)
(3) Foreign securities.....	1,311,417	1,410,789	(99,372)
1. Foreign bonds	1,003,678	1,052,108	(48,429)
2. Other foreign securities	307,738	358,681	(50,943)
(4) Other securities.....	165,335	174,470	(9,134)
Subtotal	¥ 3,453,703	¥ 3,749,330	¥ (295,626)
Total.....	¥ 15,779,263	¥ 15,056,229	¥ 723,034

Note:

1. Figures in the chart above include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively. The aggregate purchase cost and carrying amount of such certificates of deposits were ¥23,000 million and ¥22,999 million, respectively, as of March 31, 2010. The aggregate purchase cost and carrying amount of trust beneficiary rights were ¥285,657 million and ¥289,885 million, respectively, as of March 31, 2010.

As of March 31, 2011						
	Carrying amount	Purchase cost	Unrealized gains (losses)	Carrying amount	Purchase cost	Unrealized gains (losses)
	(millions of yen)			(millions of US\$)		
Available for sale securities with gains:						
(1) Bonds.....	¥ 5,217,984	¥ 5,041,520	¥ 176,463	\$ 62,753	\$ 60,631	\$ 2,122
1. Government bonds	3,308,218	3,201,987	106,230	39,786	38,508	1,277
2. Local government bonds	127,724	122,926	4,798	1,536	1,478	57
3. Corporate bonds	1,782,041	1,716,606	65,434	21,431	20,644	786
(2) Domestic stocks	1,583,226	1,087,448	495,777	19,040	13,078	5,962
(3) Foreign securities.....	2,174,641	2,067,155	107,486	26,153	24,860	1,292
1. Foreign bonds	2,054,192	1,968,380	85,811	24,704	23,672	1,032
2. Other foreign securities	120,449	98,774	21,674	1,448	1,187	260
(4) Other securities.....	327,200	309,805	17,394	3,935	3,725	209
Subtotal	¥ 9,303,052	¥ 8,505,930	¥ 797,121	\$ 111,882	\$ 102,296	\$ 9,586
Available for sale securities with losses:						
(1) Bonds.....	¥ 1,373,463	¥ 1,386,762	¥ (13,298)	\$ 16,517	\$ 16,677	\$ (159)
1. Government bonds	1,089,238	1,095,942	(6,704)	13,099	13,180	(80)
2. Local government bonds	1,589	1,608	(18)	19	19	(0)
3. Corporate bonds	282,636	289,212	(6,576)	3,399	3,478	(79)
(2) Domestic stocks	638,124	828,228	(190,104)	7,674	9,960	(2,286)
(3) Foreign securities.....	3,854,491	4,061,916	(207,424)	46,355	48,850	(2,494)
1. Foreign bonds	3,527,013	3,681,068	(154,054)	42,417	44,270	(1,852)
2. Other foreign securities	327,477	380,848	(53,370)	3,938	4,580	(641)
(4) Other securities.....	81,879	94,180	(12,300)	984	1,132	(147)
Subtotal	¥ 5,947,959	¥ 6,371,088	¥ (423,129)	\$ 71,532	\$ 76,621	\$ (5,088)
Total.....	¥ 15,251,011	¥ 14,877,018	¥ 373,992	\$ 183,415	\$ 178,917	\$ 4,497

Note:

1. Figures in the chart above include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively. The aggregate purchase cost and carrying amount of such certificates of deposits were ¥16,000 million (US\$192 million) and ¥16,000 million (US\$192 million), respectively, as of March 31, 2011. The aggregate purchase cost and carrying amount of trust beneficiary rights were ¥281,006 million (US\$3,379 million) and ¥291,115 million (US\$3,501 million), respectively, as of March 31, 2011.

Held-to-maturity Securities Sold:

DL and its consolidated subsidiaries sold no held-to-maturity securities during the year ended March 31, 2010 and 2011.

Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the year ended March 31, 2010 and 2011 were as follows.

Year Ended March 31, 2010						
	Amounts sold	Realized gains	Realized losses			
	(millions of yen)					
(1) Bonds.....	¥ 732,964	¥ 2,193	¥ 10,028			
1. Government bonds	729,167	2,069	10,028			
2. Corporate bonds	3,797	123	–			
Total.....	¥ 732,964	¥ 2,193	¥ 10,028			
Year Ended March 31, 2011						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(millions of yen)			(millions of US\$)		
(1) Bonds.....	¥ 371,399	¥ 14,842	–	\$ 4,466	\$ 178	–
1. Government bonds	358,388	13,967	–	4,310	167	–
2. Local government bonds	3,874	276	–	46	3	–
3. Corporate bonds	9,136	598	–	109	7	–
Total.....	¥ 371,399	¥ 14,842	–	\$ 4,466	\$ 178	–

Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2010 and 2011 were as follows.

Year Ended March 31, 2010			
	Amounts sold	Realized gains	Realized losses
(millions of yen)			
(1) Bonds.....	¥ 1,567,782	¥ 14,598	¥ 9,626
1. Government bonds	1,316,536	10,330	8,758
2. Local government bonds	6,366	64	0
3. Corporate bonds	244,879	4,204	867
(2) Domestic stocks	398,087	103,379	51,171
(3) Foreign securities	5,166,457	116,528	137,067
1. Foreign bonds	5,052,264	87,735	136,415
2. Other foreign securities	114,193	28,792	651
(4) Other securities	31,555	6,045	-
Total.....	¥ 7,163,883	¥ 240,552	¥ 197,865

Year Ended March 31, 2011						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
(millions of yen)			(millions of US\$)			
(1) Bonds.....	¥ 2,617,814	¥ 55,019	¥ 4,513	\$ 31,483	\$ 661	\$ 54
1. Government bonds	2,380,246	47,352	4,297	28,625	569	51
2. Local government bonds	4,042	63	60	48	0	0
3. Corporate bonds	233,526	7,602	155	2,808	91	1
(2) Domestic stocks	400,694	79,808	34,001	4,818	959	408
(3) Foreign securities	2,811,560	62,690	82,411	33,813	753	991
1. Foreign bonds	2,743,815	53,931	78,556	32,998	648	944
2. Other foreign securities	67,745	8,758	3,855	814	105	46
(4) Other securities	2,669	-	34	32	-	0
Total.....	¥ 5,832,740	¥ 197,518	¥ 120,960	\$ 70,147	\$ 2,375	\$ 1,454

Securities Written Down:

DL and its consolidated subsidiaries write down the balance of certain available-for-sale securities with market values (1) when the market value of such securities declines by 50%, or more, of its purchase cost or (2) when the market value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amounts written down from the balance of available-for-sale securities with market value for the year ended March 31, 2010 and 2011 were ¥6,450 million and ¥179,362 million (US\$2,157 million), respectively.

29. Money Held in Trust

Money Held in Trust for Trading:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Carrying amount on the consolidated balance sheets	¥ 55,685	¥ 62,838	\$ 755
Gains (losses) on valuation of money held in trust	(9,608)	(5,715)	(68)

30. Derivative Transactions

Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2010			
	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			
Over-the-counter transactions:			
Foreign currency forward contracts:			
Sold:	¥ 497,428	¥ (4,486)	¥ (4,486)
U.S. dollar.....	217,103	(5,221)	(5,221)
Euro.....	251,545	987	987
British pound.....	15,248	365	365
Canadian dollar.....	7,539	(533)	(533)
Australian dollar.....	4,113	(122)	(122)
Swedish krona.....	771	(1)	(1)
Danish krone.....	763	33	33
Norwegian krone.....	339	6	6
Swiss franc.....	2	(0)	(0)
Singapore dollar.....	0	(0)	(0)
Bought:	357,104	3,371	3,371
U.S. dollar.....	143,371	2,285	2,285
Euro.....	190,987	386	386
British pound.....	14,444	316	316
Polish zloty.....	1,293	74	74
Swiss franc.....	800	57	57
Singapore dollar.....	486	27	27
Norwegian krone.....	503	23	23
Australian dollar.....	4,183	160	160
Canadian dollar.....	826	30	30
Swedish krona.....	2	0	0
Hong Kong dollar.....	192	7	7
Indian rupee.....	12	0	0
Total.....			¥ (1,115)

As of March 31, 2011						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			(millions of US\$)			
Over-the-counter transactions:						
Foreign currency forward contracts:						
Sold:	¥ 241,516	¥ (4,703)	¥ (4,703)	\$ 2,904	\$ (56)	\$ (56)
U.S. dollar.....	147,127	(855)	(855)	1,769	(10)	(10)
Euro.....	54,352	(2,885)	(2,885)	653	(34)	(34)
British pound.....	15,375	(309)	(309)	184	(3)	(3)
Canadian dollar.....	4,011	(117)	(117)	48	(1)	(1)
Australian dollar.....	18,708	(422)	(422)	224	(5)	(5)
Swedish krona.....	533	(34)	(34)	6	(0)	(0)
Danish krone.....	641	(52)	(52)	7	(0)	(0)
Norwegian krone.....	253	(16)	(16)	3	(0)	(0)
Swiss franc.....	168	(3)	(3)	2	(0)	(0)
Singapore dollar.....	88	(1)	(1)	1	(0)	(0)
Polish zloty.....	13	0	0	0	0	0
Mexican peso.....	243	(6)	(6)	2	(0)	(0)

Bought:	159,357	3,978	3,978	1,916	47	47
U.S. dollar.....	82,440	726	726	991	8	8
Euro.....	44,678	2,159	2,159	537	25	25
British pound.....	9,148	116	116	110	1	1
Polish zloty.....	1,109	29	29	13	0	0
Swiss franc.....	638	15	15	7	0	0
Singapore dollar.....	486	9	9	5	0	0
Norwegian krone.....	357	9	9	4	0	0
Australian dollar.....	16,950	804	804	203	9	9
Canadian dollar.....	2,947	88	88	35	1	1
Swedish krona.....	253	7	7	3	0	0
Hong Kong dollar.....	228	6	6	2	0	0
Danish krone.....	114	5	5	1	0	0
Indian rupee.....	3	0	0	0	0	0
Mexican peso.....	0	0	0	0	0	0
Total.....			¥ (725)			\$ (8)

Note:

- Forward exchange rates are used for fair value calculation at the end of the year.
- "Gains (losses)" represents fair value for forward contracts.
- There were no transactions with maturity of more than one year in the table above.

(2) Interest-related transactions

As of March 31, 2010				
	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value	Gains (Losses)
(millions of yen)				
Over-the-counter transactions:				
Yen interest rate swaps:				
Receipts fixed, payments floating	¥ 1,000	¥ 1,000	¥ 37	¥ 37
Total.....				¥ 37

As of March 31, 2011								
	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value	Gains (Losses)	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value	Gains (Losses)
(millions of yen)				(millions of US\$)				
Exchange-traded transactions:								
Interest rate futures:								
Sold	¥ 24,901	–	¥ (8)	¥ (8)	\$ 299	–	\$ (0)	\$ (0)
Bought	24,901	–	4	4	299	–	0	0
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, payments floating	1,000	1,000	40	40	12	12	0	0
Total.....				¥ 37				\$ 0

Note:

- (1) Fair values of interest rate futures listed above are based on the closing exchange-traded prices.
- (2) Fair values of yen interest rate swaps listed above are present values of expected cash flows, discounted by the interest rates at the end of each fiscal year.
- "Gains (losses)" represents fair value of foreign currency forward contracts.

(3) Stock-related transactions

As of March 31, 2010						
	Notional amount/ contract value	Fair value	Gains (Losses)			
(millions of yen)						
Exchange-traded transactions:						
Yen stock index futures:						
Bought	¥ 12,820	¥ 512	¥ 512			
Foreign currency-denominated stock index futures:						
Bought	2,945	34	34			
Stock index options:						
Sold:						
Call	99,985					
	[1,786]	4,422	(2,635)			
Bought:						
Put	100,000					
	[3,117]	286	2,830			
Total			¥ (4,919)			

As of March 31, 2011						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			(millions of US\$)			
Exchange-traded transactions:						
Yen stock index futures:						
Sold	¥ 18,078	¥ (2,328)	¥ (2,328)	\$ 217	\$ (27)	\$ (27)
Bought	13,798	(184)	(184)	165	(2)	(2)
Foreign currency-denominated stock index futures:						
Sold	2,882	(57)	(57)	34	(0)	(0)
Bought	1,960	45	15	23	0	0
Stock index options:						
Bought:						
Put	79,961			961		
	[5,162]	4,700	(461)	[62]	56	(5)
Total			¥ (2,986)			\$ (35)

Note:

1. Fair values listed above are based on the closing exchange-traded prices.
2. Figures in [] are option premiums which are included in the consolidated balance sheets.
3. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

(4) Bond-related transactions

As of March 31, 2010						
	Notional amount/ contract value	Fair value	Gains (Losses)			
(millions of yen)						
Exchange-traded transactions:						
Yen bond futures:						
Sold	¥ 5,009	¥ 33	¥ 33			
Over-the-counter transactions:						
Bond OTC options						
Sold:						
Call	17,488					
	[46]	17	29			
Put	45,815					
	[114]	187	(73)			
Bought:						
Call	45,815					
	[68]	33	(34)			
Put	374,384					
	[3,320]	221	(3,098)			
Total			¥ (3,144)			
As of March 31, 2011						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			(millions of US\$)			
Exchange-traded transactions:						
Yen bond futures:						
Sold	¥ 8,899	¥ (31)	¥ (31)	\$ 107	\$ (0)	\$ (0)
Bought	11,932	68	68	143	0	0
Foreign bond futures:						
Sold	11,745	4	4	141	0	0
Over-the-counter transactions:						
Foreign currency-denominated bond forward contracts:						
Sold	16,713	(25)	(25)	200	(0)	(0)
Bought	16,701	17	17	200	0	0
Bond OTC options						
Sold:						
Call	7,391			88		
	[25]	30	(4)	[0]	0	(0)
Put	27,173			326		
	[34]	3	31	[0]	0	0
Bought:						
Call	27,173			326		
	[28]	24	(4)	[0]	0	(0)
Put	87,064			1,047		
	[1,026]	7	(1,019)	[12]	0	(12)
Total			¥ (963)			\$ (11)

Note:

- (1) Fair values of yen bond futures listed above are based on the closing exchange-traded prices.
- (2) Fair values of bond OTC options are based on the prices quoted from information vendors.
- Figures in [] are option premiums which are included in the consolidated balance sheets.
- Fair value for futures contracts and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(5) Others

i) DFLI utilizes derivative transactions within its money held in trust. Details of the derivative transactions are as follows:

a) Currency-related transactions

As of March 31, 2010						
	Notional amount/ contract value	Fair value	Gains (Losses)			
(millions of yen)						
Exchange traded transactions:						
Currency futures:						
Sold	¥ 11,068	¥ (9)	¥ (9)			
Bought	20,123	(748)	(748)			
Over-the-counter transactions:						
Foreign currency forward contracts:						
Sold:	70,824	(2,466)	(2,466)			
U.S. dollar	36,204	(1,450)	(1,450)			
Euro	19,292	(437)	(437)			
British pound	5,775	31	31			
Australian dollar	3,051	(226)	(226)			
Canadian dollar	2,956	(205)	(205)			
Singapore dollar	834	(40)	(40)			
Swiss franc	810	(50)	(50)			
Swedish krona	500	(22)	(22)			
Hong Kong dollar	461	(19)	(19)			
Norwegian krone	287	(10)	(10)			
Danish krone	248	(8)	(8)			
New Zealand dollar	232	(12)	(12)			
Polish zloty	169	(13)	(13)			
Bought:	11,481	81	81			
U.S. dollar	6,969	38	38			
Euro	2,878	29	29			
British pound	842	8	8			
Australian dollar	426	2	2			
Canadian dollar	365	2	2			
Total			¥ (2,384)			
As of March 31, 2011						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			(millions of US\$)			
Exchange traded transactions:						
Currency futures:						
Sold	¥ 18,356	¥ (187)	¥ (187)	\$ 220	\$ (2)	\$ (2)
(Euro / U.S. dollar)	11,902	(232)	(232)	143	(2)	(2)
(British pound / U.S. dollar)	6,453	44	44	77	0	0
Bought	32,603	(268)	(268)	392	(3)	(3)
(Yen / U.S. dollar)	32,603	(268)	(268)	392	(3)	(3)
Over-the-counter transactions:						
Foreign currency forward contracts:						
Sold:	133,680	(1,846)	(1,846)	1,607	(22)	(22)
U.S. dollar	64,030	64	64	770	0	0
Euro	32,684	(1,369)	(1,369)	393	(16)	(16)
British pound	9,365	68	68	112	0	0
Canadian dollar	9,863	(137)	(137)	118	(1)	(1)
Australian dollar	9,260	(347)	(347)	111	(4)	(4)
Swedish krona	614	(9)	(9)	7	(0)	(0)
Danish krone	421	(16)	(16)	5	(0)	(0)
Norwegian krone	339	(14)	(14)	4	(0)	(0)
Swiss franc	1,490	(58)	(58)	17	(0)	(0)
Hong Kong dollar	3,613	(4)	(4)	43	(0)	(0)
Singapore dollar	1,197	(12)	(12)	14	(0)	(0)
Polish zloty	289	(3)	(3)	3	(0)	(0)
Mexican peso	314	(4)	(4)	3	(0)	(0)
New Zealand dollar	194	(1)	(1)	2	(0)	(0)

Bought:	15,658	32	32	188	0	0
U.S. dollar.....	7,622	2	2	91	0	0
Euro.....	3,856	25	25	46	0	0
British pound.....	930	(0)	(0)	11	(0)	(0)
Swiss franc.....	271	0	0	3	0	0
Singapore dollar.....	131	(0)	(0)	1	(0)	(0)
Australian dollar.....	1,195	4	4	14	0	0
Canadian dollar.....	1,192	0	0	14	0	0
Hong Kong dollar.....	453	(0)	(0)	5	(0)	(0)
Total.....				¥ (2,270)		\$ (27)

Note:

- (1) Fair values of currency futures listed above are based on the closing exchange-traded prices.
- (2) Forward exchange rates are used for fair value calculation of foreign currency forward contracts at the end of the year.
- Fair values are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

b) Stock-related transactions

As of March 31, 2010						
	Notional amount/ contract value	Fair value	Gains (Losses)			
(millions of yen)						
Exchange-traded transactions:						
Yen stock index futures:						
Sold	¥ 31,581	¥ (2,093)	¥ (2,093)			
Foreign currency-denominated stock index futures:						
Sold	22,495	(312)	(312)			
Total.....			¥ (2,405)			

As of March 31, 2011						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			(millions of US\$)			
Exchange-traded transactions:						
Yen stock index futures:						
Sold	¥ 60,783	¥ 1,418	¥ 1,418	\$ 731	\$ 17	\$ 17
Foreign currency-denominated stock index futures:						
Sold	53,221	(1,860)	(1,860)	640	(22)	(22)
Total.....			¥ (441)			\$ (5)

Note:

- Fair values listed above are based on the closing exchange-traded prices.
- Fair value for futures and forward contracts are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

c) Bond-related transactions

As of March 31, 2010			
	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			
Exchange-traded transactions:			
Yen bond futures:			
Bought.....	¥ 42,379	¥ (222)	¥ (222)
Foreign bond futures:			
Sold	90,683	(246)	(246)
Total.....			¥ (469)

As of March 31, 2011						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Exchange-traded transactions:						
Yen bond futures:						
Bought	¥ 13,963	¥ (8)	¥ (8)	\$ 167	\$ (0)	\$ (0)
Foreign bond futures:						
Sold	149,557	193	193	1,798	2	2
Total			¥ 185			\$ 2

Note:

1. Fair values listed above are based on the closing exchange-traded prices.
2. Fair value for futures contracts are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

As of March 31, 2010		
	Notional amount/ contract value	Fair value
	(millions of yen)	
Fair value hedge:		
Foreign currency forward contracts to hedge foreign currency-denominated bonds:		
Sold:	¥ 2,875,475	¥ (3,887)
U.S. dollar	1,336,048	(60,403)
Euro	1,271,841	55,215
British pound	153,954	8,023
Canadian dollar	23,054	(2,148)
Australian dollar	70,276	(4,918)
Swedish krona	10,052	29
Danish krone	7,024	248
Norwegian krone	3,223	66
Bought:	9,629	77
U.S. dollar	4,445	28
Euro	5,184	49
Foreign currency forward contracts, etc, allocated to and/or combined with corresponding hedged items:		
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:		
Sold:		
Australian dollar	80,715	(*1)
U.S. dollar	29,003	(*1)

As of March 31, 2011						
	Notional amount/ contract value	Transactions with maturity of more than one year	Fair value	Notional amount/ contract value	Transactions with maturity of more than one year	Fair value
	(millions of yen)			(millions of US\$)		
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold:	¥ 3,526,926	–	¥ (118,907)	\$ 42,416	–	\$ (1,430)
U.S. dollar	1,796,391	–	188	21,604	–	2
Euro	1,394,184	–	(110,345)	16,767	–	(1,327)
British pound	177,162	–	(2,916)	2,130	–	(35)
Canadian dollar	42,809	–	(788)	514	–	(9)
Australian dollar	93,764	–	(3,535)	1,127	–	(42)
Swedish krona	11,745	–	(802)	141	–	(9)
Danish krone	5,968	–	(386)	71	–	(4)
Norwegian krone	4,899	–	(322)	58	–	(3)
Bought:	3,999	–	99	48	–	1
U.S. dollar	2,519	–	21	30	–	0
Euro	1,432	–	77	17	–	0
British pound	48	–	1	0	–	0

Foreign currency forward contracts, etc, allocated to and/or combined with corresponding hedged items:

Foreign currency forward contracts to hedge foreign currency-denominated term deposits:

Sold	180,356	-	(*1)	2,169	-	(*1)
Australian dollar	140,354	-	(*1)	1,687	-	(*1)
U.S. dollar	40,001	-	(*1)	481	-	(*1)

Currency swaps to hedge foreign currency-denominated bonds payable:

U.S. dollar	107,562	107,562	(*1)	1,293	1,293	(*1)
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Note:

1. Forward exchange rates at the end of the fiscal year are used for fair value calculation.

(*1) Foreign currency forward contracts other than those applied fair value hedge method are recorded as the combined amount of such foreign currency forward contracts and their corresponding hedged items (foreign currency-denominated term deposits and bonds payable). Therefore, their fair values are included in the fair value of such foreign currency-denominated term deposits and bonds payable.

(2) Interest-related transactions

As of March 31, 2010

	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value
(millions of yen)			
Deferred hedge			
Yen interest rate swaps to hedge loans and loans payable:			
Receipts fixed, payments floating	¥ 5,000	¥ 5,000	¥ 36
Receipts floating, payments fixed	183,000	183,000	(3,179)
Special exemption			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating	120,666	104,830	2,842

As of March 31, 2011

	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value
(millions of yen)			(millions of US\$)			
Deferred hedge						
Yen interest rate swaps to hedge loans and loans payable:						
Receipts fixed, payments floating	¥ 5,000	¥ -	¥ 18	\$ 60	\$ -	\$ 0
Receipts floating, payments fixed	320,000	320,000	1,926	3,848	3,848	23
Special exemption						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	104,340	91,340	2,609	1,254	1,098	31

Note:

1. Fair values listed above are present values of expected cash flows, discounted by the interest rates at the end of each fiscal year.

31. Reserve for Employees' Retirement Benefits

Overview of Employees' Retirement Benefit Plan of DL:

As a defined benefit plan for its sales representatives, DL has established and maintains a benefit plan consisting of (1) retirement lump sum grants and (2) company administrated pension.

As a defined benefit plan for its administrative personnel, DL has established and maintains a benefit plan consisting of (1) defined benefit corporate pension and (2) retirement lump sum grants.

Dai-ichi Life Information System Co., Ltd, one of DL's consolidated subsidiaries, maintains a benefit plan consisting of (1) retirement lump sum grants and (2) tax qualified retirement pension, while DL's other consolidated subsidiaries maintain a benefit plan consisting of retirement lump sum grants.

Funding Status of Employees' Retirement Benefits of the Group

	As of March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
a. Projected benefit obligations	¥ (657,806)	¥ (662,024)	\$ (7,961)
b. Pension assets	217,921	204,152	2,455
Retirement benefit trust included in the above pension assets	111,546	98,230	1,181
c. Unfunded benefit obligations (a + b)	(439,884)	(457,872)	(5,506)
d. Unrecognized actuarial differences	33,820	37,782	454
e. Unrecognized gains on plan amendments	(5,376)	22	0
f. Reserve for employees' retirement benefits (c + d + e)	¥ (411,440)	¥ (420,067)	\$ (5,051)

Note :

1. Certain consolidated subsidiaries applied simplified methods in calculating their projected benefit obligations.

Retirement Benefit Expenses

	Years ended March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
a. Service cost (Note 1)	¥ 24,201	¥ 26,272	\$ 315
b. Interest cost	10,790	11,185	134
c. Estimated investment income	(1,653)	(1,798)	(21)
d. Amortization of unrecognized actuarial differences	15,215	13,119	157
e. Amortization of unrecognized gains on plan amendments	(5,376)	(5,368)	(64)
f. Retirement benefit expenses (a + b + c + d + e)	¥ 43,177	¥ 43,410	\$ 522

Note:

1. Retirement Benefit Expenses of DL's consolidated subsidiaries which apply simplified methods are included in the item "Service cost".

Assumptions

	As of March 31, 2010	As of March 31, 2011
Method of periodic allocation of benefit obligations	straight-line method	straight-line method
Discount rate	1.7 – 1.8%	1.7 – 1.8%
Estimated return on investment		
a. Defined benefit corporate pension	1.7%	1.0 – 1.7%
b. Tax qualified pension plan	1.0%	–
c. Retirement benefit trust	0.0%	0.0%
Amortization period for actuarial differences	3 to 7 years	3 to 7 years
	(Amortized from the next fiscal year when the actuarial differences are recognized)	(Amortized from the next fiscal year when the actuarial differences are recognized)
Amortization period for gains on plan amendments	3 to 7 years	3 to 7 years
	(Amortized under the straight-line method)	(Amortized under the straight-line method)

32. Deferred Tax Accounting

Major Components of Deferred Tax Assets and Liabilities as of March 31, 2010 and 2011

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Deferred tax assets:			
Insurance policy reserve	¥ 365,837	¥ 391,041	\$ 4,702
Reserve for employees' retirement benefits	179,689	182,712	2,197
Reserve for price fluctuations	41,682	29,079	349
Tax losses carried forward	34,305	10,369	124
Losses on valuation of securities	29,059	62,786	755
Others	43,298	43,262	520
Subtotal	¥ 693,873	¥ 719,251	\$ 8,650
Valuation allowances	(59,621)	(60,213)	(724)
Total	¥ 634,252	¥ 659,037	\$ 7,925
Deferred tax liabilities:			
Net unrealized gains on securities, net of tax	(264,324)	(148,251)	(1,782)
Reserve for tax basis adjustments of real estate	(9,268)	(10,138)	(121)
Dividend receivables from stocks	(8,867)	(7,675)	(92)
Others	(12,939)	(16,563)	(199)
Total	¥ (295,400)	¥ (182,629)	\$ (2,196)
Net deferred tax assets	¥ 338,852	¥ 476,407	\$ 5,729

Difference Between the Statutory Tax Rate and Actual Effective Tax Rate after Considering Deferred Taxes

(1) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2010

	As of March 31, 2010
Statutory tax rate	36.08%
(Adjustments)	
Increase (decrease) in valuation allowances	(12.47)%
Others	0.02%
Actual effective tax rate after considering deferred taxes	23.63%

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2011

	As of March 31, 2011
Statutory tax rate	36.08%
(Adjustments)	
Nondeductible expenses including entertainment expenses	2.90%
Others	(0.09)%
Actual effective tax rate after considering deferred taxes	38.89%

33. Real Estate for Rent

DL owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the year ended March 31, 2010 and 2011 was ¥35,256 million and ¥31,006 million (US\$372 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. DL recorded extraordinary loss of ¥4,587 million for impairment loss on rental real estate in the fiscal year ended March 31, 2010 and that of ¥3,296 million (US\$39 million) in the fiscal year ended March 31, 2011.

The carrying amount and the market value of such rental real estate as of March 31, 2010 were as follows:

Beginning balance	Carrying amount		Market value
	Net change during year	Ending balance	
¥ 807,666	¥ 4,579	¥ 812,246	¥ 900,371

(millions of yen)

The carrying amount and the market value of such rental real estate as of March 31, 2011 were as follows:

Beginning balance	Carrying amount		Market value	Beginning balance	Carrying amount		Market value
	Net change during year	Ending balance			Net change during year	Ending balance	
¥ 812,246	¥ 31,881	¥ 844,127	¥ 862,520	\$ 9,768	\$ 383	\$ 10,151	\$ 10,373

(millions of yen) (millions of US\$)

Note:

- The carrying amount of rental real estate on the consolidated balance sheets was net of acquisition costs after deducting accumulated depreciation and impairments.
- Net change in carrying amount includes cost of acquisition of the real estate for ¥14,939 million and the depreciation expense of ¥15,001 million during the year ended March 31, 2010 and cost of acquisition of the real estate for ¥45,401 million (US\$546 million) and the depreciation expense of ¥15,197 million (US\$182 million) during the year ended March 31, 2011.
- DL calculates the market value of the majority of the rental real estate based on real estate appraisal standards by the independent appraiser, and others based on the internal but reasonable estimates.

(Additional Information)

Effective the fiscal year ended March 31, 2010, DL has adopted the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23), both released on November 28, 2008.

34. Segment Information

Business Segment Information

For the years ended March 31, 2010

Although the Group also operates businesses other than the life insurance business, such as computer system and software development, the life insurance business accounts for more than 90% of the total ordinary revenues, the total net income and the total assets from all segments of the Group. Therefore business segment information has been omitted.

Geographic Segment Information

For the years ended March 31, 2010

Geographic segment information has been omitted as more than 90% of both the Group's total ordinary revenues and its total assets belong to its business units in Japan.

Overseas Sales

For the years ended March 31, 2010

Disclosure on overseas sales (revenues) information has been omitted because DL's ordinary revenues generated overseas account for less than 10% of the total consolidated ordinary revenues.

Segment Information

For the years ended March 31, 2011

Overview of the reported segments

The overview of the reported segments has been omitted as the Group's operations consist of only one segment.

(Additional Information)

Effective the fiscal year ended March 31, 2011, the Company applied "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008).

35. Other Related Information

For the year ended March 31, 2011

(1) Product (Service) Segment Information

The product (service) segment information is omitted as the Group's operations consist of only one product (service) segment.

(2) Geographic Segment Information

The geographic segment information is omitted as more than 90% of the Group's total ordinary revenues for the year ended March 31, 2011 and tangible fixed assets as of March 31, 2011 derive from its business unit in Japan.

(3) Major Customer Information

The major customer information is omitted as no single customer accounts for more than 10% of the Group's ordinary profit.

36. Impairment Losses on Fixed Assets by Reported Segment

For the year ended March 31, 2011

The information on impairment losses on fixed assets by reported segment is omitted as the Group's operations consist of only one segment.

37. Related Party Transactions

There are no significant transactions to be disclosed.

38. Specified Purpose Companies

Securitization of Foundation Funds and Subordinated Obligations

DL securitized foundation funds and subordinated obligations to broaden the range of investors and to secure a stable base for raising capital. For the securitization, DL utilized Tokutei Mokuteki Kaishas (TMKs, specified purpose companies) regulated by the Asset Liquidation Act. TMKs raise capital by issuing specified company bonds backed by assets transferred to the TMKs by contributors of foundation funds and subordinated loans. DL holds non-voting shares in Cayman-based special purpose companies, which in turn hold specified shares in TMKs. DL monitors the TMKs' financial situation and appropriately recognizes those non-voting shares and writes down future possible losses associated with the shares, if necessary, in its financial statements in accordance with the "Accounting Standard for Financial Instruments" issued on March 10, 2008 regarding those non-voting preference shares in its financial statements.

As per the resolution made at the 108th general meeting of representative policyholders with regards to its plan for demutualization, DL implemented one-time pre-maturity redemption of its foundation funds prior to the organizational conversion (demutualization), and in September 2010, two TMKs which had been engaged in such foundation funds completed their liquidation.

DL raised capital through four securitization programs, three of which were still outstanding at the beginning of the fiscal year ended March 31, 2011 (DL completed liquidation of two of the three companies in September 2010 as stated above). The total of assets and liabilities of the remaining three companies at the end of their prior fiscal year (September 30, 2009) were ¥131,388 million and ¥130,383 million, respectively, and those of the one remaining company at the end of its latest fiscal year (September 30, 2010) were ¥30,358 million (US\$365 million) and ¥30,087 (US\$361 million) million, respectively.

DL held no ordinary shares in these three companies and none of the three companies had directors, officers, or employees transferred from DL.

The amounts involved in the principal transactions between DL and the TMKs were as follows:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Foundation funds obligation	¥ -	¥ -	\$ -
Subordinated obligation	30,000	30,000	360
Undrawn commitment line balance related to loans	1,129	-	-
	Years ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Interest on foundation funds	¥ 5,963	¥ -	\$ -
Interest expenses	618	618	7

Investment in Securitized Real Estate

To diversify investments in real estate and stabilize its investment returns, DL had an exposure to an investment project to securitize real estate as of March 31, 2010 and 2011. DL had three SPCs as of March 31, 2010 and 2011, and DL invested in the SPCs under an anonymous association contract based on the Commercial Code.

The investment in the anonymous association contract was accounted for based on the fair value of real estate owned by the SPCs in accordance with the "Accounting Standards for Financial Instruments" issued on March 10, 2008. DL anticipates no obligation in the future to cover possible losses of the SPCs. Even if the fair value of the real estates declines, the loss of DL is limited to the amount of investment in the anonymous association contract.

Total assets and liabilities of the SPC(s) at the end of their fiscal years 2009 ended December 31, 2009 and January 31, 2010 and 2010 ended December 31, 2010 and January 31, 2011 amounted to ¥141,124 million and ¥94,396 million, respectively, and ¥139,312 million (US\$1,675 million) and ¥93,308 million (US\$1,122 million), respectively.

As of March 31, 2009 and 2010, DL had no management authority in the SPCs and the SPCs had no directors, officers, and employees transferred from DL.

The amounts involved in transactions between DL and the SPC were as follows:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Investment in anonymous association	¥ 29,952	¥ 29,381	\$ 353
Preferred investments	2,900	2,900	34

	Years ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Dividends from investment in anonymous association	¥ 2,273	¥ 2,162	\$ 26
Dividends from preferred investments	179	179	2

39. Per Share Information

Net assets per share as of March 31, 2011: ¥ 73,027.99 (US\$ 878.26)

Notes:

1. Net assets per share as of March 31, 2010 was omitted as DL was a mutual company.
2. Reconciliation of the net assets per share as of March 31, 2011 was as follows:

	As of March 31, 2011	
	(millions of yen)	(millions of US\$)
Net assets	¥ 731,835	\$ 8,801
Adjustments	11,737	141
Minority interests	11,737	141
Net assets attributable to common stocks	¥ 720,097	\$ 8,660
Number of common stocks outstanding:	9,860 thousand	

Note:

1. "Number of common stock outstanding" in the above table excludes shares held by Stock Granting Trust (J-ESOP) or E-Ship trust.

Net income per share for the year ended March 31, 2011: ¥ 1,917.40 (US\$ 23.05)

Notes:

1. Net income per share for the year ended March 31, 2010 was omitted as DL was a mutual company.
2. Information on diluted net income per share is omitted as there were no potential diluting shares of the Company.
3. Reconciliation of the net income per share was as follows:

	As of March 31, 2011	
	(millions of yen)	(millions of US\$)
Net income per share	¥ 19,139	\$ 230
Net income attributable to other than shareholders of common stocks	–	–
Net income attributable to shareholders of common stocks	¥ 19,139	\$ 230
Average number of common stocks outstanding:	9,981 thousand	

Note:

1. "Average number of common shares outstanding" in the above table excludes shares held by Stock Granting Trust (J-ESOP) or E-Ship trust.

40. Application of Accounting Standards for Presentation of Comprehensive Income

Effective the fiscal year ended March 31, 2011, DL applied the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25 issued on June 30, 2010). “Accumulated other comprehensive income” and “total of accumulated other comprehensive income” were presented as “valuation and translation adjustments” and “total of valuation and translation adjustments”, respectively, in the fiscal year ended March 31, 2010.

Components of comprehensive income and other comprehensive income for the previous fiscal year (ended March 31, 2010) were as follows:

(1) Comprehensive income for the year ended March 31, 2010

	(millions of yen)
Comprehensive income attributable to shareholders of the parent company	¥ 563,098
Comprehensive income attributable to minority interests	(645)
Total	¥ 562,452

(2) Other comprehensive income for the year ended March 31, 2010

	(millions of yen)
Net unrealized gains (losses) on securities, net of tax.....	¥ 509,457
Deferred hedge gains (losses)	(1,651)
Foreign currency translation adjustments	(197)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(117)
Total	¥ 507,491

41. Type and Number of Shares Outstanding

Year Ended March 31, 2011	At the beginning of the fiscal year ^{*1}	Increase during the year	Decrease during the year	At the end of the fiscal year
		(thousands of shares)		
Common stocks	10,000	-	-	10,000
Treasury shares ^{*2}	-	139	-	139

*1: As DL was a mutual company as of March 31, 2010, “At the beginning of the period” was used instead of “At the end of the prior fiscal year” in the above table.
*2: Increase in treasury shares (139 thousand shares) represents the sum of shares of common stock of the Parent Company purchased by (1) the J-ESOP trust and (2) the E-ship trust.

42. Dividends on Common Stocks

(1) Dividends paid during the fiscal year ended March 31, 2011

Date of resolution	June 28, 2010 (at the First Ordinary General Meeting of Shareholders)
Type of shares	Common stocks
Total dividends	¥10,000 million
Dividends per share	¥1,000
Record date ^{*1}	April 16, 2010
Effective date	June 29, 2010
Dividend resource	Retained earnings

*1: The record date was set on April 16, 2010 in accordance with Article 2, Supplementary Provisions of DL's Articles of Incorporation.

(2) Dividends, the record date of which was March 31, 2011, to be paid out in the fiscal year ending March 31, 2012

Date of resolution	June 27, 2011 (at the Ordinary General Meeting of Shareholders to be held)
Type of shares	Common stocks
Total dividends ^{*1}	¥15,776 million
Dividends per share	¥1,600
Record date	March 31, 2011
Effective date	June 28, 2011
Dividend resource	Retained earnings

*1: Total dividends did not include ¥223 million of dividends to the J-ESOP trust and the E-ship trust, as DL recognized the shares held by those trusts as treasury shares.

(3) As DL was a mutual company as of March 31, 2010, in the statement of changes in net assets for the year ended March 31, 2011, “Balance at the beginning of the year” is reported instead of “Balance at the end of the previous year.”

43. Amount of Net Assets

DL reorganized from a mutual life insurance company to a joint stock life insurance corporation named The Dai-ichi Life Insurance Company, Limited as of April 1, 2010, in accordance with Article 85 of the Insurance Business Act. Based on its plan for demutualization and others in accordance with Article 86 of the Insurance Business Act, DL realigned its net assets in the non-consolidated balance sheet as follows:

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	¥ 420,000	Capital stock	¥ 210,200
Revaluation reserve	248	Capital surplus	210,200
Surplus	184,448	Legal capital surplus	210,200
Reserve for future losses	5,600	Retained earnings	184,297
Other surplus	178,848	Legal retained earnings	5,600
Fund for risk allowance	43,139	Other retained earnings	178,697
Fund for price fluctuation allowance	55,000	Fund for risk allowance	43,120
Subsidy fund for social public enterprise	9	Fund for price fluctuation allowance	55,000
Fund for Public Health Awards	8	Reserve for tax basis adjustments of real estate	16,420
Fund for Environmental Green Design Award	14	Retained earnings brought forward	64,157
Reserve for tax basis adjustments of real estate	16,420	Shareholders' equity	604,697
Other reserves	100	Net unrealized gains (losses) on securities, net of tax	461,158
Unappropriated net surplus for the period	64,157	Deferred hedge gains (losses)	(2,008)
Total of Foundation Funds and surplus	604,697	Reserve for land revaluation	(63,540)
Net unrealized gains (losses) on securities, net of tax	461,158	Valuation and translation adjustments	395,609
Deferred hedge gains (losses)	(2,008)		
Reserve for land revaluation	(63,540)		
Valuation and translation adjustments	395,609		
Total net assets	¥ 1,000,307	Total net assets	¥ 1,000,307

On consolidated basis, net assets of DL can be summarized as follows:

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	¥ 420,000	Capital stock	¥ 210,200
Revaluation reserve	248	Capital surplus	210,200
Consolidated surplus	138,469	Retained earnings	138,318
Total of foundation funds and surplus	558,718	Shareholders' equity	558,718
Net unrealized gains (losses) on securities, net of tax	462,289	Net unrealized gains (losses) on securities, net of tax	462,289
Deferred hedge gains (losses)	(2,008)	Deferred hedge gains (losses)	(2,008)
Reserve for land revaluation	(63,540)	Reserve for land revaluation	(63,540)
Foreign currency translation adjustments	(3,069)	Foreign currency translation adjustments	(3,069)
Total of valuation and translation adjustments	393,671	Total of valuation and translation adjustments	393,671
Minority interests	11,804	Minority interests	11,804
Total net assets	¥ 964,193	Total net assets	¥ 964,193

44. Subsequent Events

The board of directors of DL, on December 28, 2010, decided to acquire 100% ownership of Tower Australia Group Limited (“Tower”) and, on the same date, entered into an arrangement to purchase remaining shares of Tower. In the process of the transaction, DL established two subsidiaries and completed the acquisition of the rest of shares of Tower that DL had not owned through the subsidiaries on May 11, 2011. Summary of the transaction is as follows. While DL does not directly own Tower’s shares, taking into account the fact that DL substantially, though indirectly, owns all of the shares issued by Tower, the following description is subject to Tower instead of the two subsidiaries.

(1) Purpose of the acquisition

Making Tower a wholly owned subsidiary, DL aims to (a) strengthen its operating base significantly in Australia, (b) promote geographical diversification of its earnings, etc.

(2) Company profile of Tower

Company name	Tower Australia Group Limited ⁽¹⁾
Engaged business	Insurance and insurance-related business ⁽²⁾
Location of headquarters	Milsons Point, New South Wales, Australia
Tower’s consolidated results of operations for the year ended September 30, 2010	Premium income: AUD 942 million (81,738 million yen) Net income: AUD 87 million (7,587 million yen)
Tower’s consolidated financial position as of September 30, 2010	Total assets: AUD 3,672 million (318,629 million yen) Net assets: AUD 850 million (73,786 million yen) Capital stock: AUD 536 million (46,524 million yen)
Other information	Stock of Tower was delisted from Australian Securities Exchange as of the end of trading hours on April 27, 2011

^{*1.} DL directly owns shares of TAL Dai-ichi Life Australia Pty Ltd which owns Tower’s shares. Also, Tower Australia Group Limited changed its name to TAL Limited on June 1, 2011.

^{*2.} Tower Australia Group Limited is a holding company and its subsidiaries operate life insurance businesses, etc.

(3) Completion date of the transaction

The transaction was completed on May 11, 2011

(4) Acquisition price and percentage of share holdings after completion of the transaction

(a) Acquisition price: DL acquired the rest of the shares of Tower (71.04% of Tower’s shares outstanding) for AUD 1,193 million (103,477 million yen) in total – AUD 4.00 (about 347 yen) per share. Additionally, DL acquired Tower’s stock options held by Tower’s managements for AUD 50 million (4,339 million yen) in total– AUD 4.00 (about 347 yen) per share. These acquisitions were executed through the two newly established subsidiaries. Moreover, DL expects to pay expenses other than the price above, such as fees to outside advisors.

(b) DL’s percentage of share holdings after completion of the transaction

- Share of existing voting rights before the date of business combination: 28.96%
- Share of additional voting rights acquired on the date of business combination: 71.04%
- Share of voting rights after completion of the transaction: 100%

(5) Financing

DL used its own fund.

(6) Other Information

DL acquired Tower by utilizing a friendly acquisition scheme called a “Scheme of Arrangement”, in which the transaction became effective when (a) 75% or more voting rights and the majority of Tower’s shareholders who attended the meeting of shareholders (including proxies) approved the transaction and (b) DL completed the transaction by paying AUD 4.00 per share for Tower’s shareholders with Australian court approval.

(Note) Australian dollars are converted into yen at the rate of JPY 86.77 to AUD.



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Report of Independent Auditors

The Board of Directors
The Dai-ichi Life Insurance Company, Limited

We have audited the accompanying consolidated balance sheets of The Dai-ichi Life Insurance Company, Limited (formerly The Dai-ichi Mutual Life Insurance Company for the fiscal year ended March 31, 2010) and consolidated subsidiaries as of March 31, 2010 and 2011, and the related consolidated statements of earnings, changes in net assets, and cash flows for the years then ended and consolidated statement of comprehensive income for the year ended March 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Dai-ichi Mutual Life Insurance Company, Limited (formerly The Dai-ichi Mutual Life Insurance Company for the fiscal year ended March 31, 2010) and consolidated subsidiaries at March 31, 2010 and 2011, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 27, 2011

A member firm of Ernst & Young Global Limited

Non-Consolidated Balance Sheets

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2010	2011	2011
(ASSETS)			
Cash and deposits	¥ 168,804	¥ 230,249	\$ 2,769
Cash	931	880	10
Bank deposits	167,872	229,369	2,758
Call loans	228,800	236,900	2,849
Monetary claims bought	289,885	291,115	3,501
Money held in trust	22,258	21,178	254
Securities	23,987,934	24,294,557	292,177
Government bonds	10,688,290	11,124,813	133,792
Local government bonds	324,082	313,283	3,767
Corporate bonds	2,324,075	2,312,471	27,810
Stocks	3,598,019	2,838,617	34,138
Foreign securities	6,678,934	7,370,161	88,636
Other securities	374,532	335,210	4,031
Loans	3,834,365	3,627,422	43,625
Policy loans	571,443	539,497	6,488
Ordinary loans	3,262,921	3,087,925	37,136
Ordinary loans	3,237,583	3,062,819	36,834
Trust loans	25,337	25,105	301
Tangible fixed assets	1,243,607	1,295,811	15,584
Land	814,807	843,018	10,138
Buildings	408,325	445,549	5,358
Leased assets	642	1,459	17
Construction in progress	15,766	2,219	26
Other tangible fixed assets	4,065	3,565	42
Intangible fixed assets	106,602	105,770	1,272
Software	73,078	72,249	868
Other intangible fixed assets	33,524	33,520	403
Reinsurance receivable	1,309	4,189	50
Other assets	605,642	282,565	3,398
Accounts receivable	293,417	19,216	231
Prepaid expenses	15,251	15,298	183
Accrued revenue	129,893	136,238	1,638
Deposits	43,079	42,697	513
Margin money for futures trading	16,413	21,786	262
Differential account for futures trading	-	2	0
Derivatives	76,141	17,472	210
Suspense payment	15,164	10,811	130
Other assets	16,281	19,042	229
Deferred tax assets	337,687	475,198	5,714
Customers' liabilities for acceptances and guarantees	17,787	17,826	214
Reserve for possible loan losses	(21,095)	(12,900)	(155)
Reserve for possible investment losses	(1,123)	(223)	(2)
Total assets	<u>¥ 30,822,467</u>	<u>¥ 30,869,661</u>	<u>\$ 371,252</u>

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2010	2011	2011
(LIABILITIES)			
Policy reserves and others	¥ 27,803,736	¥ 28,190,891	\$ 339,036
Reserves for outstanding claims	149,682	197,695	2,377
Policy reserves	27,324,838	27,589,524	331,804
Reserve for policyholder dividends	329,214	403,671	4,854
Reinsurance payable	525	588	7
Subordinated bonds	46,510	149,129	1,793
Other liabilities	1,206,894	1,118,137	13,447
Collateral for securities lending transactions	390,728	439,443	5,284
Long-term debt and other borrowings	313,014	363,607	4,372
Corporate income tax payable	571	13,333	160
Accounts payable	282,582	29,100	349
Accrued expenses	36,974	42,089	506
Unearned revenue	1,410	1,163	13
Deposits received	55,342	54,659	657
Guarantee deposits received	34,761	32,489	390
Differential account for futures trading	57	53	0
Derivatives	87,677	132,656	1,595
Lease liabilities	642	1,459	17
Asset retirement obligations	-	4,019	48
Suspense receipt	3,080	3,975	47
Other liabilities	51	86	1
Reserve for employees' retirement benefits	409,639	418,312	5,030
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,307	3,147	37
Reserve for possible reimbursement of prescribed claims	1,100	1,100	13
Allowance for policyholder dividends	92,500	-	-
Reserves under the special laws	115,453	80,453	967
Reserve for price fluctuations	115,453	80,453	967
Deferred tax liabilities for land revaluation	124,706	123,635	1,486
Acceptances and guarantees	17,787	17,826	214
Total liabilities	29,822,160	30,103,223	362,035
(NET ASSETS)			
Accumulated redeemed foundation funds	420,000	-	-
Revaluation reserve	248	-	-
Surplus	184,448	-	-
Reserve for future losses	5,600	-	-
Other surplus	178,848	-	-
Fund for risk allowance	43,139	-	-
Fund for price fluctuation allowance	55,000	-	-
Subsidy fund for social public enterprise	9	-	-
Fund for Public Health Awards	8	-	-
Fund for Environmental Green Design Award	14	-	-
Reserve for tax basis adjustments of real estate	16,420	-	-
Other reserves	100	-	-
Unappropriated net surplus for the period	64,157	-	-
Total of foundation funds and surplus	604,697	-	-
Capital stock	-	210,200	2,527
Capital surplus	-	210,200	2,527
Legal capital surplus	-	210,200	2,527
Retained earnings	-	192,887	2,319
Legal retained earnings	-	5,600	67
Other retained earnings	-	187,287	2,252
Fund for risk allowance	-	43,120	518
Fund for price fluctuation allowance	-	65,000	781
Reserve for tax basis adjustments of real estate	-	17,962	216
Retained earnings brought forward	-	61,205	736
Treasury stock	-	(20,479)	(246)
Total shareholders' equity	-	592,808	7,129
Net unrealized gains (losses) on securities, net of tax	461,158	237,580	2,857
Deferred hedge gains (losses)	(2,008)	1,243	14
Reserve for land revaluation	(63,540)	(65,194)	(784)
Total of valuation and translation adjustments	395,609	173,629	2,088
Total net assets	1,000,307	766,437	9,217
Total liabilities and net assets	¥ 30,822,467	¥ 30,869,661	\$ 371,252

Non-Consolidated Statements of Earnings

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
ORDINARY REVENUES	¥ 4,331,560	¥ 4,308,466	\$ 51,815
Premium and other income	2,837,251	3,056,555	36,759
Premium income	2,836,231	3,055,768	36,750
Reinsurance income	1,019	786	9
Investment income	1,153,480	922,686	11,096
Interest and dividends	708,082	698,159	8,396
Interest from bank deposits	2,832	5,229	62
Interest and dividends from securities	533,908	529,413	6,366
Interest from loans	91,517	86,019	1,034
Rental income	70,333	66,814	803
Other interest and dividends	9,489	10,682	128
Gains on trading account securities	1,336	-	-
Gains on money held in trust	3,295	-	-
Gains on sale of securities	242,556	212,245	2,552
Gains on redemption of securities	4,472	1,533	18
Derivative transaction gains	-	9,842	118
Other investment income	566	906	10
Gains on investment in separate accounts	193,170	-	-
Other ordinary revenues	340,828	329,224	3,959
Fund receipt for annuity rider of group insurance	1,036	974	11
Fund receipt for claim deposit payment	295,673	310,833	3,738
Reversal of reserves for outstanding claims	23,257	-	-
Other ordinary revenues	20,861	17,416	209
ORDINARY EXPENSES	4,137,940	4,229,564	50,866
Benefits and claims	2,610,535	2,625,013	31,569
Claims	777,001	765,003	9,200
Annuities	478,704	515,481	6,199
Benefits	533,811	505,918	6,084
Surrender values	661,715	636,936	7,660
Other refunds	158,160	200,540	2,411
Ceding reinsurance commissions	1,141	1,133	13
Provision for policy reserves and others	328,262	322,580	3,879
Provision for reserves for outstanding claims	-	48,012	577
Provision for policy reserves	317,861	264,685	3,183
Provision for interest on policyholder dividends	10,401	9,882	118
Investment expenses	330,067	429,594	5,166
Interest expenses	12,725	13,073	157
Losses on money held in trust	-	1,051	12
Losses on sale of securities	207,894	120,905	1,454
Losses on valuation of securities	10,502	179,621	2,160
Losses on redemption of securities	2,470	4,168	50
Derivative transaction losses	16,772	-	-
Foreign exchange losses	18,528	28,417	341
Provision for reserve for possible loan losses	10,288	-	-
Provision for reserve for possible investment losses	1,123	-	-
Write-down of loans	573	410	4
Depreciation of rented real estate and others	15,016	15,207	182
Other investment expenses	34,171	34,665	416
Losses on investment in separate accounts	-	32,071	385
Operating expenses	438,729	424,686	5,107
Other ordinary expenses	430,345	427,688	5,143
Claim deposit payments	358,828	348,955	4,196
National and local taxes	23,592	25,226	303
Depreciation	31,563	34,219	411
Provision for reserve for employees' retirement benefits	5,976	8,673	104
Other ordinary expenses	10,384	10,614	127
NET SURPLUS FROM OPERATIONS/ORDINARY PROFIT	¥ 193,620	¥ 78,902	\$ 948

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
EXTRAORDINARY GAINS	¥ 329	¥ 40,101	\$ 482
Gains on disposal of fixed assets	159	3,348	40
Reversal of reserve for possible loan losses	-	1,065	12
Reversal of reserve for possible investment	-	498	5
Gains on collection of loans and claims written off	169	189	2
Reversal of reserve for price fluctuations	-	35,000	420
EXTRAORDINARY LOSSES	116,509	11,828	142
Losses on disposal of fixed assets	1,833	4,415	53
Impairment losses on fixed assets	4,897	3,338	40
Provision for allowance for policyholder dividends	92,500	-	-
Provision for reserve for price fluctuations	14,000	-	-
Losses on accelerated redemption of foundation funds	2,372	-	-
Effect of initial application of accounting standard for asset retirement obligations	-	4,074	48
Subsidy for social public enterprise	826	-	-
Public Health Awards	36	-	-
Environmental Green Design Award	44	-	-
Provision for reserve for policyholder dividends	-	78,500	944
Net surplus before income taxes	77,439	-	-
Income before income taxes	-	28,675	344
Corporate income taxes-current	317	25,956	312
Corporate income tax-deferred	16,315	(14,217)	(170)
Total of corporate income taxes	16,632	11,739	141
Net surplus for the year	¥ 60,807	-	-
Net income for the year	-	¥ 16,936	\$ 203

Non-Consolidated Statements of Changes in Net Assets

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Foundation funds and surplus			
Foundation funds			
Balance at the end of the previous year	¥ 120,000	-	-
Changes for the year			
Redemption of foundation funds	(120,000)	-	-
Total changes for the year	(120,000)	-	-
Balance at the end of the year	-	-	-
Accumulated redeemed foundation funds			
Balance at the end of the previous year	300,000	-	-
Changes for the year			
Transfer to accumulated redeemed foundation funds	120,000	-	-
Total changes for the year	120,000	-	-
Balance at the end of the year	420,000	-	-
Revaluation reserve			
Balance at the end of the previous year	248	-	-
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	248	-	-
Surplus			
Reserve for future losses			
Balance at the end of the previous year	5,400	-	-
Changes for the year			
Transfer to reserve for future losses	200	-	-
Total changes for the year	200	-	-
Balance at the end of the year	5,600	-	-
Other surplus			
Reserve for redemption of foundation funds			
Balance at the end of the previous year	81,300	-	-
Changes for the year			
Transfer to accumulated redeemed foundation funds	(120,000)	-	-
Transfer to reserve for redemption of foundation funds	38,700	-	-
Total changes for the year	(81,300)	-	-
Balance at the end of the year	-	-	-
Reserve for interest payment for foundation funds			
Balance at the end of the previous year	-	-	-
Changes for the year			
Transfer to reserve for interest payment for foundation funds ..	1,263	-	-
Transfer from reserve for interest payment for foundation funds ..	(1,263)	-	-
Total changes for the year	-	-	-
Balance at the end of the year	-	-	-
Fund for risk allowance			
Balance at the end of the previous year	43,139	-	-
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	43,139	-	-
Fund for price fluctuation allowance			
Balance at the end of the previous year	30,000	-	-
Changes for the year			
Transfer to fund for price fluctuation allowance	25,000	-	-
Total changes for the year	25,000	-	-
Balance at the end of the year	55,000	-	-
Subsidy fund for social public enterprise			
Balance at the end of the previous year	9	-	-
Changes for the year			
Transfer to subsidy fund for social public enterprise	826	-	-
Transfer from subsidy fund for social public enterprise	(826)	-	-
Total changes for the year	-	-	-
Balance at the end of the year	¥ 9	-	-

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Fund for Public Health Awards			
Balance at the end of the previous year	¥ 4	-	-
Changes for the year			
Transfer to fund for Public Health Awards.....	40	-	-
Transfer from fund for Public Health Awards	(36)	-	-
Total changes for the year	3	-	-
Balance at the end of the year	8	-	-
Fund for Environmental Green Design Award			
Balance at the end of the previous year	9	-	-
Changes for the year			
Transfer to fund for Environmental Green Design Award	50	-	-
Transfer from fund for Environmental Green Design Award	(44)	-	-
Total changes for the year	5	-	-
Balance at the end of the year	14	-	-
Reserve for tax basis adjustments of real estate			
Balance at the end of the previous year	15,961	-	-
Changes for the year			
Transfer to reserve for tax basis adjustments of real estate ⁽¹⁾ ..	540	-	-
Transfer to reserve for tax basis adjustments of real estate ⁽²⁾ ..	200	-	-
Transfer from reserve for tax basis adjustments of real estate ⁽¹⁾ ..	(145)	-	-
Transfer from reserve for tax basis adjustments of real estate ⁽²⁾ ..	(137)	-	-
Total changes for the year	458	-	-
Balance at the end of the year	16,420	-	-
Other reserves			
Balance at the end of the previous year	100	-	-
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	100	-	-
Unappropriated net surplus for the year			
Balance at the end of the previous year	133,766	-	-
Changes for the year			
Transfer to reserve for policyholder dividends	(64,963)	-	-
Transfer to reserve for future losses	(200)	-	-
Interest payment for foundation funds	(2,328)	-	-
Net surplus for the year	60,807	-	-
Transfer to reserve for redemption of foundation funds.....	(38,700)	-	-
Transfer to reserve for interest payment for foundation funds ..	(1,263)	-	-
Transfer from reserve for interest payment for foundation funds ..	1,263	-	-
Transfer to fund for price fluctuation allowance	(25,000)	-	-
Transfer to subsidy fund for social public enterprise	(826)	-	-
Transfer from subsidy fund for social public enterprise	826	-	-
Transfer to fund for Public Health Awards.....	(40)	-	-
Transfer from fund for Public Health Awards	36	-	-
Transfer to fund for Environmental Green Design Award	(50)	-	-
Transfer from fund for Environmental Green Design Award	44	-	-
Transfer to reserve for tax basis adjustments of real estate ⁽¹⁾ ..	(540)	-	-
Transfer to reserve for tax basis adjustments of real estate ⁽²⁾ ..	(200)	-	-
Transfer from reserve for tax basis adjustments of real estate ⁽¹⁾ ..	145	-	-
Transfer from reserve for tax basis adjustments of real estate ⁽²⁾ ..	137	-	-
Transfer from reserve for land revaluation	1,242	-	-
Total changes for the year	(69,609)	-	-
Balance at the end of the year	¥ 64,157	-	-

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Total of surplus			
Balance at the end of the previous year	¥ 309,690	-	-
Changes for the year			
Transfer to reserve for policyholder dividends	(64,963)	-	-
Transfer to accumulated redeemed foundation funds	(120,000)	-	-
Interest payment for foundation funds	(2,328)	-	-
Net surplus for the year	60,807	-	-
Transfer from reserve for land revaluation	1,242	-	-
Total changes for the year	(125,241)	-	-
Balance at the end of the year	184,448	-	-
Total of foundation funds and surplus			
Balance at the end of the previous year	729,938	-	-
Changes for the year			
Transfer to reserve for policyholder dividends	(64,963)	-	-
Interest payment for foundation funds	(2,328)	-	-
Net surplus for the year	60,807	-	-
Redemption of foundation funds	(120,000)	-	-
Transfer from reserve for land revaluation	1,242	-	-
Total changes for the year	(125,241)	-	-
Balance at the end of the year	¥ 604,697	-	-
Shareholders' equity			
Capital stock			
Balance at the beginning of the year	-	¥ 210,200	\$ 2,527
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	210,200	2,527
Capital surplus			
Legal capital surplus			
Balance at the beginning of the year	-	210,200	2,527
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	210,200	2,527
Total capital surplus			
Balance at the beginning of the year	-	210,200	2,527
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	210,200	2,527
Retained earnings			
Legal retained earnings			
Balance at the beginning of the year	-	5,600	67
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	5,600	67
Other retained earnings			
Fund for risk allowance			
Balance at the beginning of the year	-	43,120	518
Changes for the year			
Total changes for the year	-	-	-
Balance at the end of the year	-	43,120	518
Fund for price fluctuation allowance			
Balance at the beginning of the year	-	55,000	661
Changes for the year			
Transfer to fund for price fluctuation allowance	-	10,000	120
Total changes for the year	-	10,000	120
Balance at the end of the year	-	¥ 65,000	\$ 781

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Reserve for tax basis adjustments of real estate			
Balance at the beginning of the year	-	¥ 16,420	\$ 197
Changes for the year			
Transfer to reserve for tax basis adjustments of real estate.....	-	1,673	20
Transfer from reserve for tax basis adjustments of real estate....	-	(132)	(1)
Total changes for the year	-	1,541	18
Balance at the end of the year	-	17,962	216
Retained earnings brought forward			
Balance at the beginning of the year	-	64,157	771
Changes for the year			
Dividends.....	-	(10,000)	(120)
Net income for the year.....	-	16,936	203
Transfer to fund for price fluctuation allowance	-	(10,000)	(120)
Transfer to reserve for tax basis adjustments of real estate.....	-	(1,673)	(20)
Transfer from reserve for tax basis adjustments of real estate....	-	132	1
Transfer from reserve for land revaluation.....	-	1,653	19
Total changes for the year	-	(2,951)	(35)
Balance at the end of the year	-	61,205	736
Total retained earnings			
Balance at the beginning of the year.....	-	184,297	2,216
Changes for the year			
Dividends	-	(10,000)	(120)
Net income for the year	-	16,936	203
Transfer from reserve for land revaluation.....	-	1,653	19
Total changes for the year.....	-	8,590	103
Balance at the end of the year.....	-	192,887	2,319
Treasury stock			
Balance at the beginning of the year	-	-	-
Changes for the year			
Purchase of treasury stock.....	-	(20,479)	(246)
Total changes for the year	-	(20,479)	(246)
Balance at the end of the year	-	(20,479)	(246)
Total shareholders' equity			
Balance at the beginning of the year	-	604,697	7,272
Changes for the year			
Dividends.....	-	(10,000)	(120)
Net income for the year	-	16,936	203
Purchase of treasury stock.....	-	(20,479)	(246)
Transfer from reserve for land revaluation	-	1,653	19
Total changes for the year	-	(11,889)	(142)
Balance at the end of the year	-	592,808	7,129
Valuation and translation adjustments			
Net unrealized gains (losses) on securities, net of tax			
Balance at the beginning of the year	¥ (47,456)	461,158	5,546
Changes for the year			
Net changes of items other than foundation funds and surplus	508,614	-	-
Net changes of items other than shareholders' equity.....	-	(223,577)	(2,688)
Total changes for the year	508,614	(223,577)	(2,688)
Balance at the end of the year	461,158	237,580	2,857
Deferred hedge gains (losses)			
Balance at the beginning of the year	(357)	(2,008)	(24)
Changes for the year			
Net changes of items other than foundation funds and surplus	(1,651)	-	-
Net changes of items other than shareholders' equity.....	-	3,251	39
Total changes for the year	(1,651)	3,251	39
Balance at the end of the year	¥ (2,008)	¥ 1,243	\$ 14

	(millions of yen)		(millions of US\$)
	Year ended March 31,		
	2010	2011	2011
Reserve for land revaluation			
Balance at the beginning of the year	¥ (62,297)	¥ (63,540)	\$ (764)
Changes for the year			
Net changes of items other than foundation funds and surplus	(1,242)	-	-
Net changes of items other than shareholders' equity	-	(1,653)	(19)
Total changes for the year	(1,242)	(1,653)	(19)
Balance at the end of the year	(63,540)	(65,194)	(784)
Total of valuation and translation adjustments			
Balance at the beginning of the year	(110,111)	395,609	4,757
Changes for the year			
Net changes of items other than foundation funds and surplus	505,721	-	-
Net changes of items other than shareholders' equity	-	(221,979)	(2,669)
Total changes for the year	505,721	(221,979)	(2,669)
Balance at the end of the year	395,609	173,629	2,088
Total net assets			
Balance at the beginning of the year	619,827	1,000,307	12,030
Changes for the year			
Transfer to reserve for policyholder dividends	(64,963)	-	-
Interest payment for foundation funds	(2,328)	-	-
Net surplus for the year	60,807	-	-
Redemption of foundation funds	(120,000)	-	-
Dividends	-	(10,000)	(120)
Net income for the year	-	16,936	203
Purchase of treasury stock	-	(20,479)	(246)
Transfer from reserve for land revaluation	1,242	1,653	19
Net changes of items other than foundation funds and surplus	505,721	-	-
Net changes of items other than shareholders' equity	-	(221,979)	(2,669)
Total changes for the year	380,479	(233,869)	(2,812)
Balance at the end of the year	¥ 1,000,307	¥ 766,437	\$ 9,217

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED MARCH 31, 2010 AND 2011

I. PRESENTATION OF FINANCIAL STATEMENTS

1. Basis for Presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by The Dai-ichi Mutual Life Insurance Company, or The Dai-ichi Life Insurance Company, Limited after April 1, 2010, ("DL", the "Company" or the "Parent Company") in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the non-consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the non-consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥83.15=US\$1.00, the foreign exchange rate on March 31, 2011, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

II. NOTES TO NON-CONSOLIDATED BALANCE SHEETS

1. Valuation Methods of Securities

Securities held by DL including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums or discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

Net unrealized gains or losses on available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statements of earnings.

i. Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average value during March), with cost determined by the moving average method.

However, a certain domestic stock with market value was valued at fair value as of March 31, 2011, due to the factors including the significant differences between their average value during March 2011 and their fair value as of March 31, 2011.

ii. Available-for-sale Securities Whose Market Values Are Extremely Difficult to Be Recognized

a. Government/Corporate Bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment, are valued at the amortized cost, determined by the moving average method.

b. Others

All others are valued at cost using the moving average method.

2. Policy-reserve-matching Bonds

(1) Book Value and Market Value

The book value of policy-reserve-matching bonds as of March 31, 2010 and 2011 amounted to ¥5,766,069 million and ¥6,870,639 million (US\$82,629 million), respectively. The market value of these bonds as of March 31, 2010 and 2011 was ¥5,889,306 million and ¥7,092,066 million (US\$85,292 million), respectively.

(2) Risk Management Policy

DL categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of sub-groups. Moreover, it periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:

- individual life insurance and annuities,
- financial insurance and annuities, and
- group annuities,

with the exception of certain types.

(3) Changes in Classification

Effective the fiscal year ended March 31, 2010, in order to achieve integrated duration control, and thus promote more sophisticated ALM, DL added (a) defined benefit corporate pension insurance, (b) employees' pension fund insurance (with the exception of certain types), and (c) new corporate pension insurance (with the exception of certain types) to the sub-group of employee-funded corporate pension contracts, and renamed it to "group annuities." This redefinition did not have any impact on profits and losses of DL for the fiscal year ended March 31, 2010.

3. Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), DL revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land
The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.
- The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2010 and 2011 was ¥8,994 million and ¥55,701 million (US\$669 million), respectively.

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the following method:

- i. Buildings (excluding leasehold improvements and structures)
 - a. Buildings (excluding leasehold improvements and structures)
 - Acquired on or before March 31, 2007
Calculated by the previous straight-line method.
 - Acquired on or after April 1, 2007
Calculated by the straight-line method.
 - b. Assets Other than Buildings
 - Acquired on or before March 31, 2007
Calculated by the previous declining balance method.
 - Acquired on or after April 1, 2007
Calculated by the declining balance method.
- Estimated useful lives of major assets are as follows:
- | | |
|-----------------------------|---------------------|
| Buildings | two to sixty years |
| Other tangible fixed assets | two to twenty years |

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that are acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the year ended March 31, 2008, the salvage values are depreciated in the five years following the year end when such assets were depreciated to their final depreciable limit.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

DL uses the straight-line method of amortization for intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of five years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value.

Finance leases, which commenced on or before March 31, 2008, are accounted for in the same manner applicable to ordinary operating leases.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2010 and 2011 was ¥644,389 million and ¥658,245 million (US\$7,916 million), respectively.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

DL translated foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, “bankrupt obligors”) and loans to and claims on obligors that have suffered substantial business failure (hereafter, “substantially bankrupt obligors”), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans and claims to obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, “obligors at risk of bankruptcy”), the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor’s ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in DL performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the years ended March 31, 2010 and 2011 were ¥4,206 million and ¥3,832 million (US\$46 million), respectively.

8. Accounting of Beneficial Interests in Securitized Mortgage Loans

As of March 31, 2010 and 2011, the trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by DL in August 2000, amounted to ¥25,337 million and, ¥25,105 million (US\$301 million) respectively, and are included as loans in the consolidated balance sheets. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balances of the underlying loans in the trust as of March 31, 2010 and 2011 were ¥53,995 million and, ¥44,268 million (US\$532 million) respectively.

9. Reserve for Employees’ Retirement Benefits

For the reserve for employees’ retirement benefits, the amount calculated in accordance with the accounting standards for retirement benefits (“Statement on Establishing Accounting Standards for Retirement Benefits” issued on June 16, 1998 by the Business Accounting Council) is provided.

Gains/losses on plan amendments are amortized by the straight-line method through a certain period of 7 years, which is within the employees’ average remaining service period.

Actuarial differences are amortized by the straight-line method through a certain period of 7 years starting from the following year, which is within the employees’ average remaining service period.

Effective the fiscal year ended March 31, 2010, DL adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part3)” issued on July 31, 2008 by the Accounting Standards Board of Japan (ASBJ). This change did not have any impact on profits and losses of DL.

10. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of DL is established for securities whose market values are extremely difficult to be recognized. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

11. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

12. Lease Transactions

Finance Leases (As lessee)

(1) Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2010 were as follows:

	Acquisition cost	Accumulated depreciation	Net carrying amount
		(millions of yen)	
Tangible fixed assets	¥ 12,450	¥ 10,808	¥ 1,641
Total	¥ 12,450	¥ 10,808	¥ 1,641

Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2011 were as follows:

	Acquisition cost	Accumulated depreciation	Net carrying amount	Acquisition cost	Accumulated depreciation	Net carrying amount
		(millions of yen)			(millions of US\$)	
Tangible fixed assets	¥ 2,102	¥ 1,628	¥ 473	\$ 25	\$ 19	\$ 5
Total	¥ 2,102	¥ 1,628	¥ 473	\$ 25	\$ 19	\$ 5

Note:

1. Acquisition cost is calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(2) Obligations under finance leases as of March 31, 2010 and 2011 were as follows:

	As of March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
Due within one year	¥ 1,167	¥ 340	\$ 4
Due after one year	474	133	1
Total	¥ 1,641	¥ 473	\$ 5

Note:

1. Obligations under finance leases are calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(3) Total payments for finance leases and depreciation for years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
Total payments for finance leases	¥ 2,496	¥ 425	\$ 5
Depreciation	2,496	425	5

Depreciation for leased assets is calculated over the lease term by the straight-line method assuming zero salvage value.

Operating Lease (As Lessee)

Future minimum lease payments under noncancellable operating leases as of March 31, 2010 and 2011 were as follows:

	As of March 31,		
	2010	2011	2011
		(millions of yen)	(millions of US\$)
Due within one year	¥ 2,257	¥ 625	\$ 7
Due after one year	6,909	6,315	75
Total	¥ 9,167	¥ 6,940	\$ 83

13. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” issued on March 10, 2008 by the Accounting Standards Board of Japan. Primarily, (1) special hedge accounting for interest rate swaps and the deferral hedge method are used for cash flow hedges of certain ordinary loans, government and corporate bonds, and loans and bonds payable; (2) the currency allotment method and deferral hedge method are used for cash flow hedges by foreign currency swaps and foreign currency forward contracts against exchange rate fluctuations in certain foreign currency-denominated loans, loans payable, bonds payable, term deposits and stocks (forecasted transaction); and (3) the fair value hedge method by currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds.

(2) Hedging Instruments and Hedged Instruments

Year Ended March 31, 2010

Hedging instruments	Hedged instruments
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps.....	Foreign currency-denominated loans
Foreign currency forward contracts.....	Foreign currency-denominated bonds, foreign currency-denominated term deposits
Currency options	Foreign currency-denominated bonds

Year Ended March 31, 2011

Hedging instruments	Hedged instruments
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps.....	Foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency denominated bonds payable
Foreign currency forward contracts.....	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transactions)
Currency options	Foreign currency-denominated bonds

(3) Hedging Policies

DL conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

14. Calculation of National and Local Consumption Tax

DL accounts for national and local consumption tax by the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserves

Policy reserves of DL are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

- Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
- Reserves for other policies are established based on the net level premium method.

For whole life insurance contracts acquired on or before March 31, 1996, premium payments for which were already completed (including lump-sum payment), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, additional provisions for policy reserves for the year ended March 31, 2010 and 2011 were ¥96,154 million and ¥112,631 million (US\$1,354 million), respectively.

16. Application of “Accounting Standard for Asset Retirement Obligations”

Effective the fiscal year ended March 31, 2011, DL applied “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18 issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 issued on March 31, 2008). As a result, ordinary profit and income before income taxes for the fiscal year ended March 31, 2011 decreased by ¥497 million (US\$5 million) and ¥4,572 million (US\$54 million), respectively, compared to the corresponding figures calculated by the previous method. The amount of change in asset retirement obligations incurred due to the initial application of the accounting standard for the fiscal year was ¥3,247 million (US\$39 million).

(1) Overview of Asset Retirement Obligation

DL recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to the removal of (1) tangible fixed assets and (2) certain harmful substances in the tangible fixed assets and so recorded the asset retirement obligation.

(2) Calculation of Asset Retirement Obligation

DL calculated the asset retirement obligation by (1) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and (2) applying discount rates ranging from 0.144% to 2.293%.

(3) Increase and Decrease in Asset Retirement Obligation

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2011:

	(millions of yen)	(millions of US\$)
Beginning balance	¥ 3,247	\$ 39
Time progress adjustments	43	0
Others	728	8
Ending balance	¥ 4,019	\$ 48

Note:

The “Beginning balance” in the above table represents the amount of asset retirement obligations as of April 1, 2010 instead of that of March 31, 2010, as DL applied the standard effective the fiscal year ended March 31, 2011.

17. Presentation of Net Assets

Due to DL’s demutualization on April 1, 2010, net assets in its balance sheet as of March 31, 2011 were reported in a joint stock corporation format, while those of March 31, 2010 were reported in a mutual company format.

18. Introduction of Stock Granting Trust (J-ESOP)

Effective the fiscal year ended March 31, 2011, DL introduced Stock Granting Trust (J-ESOP). J-ESOP is an incentive program granting middle managements who fulfill requirements under its Stock Granting Regulations shares of common stock to motivate them to improve corporate value and financial results and, thus, stock prices by (1) linking their retirement benefits to the stock price and financial results of DL and (2) sharing economic benefits with stockholders.

DL vests points to each managerial level employee based on her/his contribution to DL and grants stocks of DL based on her/his total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from DL.

Taking into consideration the economic reality of the J-ESOP trust, assets, including stocks of DL, and liabilities of the J-ESOP trust are recorded in DL’s balance sheet as of March 31, 2011 and statement of earnings and statement of changes in net assets for the fiscal year ended March 31, 2011.

The J-ESOP trust owned 45 thousand shares of common stock of DL as of March 31, 2011.

19. Introduction of Trust-type Employee Shareholding Incentive Plan (E-Ship®)

Effective the fiscal year ended March 31, 2011, DL introduced a Trust-type Employee Shareholding Incentive Plan (E-Ship®). E-Ship® is an incentive program for employees who are members of the Dai-ichi Life Insurance Employee Stock Holding Partnership Plan (the “Plan”). In the E-Ship®, DL sets up the E-Ship trust at a trust bank. The E-ship trust estimates the number of shares of common stock of DL which the Plan is to acquire in the next five years after the setup of the E-Ship trust and purchases the shares in advance. The Plan buys shares of DL from the E-Ship trust periodically. At the end of the trust period, the Plan’s retained earnings, accumulation of net gains on sales of shares of DL, are to be distributed to the members, who fulfill the requirements for eligible beneficiaries. On the other hand, DL will compensate outstanding debt at the end of the period due to accumulation of net losses on shares as DL guarantees the debt of the E-Ship trust for share purchases.

Taking into consideration the economic reality of the E-Ship trust, assets, including stocks of DL, and liabilities of the E-ship trust are recorded in DL’s balance sheet as of March 31, 2011 and statement of earnings and statement of changes in net assets for the fiscal year ended March 31, 2011.

The E-ship trust owned 93 thousand shares of common stock of DL as of March 31, 2011.

20. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of DL, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of DL and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders of DL are provided.

21. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had run out in the previous years, DL provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

22. Allowance for Policyholder Dividends

Allowance for policyholder dividends is provided for paying out policyholder dividends deemed appropriate after demutualization of DL.

Transfers to reserve for policyholder (member) dividends by mutual life insurance companies constitute dispositions of net surplus. On the other hand, the equivalent of such transfer in the case of life insurance companies that are joint stock corporations is the allowance for policyholder dividends, which is reflected as a separate expense in the statement of earnings.

As DL reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010, DL recorded the allowance for policyholder dividends as a reserve to prepare for paying out policyholder dividends after the demutualization to its policyholders.

However, DL's reserve for policyholder dividends, effective the fiscal year ending March 31, 2011, represents a combined amount of its allowance for policyholder dividends and reserve for policyholder dividends.

23. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheets. The total balance of securities lent as of March 31, 2010 and 2011 was ¥436,743 million and ¥482,741 million (US\$5,805 million), respectively.

24. Problem Loans

As of March 31, 2010 and 2011, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were ¥35,981 million and ¥25,639 million (US\$308 million), respectively. As of March 31, 2010, the amount of credits to bankrupt borrowers was ¥5,259 million, the amount of delinquent loans was ¥28,338 million, DL held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,383 million. As of March 31, 2011, the amount of credits to bankrupt borrowers was ¥5,034 million (US\$60 million), the amount of delinquent loans was ¥17,349 million (US\$208 million), DL held no amount of loans past due for three months or more, and the amount of restructured loans was ¥3,255 million (US\$39 million).

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Law. Interest accruals of such loans are suspended since the principal or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans, credits to bankrupt borrowers and delinquent loans decreased by ¥736 million and ¥3,469 million respectively, in the year ended March 31, 2010, and ¥739 million (US\$8 million) and ¥3,093 million (US\$37 million), respectively, in the year ended March 31, 2011.

25. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2010 and 2011 were ¥1,292,250 million and ¥1,176,136 million (US\$14,144 million), respectively. Separate account liabilities were the same amount as separate account assets.

26. Receivables and Payables to Subsidiaries

The total amounts of receivables and payables to subsidiaries and affiliated companies were ¥33,048 million and ¥4,418 million as of March 31, 2010, and ¥4,567 million (US\$54 million) and ¥4,589 million (US\$55 million) as of March 31, 2011, respectively.

27. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2010

	(millions of yen)	
Deferred tax assets:		
Insurance policy reserve	¥	349,598
Reserve for employees' retirement benefits		178,872
Reserve for price fluctuations		41,655
Losses on valuation of securities		29,059
Tax losses carried forward		27,510
Others		40,286
Subtotal	¥	666,982
Valuation allowances		(34,666)
Total	¥	632,316
Deferred tax liabilities:		
Net unrealized gains on securities, net of tax	¥	(263,647)
Reserve for tax basis adjustments of real estate		(9,268)
Dividend receivables from stocks		(8,867)
Others		(12,844)
Total	¥	(294,628)
Net deferred tax assets	¥	337,687

(2) Major components of deferred tax assets and liabilities as of March 31, 2011

	(millions of yen)	(millions of US\$)
Deferred tax assets:		
Insurance policy reserve	¥ 377,833	\$ 4,543
Reserve for employees' retirement benefits	182,001	2,188
Losses on valuation of securities	62,787	755
Reserve for price fluctuations	29,027	349
Impairment losses	7,561	90
Others	32,814	394
Subtotal	¥ 692,026	\$ 8,322
Valuation allowances	(34,994)	(420)
Total	¥ 657,032	\$ 7,901
Deferred tax liabilities:		
Net unrealized gains on securities, net of tax	¥ (147,455)	\$ (1,773)
Reserve for tax basis adjustments of real estate	(10,138)	(121)
Dividend receivables from stocks	(7,675)	(92)
Others	(16,563)	(199)
Total	¥ (181,833)	\$ (2,186)
Net deferred tax assets	¥ 475,198	\$ 5,714

(3) Difference Between the Statutory Tax rate and Actual Effective Tax Rate after Considering Deferred Taxes

- i. The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2010

Statutory tax rate	36.08%
(Adjustments)	
Increase (decrease) in valuation allowances	(15.44)%
Others	0.84%
Actual effective tax rate after considering deferred taxes	21.48%

- ii. The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2011

Statutory tax rate	36.08%
(Adjustments)	
Nondeductible expenses including entertainment expenses	3.11%
Others	1.75%
Actual effective tax rate after considering deferred taxes	40.94%

28. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Years Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Balance at the end of the previous year	¥ 347,658	¥ 329,214	\$ 3,959
Transfer from allowance for policyholder dividends	–	92,500	1,112
Transfer from surplus in the previous year	64,963	–	–
Dividends paid in the year	(93,808)	(106,426)	(1,279)
Interest accrual in the year	10,401	9,882	118
Provision for reserve for policyholder dividends	–	78,500	944
Balance at the end of the year	¥ 329,214	¥ 403,671	\$ 4,854

29. Stocks of Subsidiaries

The amounts of stocks of subsidiaries DL held as of March 31, 2010 and 2011 were ¥220,111 million and ¥222,961 million (US\$2,681 million), respectively.

30. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were as follows.

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Securities (Government bonds)	¥ 390,274	¥ 442,335	\$ 5,319
Securities (Foreign securities)	8,791	7,347	88
Cash/deposits	86	86	1
Securities and cash/deposits pledged as collateral	¥ 399,153	¥ 449,770	\$ 5,409

The amounts of secured liabilities were as follows:

	As of March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Cash collateral for securities lending transactions	¥ 390,728	¥ 439,443	\$ 5,284
Loan	14	10	0
Secured liabilities	¥ 390,743	¥ 439,454	\$ 5,285

Among the amounts, “Securities (Government bonds)” for securities lending transactions as of March 31, 2010 and 2011 were ¥389,085 million and ¥436,425 million (US\$5,248 million), respectively.

31. Reinsurance

As of March 31, 2010 and 2011, reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter, "reserves for outstanding claims reinsured") were ¥12 million and ¥10 million (US\$0 million), respectively.

As of March 31, 2010 and 2011, the amounts of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter, "policy reserves reinsured") were ¥0 million and ¥0 million (US\$0 million), respectively.

32. Organizational Change Surplus

As of March 31, 2011, the amount of DL's organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million (US\$1,416 million).

33. Adjustment Items for Redemption of Foundation Funds and Appropriation of Net Surplus

The total amount of adjustment items for redemption of foundation funds and appropriation of net surplus as of March 31, 2010, defined in Article 30, Paragraph 2 of the Enforcement Regulations of the Insurance Business Act, were ¥459,398 million.

In accordance with the Plan for Demutualization approved at the 108th general meeting of representative policyholders, in preparation for demutualization DL redeemed the whole unredeemed balance of its foundation funds amounting to ¥100,000 million (¥40,000 million of the unredeemed portion, at that point, of ¥60,000 million foundation fund issued in the year ended March 31, 2005 and the whole ¥60,000 million foundation fund issued in the year ended March 31, 2007) on March 26, 2010, before their maturity dates, in accordance with Article 89 of the Insurance Business Act.

In the year ended March 31, 2010, due to the redemption of foundation funds of ¥120,000 million (including foundation fund of ¥20,000 million redeemed in August 2009), DL provided the same amount as accumulated redeemed foundation funds, in accordance with Article 56 of the Insurance Business Act.

34. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2011, the market value of the securities borrowed which were not sold or pledged was ¥1,301 million (US\$15 million), among which no securities were pledged as collateral.

35. Commitment Line

As of March 31, 2010 and 2011, there were unused commitment line agreements under which DL is the lender of ¥6,529 million and ¥5,300 million (US\$63 million), respectively.

36. Subordinated Debt

As of March 31, 2010 and 2011, long-term debt and other borrowings included subordinated debt of ¥313,000 million and ¥350,000 million (US\$4,209 million), respectively, the repayment of which is subordinated to other obligations.

37. Subordinated Bonds

Subordinated bonds of ¥46,510 million and ¥149,129 million (US\$1,793 million) shown in liabilities as of March 31, 2010 and 2011 were foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

38. Assets Denominated in Foreign Currencies

Assets of DL denominated in foreign currencies as of March 31, 2010 totaled ¥5,382,291 million. The principal foreign currency asset amounts as of March 31, 2010 were US\$27,224 million and €17,327 million, respectively.

39. Securities

Fiscal Year Ended March 31, 2010

(1) Stocks of DL's subsidiaries and affiliates with market value

	As of March 31, 2010		
	Carrying Amount	Market Value	Unrealized Gains (Losses)
		(millions of yen)	
Stocks of subsidiaries and affiliates with market value	¥ 17,208	¥ 24,415	¥ 7,206

Note:

The table above does not include stocks of DL's subsidiaries and affiliates whose market values are extremely difficult to be recognized. Carrying amounts of such stocks are as follows:

	As of March 31, 2010	
	Carrying Amount	
		(millions of yen)
Subsidiaries	¥ 178,359	
Affiliates	24,543	

Fiscal Year Ended March 31, 2011

(1) Stocks of DL's subsidiaries and affiliates

	As of March 31, 2011					
	Carrying Amount	Market Value	Unrealized Gains (Losses)	Carrying Amount	Market Value	Unrealized Gains (Losses)
		(millions of yen)			(millions of US\$)	
Stocks of subsidiaries and affiliates	¥ 20,774	¥ 42,999	¥ 22,224	\$ 249	\$ 517	\$ 267

Note:

The table above does not include stocks of DL's subsidiaries and affiliates whose market values are extremely difficult to be recognized. Carrying amounts of such stocks are as follows:

	As of March 31, 2011	
	Carrying Amount	Carrying Amount
	(millions of yen)	(millions of US\$)
Subsidiaries	¥ 178,359	\$ 2,145
Affiliates	23,827	286

40. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of DL to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2010 and 2011 were ¥61,661 million and ¥60,531 million (US\$727 million), respectively. These obligations will be recognized as operating expenses in the years in which they are paid.

III. NOTES TO NON-CONSOLIDATED STATEMENTS OF EARNINGS

1. Revenues and Expenses from Transactions with Subsidiaries

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥7,754 million and ¥23,899 million, respectively in the fiscal year ended March 31, 2010, and ¥9,783 million (US\$117 million) and ¥25,303 million (US\$304 million), respectively, in the fiscal year ended March 31, 2011.

2. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥16,603 million, ¥109,425 million and ¥116,528 million, respectively, in the fiscal year ended March 31, 2010, and ¥69,746 million (US\$838 million), ¥79,808 million (US\$959 million) and ¥62,689 million (US\$753 million), respectively, in the fiscal year ended March 31, 2011.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥19,655 million, ¥51,171 million and ¥137,067 million, respectively, in the fiscal year ended March 31, 2010, and ¥4,461 million (US\$53 million), ¥34,035 million (US\$409 million) and ¥82,407 million (US\$991 million), respectively, in the fiscal year ended March 31, 2011.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥7,121 million and ¥3,380 million, respectively, in the fiscal year ended March 31, 2010, and those on domestic stocks, foreign securities and other securities of ¥174,022 million (US\$2,092 million), ¥5,595 million (US\$67 million) and ¥3 million (US\$0 million), respectively, in the fiscal year ended March 31, 2011.

3. Reinsurance

In calculating a reversal of reserves for outstanding claims for the fiscal year ended March 31, 2010, ¥12 million was added to a provision for reserves for outstanding claims reinsured as an adjustment. In calculating a provision for reserves for outstanding claims for the fiscal year ended March 31, 2011, ¥2 million (US\$0 million) was added to a reversal of reserves for outstanding claims reinsured as an adjustment.

In calculating a provision for policy reserves, a reversal of policy reserves reinsured of ¥0 million was added back in the fiscal year ended March 31, 2010. In calculating a provision for policy reserves, a provision for policy reserves reinsured of ¥0 million (US\$0 million) was deducted in the fiscal year ended March 31, 2011.

4. Gains/Losses on Trading Account Securities

Gains on trading account securities included interest and dividends, gains on the sale of securities and losses on the valuation of securities of ¥531 million, ¥906 million, and ¥94 million, respectively, in the fiscal year ended March 31, 2010.

5. Gains/Losses on Money Held in Trust

Gains/losses on money held in trust included losses on valuation of securities of ¥3,303 million in the fiscal year ended March 31, 2010, and losses on valuation of securities of ¥1,049 million (US\$12 million) in the fiscal year ended March 31, 2011.

6. Derivative Transaction Gains/Losses

Derivative transaction gains (losses) included valuation gains of ¥9,182 million in the fiscal year ended March 31, 2010 and ¥4,872 million (US\$58 million) in the fiscal year ended March 31, 2011.

7. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Land.....	¥ 134	¥ 3,122	\$ 37
Buildings.....	25	187	2
Other tangible assets.....	-	27	0
Other assets.....	-	10	0
Total	¥ 159	¥ 3,348	\$ 40

8. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the years ended March 31, 2010 and 2011 were as follows:

	Years Ended March 31,		
	2010	2011	2011
	(millions of yen)		(millions of US\$)
Land.....	¥ 102	¥ 530	\$ 6
Buildings.....	999	2,515	30
Leased assets.....	21	-	-
Other tangible assets.....	95	173	2
Software.....	150	79	0
Other intangible assets.....	266	-	-
Money on deposit.....	0	-	-
Other assets.....	197	1,114	13
Total	¥ 1,833	¥ 4,415	\$ 53

9. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the year ended March 31, 2010 and 2011 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value in some asset groups, DL wrote down the book value of these assets to the recoverable value, and reported the reduced amount as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the year ended March 31, 2010 were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasing Rights	Buildings	Total
			(millions of yen)			
Real estate for rent	Assets including Yao City, Osaka Prefecture	6	¥ 341	¥ 200	¥ 605	¥ 1,147
Real estate not in use	Assets including Hiroshima City, Hiroshima Prefecture	56	2,733	-	1,016	3,749
Total		62	¥ 3,074	¥ 200	¥ 1,621	¥ 4,897

Impairment losses by asset group for the year ended March 31, 2011 were as follows:

Asset Group	Place	Number	Impairment Losses					
			(millions of yen)			(millions of US\$)		
			Land	Buildings	Total	Land	Buildings	Total
Real estate for rent	Assets including Iwaki City, Fukushima Prefecture	4	¥ 132	¥ 169	¥ 302	\$ 1	\$ 2	\$ 3
Real estate not in use	Assets including Himeji City, Hyogo Prefecture	64	2,082	953	3,036	25	11	36
Total		68	¥ 2,215	¥ 1,123	¥ 3,338	\$ 26	\$ 13	\$ 40

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.96% and 2.89% for the years ended March 31, 2010 and 2011, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as the net sale value.

IV. NOTES TO NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

- Transfer to reserve for tax basis adjustments of real estate ⁽¹⁾ and Transfer from reserve for tax basis adjustments of real estate ⁽¹⁾
The general meeting of representative policyholders of DL before demutualization approved the surplus appropriation of those items.
- Transfer to reserve for tax basis adjustments of real estate ⁽²⁾ and Transfer from reserve for tax basis adjustments of real estate ⁽²⁾
Until the fiscal year ended March 31, 2009, those items were appropriated at the general meeting of representative policyholders, as is the case for mutual companies. However, in light of DL's demutualization on April 1, 2010, they were recorded in and after the fiscal year ended March 31, 2010, as is the case for stock companies.
- Treasury Stock

	(thousands of shares)
Number of treasury stock outstanding at the beginning of the fiscal year ended March 31, 2011 ⁽¹⁾	-
Increase in treasury stock.....	139 ⁽²⁾
Decrease in treasury stock.....	-
Number of treasury stock outstanding at the end of the fiscal year ended March 31, 2011	139

⁽¹⁾ The "Number of treasury stock outstanding at the beginning of the fiscal year ended March 31, 2011" was presented in the above table instead of that at the end of the fiscal year as DL was a mutual company at the end of the previous fiscal year ended March 31, 2010.

⁽²⁾ Increase in treasury stock represents the sum of shares of common stock of DL purchased by (1) the J-ESOP trust and (2) the E-ship trust.

4. Basis of Presentation

As DL was a mutual company at the end of the fiscal year ended March 31, 2010, its statements of changes in net assets for the fiscal year ended March 31, 2011 reported "balance at the beginning of the year" instead of "balance at the end of the previous year."

5. Amount of Net Assets

DL reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010, in accordance with Article 85 of the Insurance Business Act. Based on its plan for demutualization, in accordance with Article 86 of the Insurance Business Act, DL realigned presentation of net assets in the non-consolidated balance sheet as follows:

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	¥ 420,000	Capital stock	¥ 210,200
Revaluation reserve	248	Capital surplus	210,200
Surplus	184,448	Legal capital surplus	210,200
Reserve for future losses	5,600	Retained earnings	184,297
Other surplus	178,848	Legal retained earnings	5,600
Fund for risk allowance	43,139	Other retained earnings	178,697
Fund for price fluctuation allowance	55,000	Fund for risk allowance	43,120
Subsidy fund for social public enterprise	9	Fund for price fluctuation allowance	55,000
Fund for Public Health Awards	8	Reserve for tax basis adjustments of real estate ..	16,420
Fund for Environmental Green Design Award	14	Retained earnings brought forward	64,157
Reserve for tax basis adjustments of real estate ..	16,420	Shareholders' equity	604,697
Other reserves	100	Net unrealized gains (losses) on securities, net of tax ..	461,158
Unappropriated net surplus for the period	64,157	Deferred hedge gains (losses)	(2,008)
Total of foundation funds and surplus	604,697	Reserve for land revaluation	(63,540)
Net unrealized gains (losses) on securities, net of tax ..	461,158	Valuation and translation adjustments	395,609
Deferred hedge gains (losses)	(2,008)		
Reserve for land revaluation	(63,540)		
Valuation and translation adjustments	395,609		
Total net assets	¥ 1,000,307	Total net assets	¥ 1,000,307

V. PER SHARE INFORMATION

Net assets per share as of March 31, 2011: ¥77,727.54 (US\$934.78)

Notes:

1. Net assets per share as of March 31, 2010 was omitted as DL was a mutual company.
2. Reconciliation of the net assets per share as of March 31, 2011 was as follows:

	As of March 31, 2011	
	(millions of yen)	(millions of US\$)
Net assets	¥ 766,437	\$ 9,217
Adjustments	-	-
Net assets attributable to common stocks	¥ 766,437	\$ 9,217
Number of common stocks outstanding:	9,860 thousand	

Note:

1. "Number of common stock outstanding" in the above table excludes shares held by Stock Granting Trust (J-ESOP) or Trust-type Employee Shareholding Incentive Plan (E-Ship®).

Net income per share for the year ended March 31, 2011: ¥1,696.72 (US\$20.40)

Notes:

1. Net income per share for the year ended March 31, 2010 was omitted as DL was a mutual company.
2. Information on diluted net income per share is omitted as there were no potential diluting shares of DL.
3. Reconciliation of the net income per share was as follows:

	As of March 31, 2011	
	(millions of yen)	(millions of US\$)
Net income per share	¥ 16,936	\$ 203
Net income attributable to other than shareholders of common stocks	-	-
Net income attributable to shareholders of common stocks	¥ 16,936	\$ 203
Average number of common stocks outstanding:	9,981 thousand	

Note:

1. "Average number of common shares outstanding" in the above table excludes shares held by Stock Granting Trust (J-ESOP) or Trust-type Employee Shareholding Incentive Plan (E-Ship®).

VI. SUPPLEMENTAL TABLES

1. Details of Operating Expenses

	Year Ended March 31, 2011	
	(millions of yen)	(millions of US\$)
Sales activity expenses	¥ 165,852	\$ 1,994
Related to sales representatives	162,223	1,950
Related to sales agencies	2,177	26
Related to selection of policyholders	1,461	17
Sales management expenses	70,369	846
Related to management of sales representatives	67,385	810
Related to advertisement	2,984	35
General management expenses	188,454	2,266
Personal expenses	85,639	1,029
Property expenses	96,765	1,163
(Donation, co-sponsoring and membership fees)	1,524	18
Obligation expenses	6,049	72
Total	¥ 424,686	\$ 5,107

Note:

1. Property expenses listed in the above table include expenses associated with (1) receiving premium payments from policyholders, (2) information systems and (3) maintaining office.

2. Obligation expenses represent obligations to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act.

2. Details of Tangible Fixed Assets for the Fiscal Year Ended March 31, 2011

	Beginning balance	Increase	Decrease	Ending balance	Accumulated	Depreciation for the period	Ending balance (net)
					depreciation at the end of period		
(millions of yen)							
Tangible fixed assets							
Land	¥ 814,807	¥ 32,966	¥ 4,755	¥ 843,018	¥ -	¥ -	¥ 843,018
			[2,215]				
Buildings	1,031,183	64,661	13,738	1,082,105	636,555	22,476	445,549
			[1,123]				
Leased assets	732	1,067	-	1,799	340	250	1,459
Construction in progress	15,766	83,365	96,912	2,219	-	-	2,219
Others	25,507	1,262	1,855	24,914	21,349	1,575	3,565
Total	¥ 1,887,996	¥ 183,322	¥ 117,262	¥ 1,954,057	¥ 658,245	¥ 24,302	¥ 1,295,811
			[3,338]				
Intangible fixed assets							
Software	-	-	-	127,733	55,483	22,872	72,249
Others	-	-	-	33,558	38	5	33,520
Total	-	-	-	¥ 161,292	¥ 55,522	¥ 22,878	¥ 105,770
Long-term prepaid expenses	-	-	-	-	-	-	-
Deferred assets							
Bond issue expenses	-	1,485	1,485	-	-	1,485	-
Total of deferred assets ..	-	1,485	1,485	-	-	1,485	-

	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation at the end of period	Depreciation for the period	Ending balance (net)
(millions of US\$)							
Tangible fixed assets							
Land	\$ 9,799	\$ 396	\$ 57 [26]	\$ 10,138	\$ -	\$ -	\$ 10,138
Buildings	12,401	777	165 [13]	13,013	7,655	270	5,358
Leased assets	8	12	-	21	4	3	17
Construction in progress	189	1,002	1,165	26	-	-	26
Others	306	15	22	299	256	18	42
Total	\$ 22,705	\$ 2,204	\$ 1,410 [40]	\$ 23,500	\$ 7,916	\$ 292	\$ 15,584
Intangible fixed assets							
Software	-	-	-	1,536	667	275	868
Others	-	-	-	403	0	0	403
Total	-	-	-	\$ 1,939	\$ 667	\$ 275	\$ 1,272
Long-term prepaid expenses	-	-	-	-	-	-	-
Deferred assets							
Bond issue expenses	-	17	17	-	-	17	-
Total of deferred assets ..	-	17	17	-	-	17	-

Note:

- Figures in [] represents impairment losses.
- Some figures associated with intangible fixed assets are omitted as intangible fixed assets accounts for less than 1% of DL's total assets.

3. Details of Reserves and Allowances for the Fiscal Year Ended March 31, 2011

	Beginning balance	Increase	Amount used for original purposes	Decrease for other reasons	Ending balance
(millions of yen)					
Reserve for possible loan losses	¥ 21,095	¥ 12,900	¥ 7,126	¥ 13,968	¥ 12,900
General purpose	4,853	4,480	-	4,853	4,480
Set aside for particular companies	16,241	8,419	7,126	9,114	8,419
Reserve for possible investment losses	1,123	223	401	721	223
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,307	40	199	-	3,147
Reserve for possible reimbursement of prescribed claims	1,100	418	418	-	1,100
Allowance for policyholder dividends	92,500	-	92,500	-	-
Reserve for price fluctuation	115,453	14,000	49,000	-	80,453

	Beginning balance	Increase	Amount used for original purposes	Decrease for other reasons	Ending balance
(millions of US\$)					
Reserve for possible loan losses	\$ 253	\$ 155	\$ 85	\$ 167	\$ 155
General purpose	58	53	-	58	53
Set aside for particular companies	195	101	85	109	101
Reserve for possible investment losses	13	2	4	8	2
Reserve for retirement benefits of directors, executive officers and corporate auditors	39	0	2	-	37
Reserve for possible reimbursement of prescribed claims	13	5	5	-	13
Allowance for policyholder dividends	1,112	-	1,112	-	-
Reserve for price fluctuation	1,388	168	589	-	967

Note:

- Decrease of reserve for possible loan losses (general purpose) for other reasons represents adding back the credited reserve amount in full to renew the reserve.
- Decrease of reserve for possible loan losses (set aside for particular companies) for other reasons represents adding back the credited reserve amount in full to renew the reserve.
- Decrease of reserve for possible investment losses for other reasons represents adding back the credited reserve amount in full to renew the reserve.

Report of Independent Auditors



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Report of Independent Auditors

The Board of Directors
The Dai-ichi Life Insurance Company, Limited

We have audited the accompanying non-consolidated balance sheets of The Dai-ichi Life Insurance Company, Limited (formerly The Dai-ichi Mutual Life Insurance Company for the fiscal year ended March 31, 2010) as of March 31, 2010 and 2011, and the related non-consolidated statements of earnings, and changes in net assets for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of The Dai-ichi Life Insurance Company, Limited (formerly The Dai-ichi Mutual Life Insurance Company for the fiscal year ended March 31, 2010) at March 31, 2010 and 2011, and the non-consolidated results of their operations for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I.1.

Ernst & Young ShinNihon LLC

June 27, 2011

A member firm of Ernst & Young Global Limited

SUPPLEMENTARY FINANCIAL DATA

TABLE OF CONTENTS

TABLE OF CONTENTS	116	(21) Fair Value Information on Derivative Transactions (General Account)	134
1. INSURANCE POLICIES	117	3. LIABILITIES	137
(1) Policies in Force by Product Line	117	(1) Policy Reserves by Product Line	137
(2) New Policies by Product Line	117	(2) Reserve for Policyholder Dividends	137
(3) Annualized Net Premium of Individual Insurance and Individual Annuities	117	(3) Reserve for Possible Loan Losses	137
(4) Policies in Force by Benefit	118	4. INSURANCE INCOME & EXPENSES	138
(5) Changes in Policies in Major Product Line	118	(1) Insurance Premiums by Product Line	138
(6) Policies in Force of Individual Insurance by Product	120	(2) Benefits and Claims by Product Line	138
(7) Amount of Claims and Benefit Paid to Earned Premiums in the Third Sector	120	5. INVESTMENT INCOME & EXPENSES	139
2. ASSETS	121	(1) Investment Income (General Account)	139
(1) Asset Composition (General Account)	121	(2) Investment Expense (General Account)	139
(2) Changes (Increase/Decrease) in Assets (General Account)	121	(3) Net Investment Income (General Account)	139
(3) Rates of Return (General Account)	122	6. SOLVENCY MARGIN RATIO	140
(4) Average Daily Balance (General Account)	122	7. EMBEDDED VALUE	141
(5) Breakdown of Securities (General Account)	122	(1) Embedded Value	141
(6) Securities by Contractual Maturity Dates (General Account)	123	(2) EEV Results of the Group	141
(7) Domestic Stocks by Industry (General Account)	124	(3) Analysis of Change in EEV from March 31, 2010 to March 31, 2011	142
(8) Local Government Bonds by Region (General Account)	124	(4) Effects of Changes in Assumptions (Sensitivities)	142
(9) Breakdown of Loans (General Account)	125	(5) Major Assumptions Used in the Calculation of EEV	143
(10) Loans by Contractual Maturity Dates (General Account)	125	(6) Note in Using EV	143
(11) Loans to Domestic Companies by Company Size (General Account)	125	8. SEPARATE ACCOUNT	144
(12) Loans by Industry (General Account)	126	(1) Separate Account Assets by Product	144
(13) Loans by Region (General Account)	127	(2) Individual Variable Insurance (Separate Account)	144
(14) Loans by Collateral Type (General Account)	127	(3) Individual Variable Annuities (Separate Account)	146
(15) Risk-Monitored Loans	127	9. COMPANY TOTAL OF GENERAL ACCOUNT AND SEPARATE ACCOUNT	148
(16) Disclosed Claims Based on Categories of Obligors	128	(1) Asset Composition	148
(17) Foreign Investments (General Account)	128	(2) Changes (Increase/Decrease) in Assets	148
(18) Tangible Fixed Assets (General Account)	130	(3) Fair Value Information on Securities and Others	149
(19) Real Estate by Its Use (General Account)	130	(4) Fair Value Information on Derivative Transactions	151
(20) Fair Value Information on Securities and Others (General Account)	130	10. CONSOLIDATED FINANCIAL SUMMARY	156
		(1) Selected Financial Data and Other Information	156
		(2) Scope of Consolidation and Application of Equity Method	156
		(3) Risk-Monitored Loans	156
		(4) Segment Information	156

Supplementary Financial Data

1. Insurance Policies

(1) Policies in Force by Product Line

	As of March 31,							
	2010				2011			
	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%
Individual insurance	10,970	(0.7)	150,575.1	(5.3)	11,143	1.6	144,361.3	(4.1)
Insurance against death	6,330	7.2	75,560.5	2.9	7,045	11.3	79,889.6	5.7
Mixed insurance	4,118	(11.3)	73,681.2	(12.6)	3,549	(13.8)	63,121.8	(14.3)
Endowment insurance	521	3.5	1,333.3	1.1	548	5.3	1,349.7	1.2
Individual annuities	1,233	2.6	7,196.6	3.2	1,261	2.3	7,357.6	2.2
Group insurance	26,389	(2.0)	54,051.1	(1.3)	25,900	(1.9)	52,336.6	(3.2)
Group annuities	13,959	(5.6)	6,192.2	0.8	12,266	(12.1)	6,041.7	(2.4)
Financial insurance	104	(5.9)	277.9	(1.7)	99	(4.8)	276.1	(0.6)
Financial annuities	53	(3.1)	129.7	(3.7)	51	(3.1)	124.6	(3.9)
Medical care insurance	587	(1.4)	0.9	(3.4)	558	(5.0)	0.9	(3.3)
Group disability	48	(3.9)	3.2	2.5	45	(6.8)	3.1	(2.1)

Note:

1. Number of group insurance, group annuities, financial insurance, financial annuities, medical care and group disability show the number of insured.
2. The amounts in individual annuities, group insurance (annuity riders) and financial annuities show the sum of (a) the funds to be held at the time payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
3. The amount in group annuities, financial insurance and others show the amount of outstanding corresponding policy reserve.
4. The amount in medical care insurance shows the daily amount to be paid for hospitalization from sickness.
5. The amount in group disability insurance shows the amount of disability benefits paid per month.

(2) New Policies by Product Line

	Years ended March 31,							
	2010				2011			
	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%
Individual insurance	628	3.3	6,778.4	(4.9)	758	20.6	6,906.2	1.9
Insurance against death	420	34.6	3,589.1	29.0	597	42.1	4,128.1	15.0
Mixed insurance	153	(34.9)	3,056.6	(27.3)	107	(30.0)	2,650.4	(13.3)
Endowment insurance	53	(8.9)	132.6	(6.4)	52	(2.0)	127.6	(3.8)
Individual annuities	64	80.0	449.0	74.4	60	(6.1)	425.4	(5.3)
Group insurance	107	(54.3)	221.5	(70.4)	90	(15.8)	312.5	41.1
Group annuities	20	(77.0)	1.9	44.3	29	43.1	1.1	(41.1)
Financial insurance	1	(32.8)	0.2	(21.8)	1	(7.2)	0.1	(43.1)
Financial annuities	0	(5.2)	0.0	(7.1)	0	1.9	0.0	(18.8)
Medical care insurance	6	104.0	0.0	113.3	3	(52.6)	0.0	(36.7)
Group disability	-	(100.0)	-	(100.0)	-	-	-	-

Note:

1. Number of group insurance, group annuities, financial insurance, financial annuities, medical care and group disability show the number of insured.
2. The amounts in individual annuities and financial annuities show the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced.
3. The amounts in group annuities, financial insurance and financial annuities show the initial premium payment.
4. The amount in medical care insurance shows the daily amount to be paid for hospitalization from sickness.
5. The amount in group disability insurance shows the amount of disability benefits paid per month.
6. New policies do not include new policies by conversion.

(3) Annualized Net Premium of Individual Insurance and Individual Annuities

Policies in Force	(billions of yen except percentages)			
	As of March 31, 2010		As of March 31, 2011	
	% of March 31, 2009 total		% of March 31, 2010 total	
Individual insurance	1,722.8	97.5	1,704.7	98.9
Individual annuities	297.5	104.2	309.0	103.9
Total	2,020.4	98.4	2,013.8	99.7
Medical and survival benefits	494.8	100.4	506.6	102.4
	(billions of yen except percentages)			
New Policies	Year Ended March 31, 2010		Year Ended March 31, 2011	
	% of March 31, 2009 total		% of March 31, 2010 total	
	Individual insurance	103.8	96.0	113.1
Individual annuities	15.8	128.6	15.0	94.5
Total	119.6	99.3	128.1	107.1
Medical and survival benefits	36.4	89.7	42.5	116.7

Note:

1. Annualized net premium is calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. New policies include net increase by conversion.

(4) Policies in Force by Benefit

As of March 31, 2010	(billions of yen)					
	Individual Insurance	Individual Annuities	Group Insurance	Group Annuities	Others	Total
Death benefit						
General	134,687	0	54,043	-	3,534	192,265
Accidental	(20,956)	(392)	(2,242)	(-)	(50)	(23,641)
Others	(0)	(-)	(105)	(-)	(0)	(106)
Survival benefits						
Benefits and claims	15,887	6,526	0	-	82	22,497
Annuities	(-)	(814)	(0)	(-)	(7)	(823)
Others	-	669	7	6,192	324	7,194
Hospitalization benefits						
Accidental	(40)	(0)	(1)	(-)	(0)	(42)
Sickness	(39)	(0)	(0)	(-)	(0)	(41)
Others	(23)	(0)	(0)	(-)	(0)	(24)
Disability benefits	-	-	-	-	3	3
As of March 31, 2011						
Death benefit						
General	127,061	0	52,328	-	4,741	184,132
Accidental	(19,136)	(392)	(2,167)	(-)	(69)	(21,764)
Others	(0)	(-)	(98)	(-)	(0)	(98)
Survival benefits						
Benefits and claims	17,299	6,643	0	-	76	24,020
Annuities	(-)	(841)	(1)	(-)	(8)	(850)
Others	-	714	7	6,041	323	7,086
Hospitalization benefits						
Accidental	(41)	(0)	(1)	(-)	(0)	(43)
Sickness	(41)	(0)	(0)	(-)	(0)	(42)
Others	(23)	(0)	(0)	(-)	(0)	(23)
Disability benefits	-	-	-	-	3	3

Note:

- Figures in () show supplementary benefits portion of base insurance policy and policy riders. However, the general death benefits portion of term insurance riders are accounted for as basic insurance policy.
- The amount of "Individual Annuities" and "Group Insurance" (annuities rider) in the "Benefits and claims" column of the Survival benefits shows the funds to be held at the time payments are to commence for an annuity for which payments has not yet commenced.
- The amount in the "Annuities" column of the Survival benefits shows the annual annuity payments.
- The amount in the "Others" column of "Survival benefits" shows outstanding corresponding policy reserve for individual annuities for which payments have commenced, group insurance whose annuity rider payments have commenced, and group annuities.
- The amounts of "Hospitalization benefits" show the daily amount to be paid for hospitalization.

(5) Changes in Policies in Major Product Line

A. Individual Insurance

	(billions of yen and thousands of policies)					
	Years ended March 31,					
	2009		2010		2011	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	11,221	167,436.8	11,051	159,072.0	10,970	150,575.1
Increase due to:						
New policies	608	7,127.2	628	6,778.4	758	6,906.2
Renewal	15	1,583.7	41	1,670.4	66	1,819.2
Reinstatements	28	592.4	26	550.1	22	443.8
Conversions	452	13,568.5	445	12,323.6	484	11,265.5
Decrease due to:						
Death	51	423.8	52	418.3	54	414.0
Maturity	186	3,874.6	182	4,267.0	230	4,847.8
Decrease in coverage amount	-	1,479.6	-	1,443.3	-	1,076.3
Conversions	444	13,773.2	437	12,704.2	411	11,327.5
Surrender	450	8,135.3	423	7,751.7	357	6,262.5
Lapse	136	2,563.9	121	2,271.7	99	1,760.3
Others	4	986.2	4	963.1	4	959.9
At year-end	11,051	159,072.0	10,970	150,575.1	11,143	144,361.3
Net increase (decrease)	(169)	(8,364.7)	(81)	(8,496.8)	173	(6,213.8)

B. Individual Annuities

(billions of yen and thousands of policies)

	Years ended March 31,					
	2009		2010		2011	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	1,201	7,025.7	1,202	6,975.8	1,233	7,196.6
Increase due to:						
New policies	35	257.4	64	449.0	60	425.4
Reinstatements	1	9.5	1	10.9	1	13.1
Conversions	-	-	-	-	-	-
Decrease due to:						
Death	4	28.9	4	28.4	4	30.2
Full payment	3	3.2	4	4.2	5	5.4
Decrease in coverage amount	-	10.6	-	12.0	-	11.6
Conversions	1	10.0	1	11.1	1	9.5
Surrender	24	155.6	22	144.1	20	136.4
Lapse	4	28.8	4	31.7	5	38.0
Others	(1)	79.4	(2)	7.4	(3)	46.1
At year-end	1,202	6,975.8	1,233	7,196.6	1,261	7,357.6
Net increase (decrease)	0	(49.9)	31	220.8	28	161.0

Note: Policy amounts for individual annuities are equal to the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and the amount of policy reserve for an annuity for which payments have commenced. Because the amount of policy reserves changes over time, in contrast to the static nature of policy amounts of insurance policies, the amount of net increase in the policy amount column does not match the total of the individual items.

C. Group Insurance

(billions of yen and thousands of policies)

	Years ended March 31,					
	2009		2010		2011	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	27,167	54,461.6	26,915	54,769.4	26,389	54,051.1
Increase due to:						
New policies	234	749.2	107	221.5	90	312.5
Renewal	13,913	29,399.8	13,858	29,276.9	13,626	28,818.4
New members of groups with policies in force	2,244	4,767.4	2,174	5,182.6	2,137	4,638.4
Increase in coverage amount	-	780.4	-	854.5	-	788.2
Decrease due to:						
Death	57	91.0	56	89.9	55	85.3
Maturity	14,152	29,925.6	14,066	29,710.7	13,905	29,297.3
Withdrawal	2,388	1,991.1	2,470	2,161.2	2,298	1,961.3
Decrease in coverage amount	-	3,223.0	-	4,203.1	-	4,671.1
Surrender	42	101.1	68	94.9	81	191.5
Lapse	0	1.9	0	2.2	1	3.2
Others	3	55.3	1	(8.3)	1	62.1
At year-end	26,915	54,769.4	26,389	54,051.1	25,900	52,336.6
Net increase (decrease)	(251)	307.7	(525)	(718.3)	(489)	(1,714.4)

D. Group Annuities

(billions of yen and thousands of policies)

	Years ended March 31,					
	2009		2010		2011	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	15,020	6,436.8	14,794	6,140.6	13,959	6,192.2
Increase due to:						
New policies	88	1.3	20	1.9	29	1.1
Decrease due to:						
Annuity payments	4,172	247.5	4,252	272.2	4,163	303.7
Lump-sum payments	924	319.4	853	338.1	828	294.7
Surrender	210	127.9	333	124.7	1,722	214.2
At year-end	14,794	6,140.6	13,959	6,192.2	12,266	6,041.7
Net increase (decrease)	(226)	(296.2)	(834)	51.6	(1,692)	(150.5)

Note:

- The tables above do not include new insured persons entered, and insured persons existing without benefit payments, with respect to an existing group annuity contract during each respective period. As a result, the amount of net increase in the number of insured column does not match the total of the individual items.
- The new policy amount is equal to the initial premium payment and the total policy amount in force is equal to the amount of outstanding corresponding policy reserves. Because the amount of policy reserves changes over time, in contrast to the static nature of policy amounts of insurance policies, the amount of net increase in the policy amount column does not match the total of the individual items.

(6) Policies in Force of Individual Insurance by Product

(thousands of policies, billions of yen, %)

As of March 31, 2010	New policies				Policies in force			
	Number	%	Amount	%	Number	%	Amount	%
Renewable type whole life	46	4.3	667	3.5	2,120	19.3	48,072	31.9
transferable term insurance	(121)	(11.3)	(2,451)	(12.8)				
Whole life with term Insurance	136	12.7	1,682	8.8	3,281	29.9	40,392	26.8
	(433)	(40.3)	(8,305)	(43.5)				
Whole Life	201	18.7	683	3.6	1,844	16.8	12,426	8.3
	(215)	(20.1)	(815)	(4.3)				
Others	244	22.8	3,744	19.6	3,723	33.9	49,684	33.0
	(302)	(28.2)	(7,529)	(39.4)				
Total	628	58.5	6,778	35.5	10,970	100.0	150,575	100.0
	(1,073)	(100.0)	(19,102)	(100.0)				
As of March 31, 2011								
Renewable type whole life	13	1.1	192	1.1	1,712	15.4	37,312	25.8
transferable term insurance	(34)	(2.7)	(649)	(3.6)				
Whole life with term Insurance	176	14.2	2,105	11.6	3,639	32.7	45,477	31.5
	(522)	(42.1)	(9,446)	(52.0)				
Whole Life	272	21.9	904	5.0	2,054	18.4	12,904	8.9
	(287)	(23.1)	(1,038)	(5.7)				
Others	295	23.8	3,703	20.4	3,736	33.5	48,666	33.7
	(398)	(32.1)	(7,036)	(38.7)				
Total	758	61.0	6,906	38.0	11,143	100.0	144,361	100.0
	(1,242)	(100.0)	(18,171)	(100.0)				

Note: Figures in () show the total number and amount of new businesses and new policies by conversion.

(7) Amount of Claims and Benefit Paid to Earned Premiums in the Third Sector

%

	Year ended March 31, 2010	Year ended March 31, 2011
Third sector total	36.8	37.0
Medical (disease)	32.5	32.3
Cancer	41.6	41.4
Nursing care	15.2	15.9
Others	43.3	44.3

Note: Each insurance type is classified based on the principal benefit types.

2. Assets

(1) Asset Composition (General Account)

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	356,433	1.2	441,114	1.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	289,885	1.0	291,115	1.0
Trading account securities	-	-	-	-
Money held in trust	22,258	0.1	21,178	0.1
Securities	22,793,303	77.1	23,201,366	78.0
Domestic bonds	12,989,979	44.0	13,434,971	45.2
Domestic stocks	3,258,143	11.0	2,538,013	8.5
Foreign securities	6,325,956	21.4	7,035,698	23.7
Foreign bonds	4,782,266	16.2	5,581,739	18.8
Foreign stocks and other securities	1,543,689	5.2	1,453,959	4.9
Other securities	219,225	0.7	192,683	0.6
Loans	3,834,365	13.0	3,627,422	12.2
Policy loans	571,443	1.9	539,497	1.8
Ordinary loans	3,262,921	11.0	3,087,925	10.4
Real estate	1,238,898	4.2	1,290,787	4.3
Real estate for rent	782,788	2.6	814,333	2.7
Deferred tax assets	337,687	1.1	475,198	1.6
Others	699,925	2.4	398,585	1.3
Reserve for possible loan losses	(21,095)	(0.1)	(12,900)	(0.0)
Total	29,551,663	100.0	29,733,868	100.0
Foreign currency-denominated assets	5,027,866	17.0	5,435,294	18.3

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(2) Changes (Increase/Decrease) in Assets (General Account)

	(millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash, deposits, and call loans	(2,613)	84,681
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	(14,954)	-
Monetary claims bought	8,513	1,230
Trading account securities	(52,597)	-
Money held in trust	8,993	(1,080)
Securities	1,204,329	408,062
Domestic bonds	369,747	444,992
Domestic stocks	412,089	(720,129)
Foreign securities	417,188	709,742
Foreign bonds	322,437	799,472
Foreign stocks and other securities	94,750	(89,730)
Other securities	5,304	(26,542)
Loans	(414,073)	(206,942)
Policy loans	(33,262)	(31,946)
Ordinary loans	(380,811)	(174,996)
Real estate	3,775	51,888
Real estate for rent	3,948	31,545
Deferred tax assets	(303,303)	137,511
Others	240,036	(301,340)
Reserve for possible loan losses	(10,179)	8,195
Total	667,928	182,205
Foreign currency-denominated assets	623,737	407,427

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(3) Rates of Return (General Account)

	(%)	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash, deposits, and call loans	0.24	0.04
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.10	0.13
Monetary claims bought	2.31	2.39
Trading account securities	1.85	-
Money held in trust	22.39	(4.73)
Securities	2.31	1.81
Domestic bonds	1.85	2.41
Domestic stocks	3.22	(3.15)
Foreign securities	2.72	2.49
Foreign bonds	2.37	2.28
Foreign stocks and other securities	3.85	3.24
Loans	2.03	2.29
Ordinary loans	1.55	1.85
Real estate	4.47	3.84
Total	2.17	1.78
Foreign investments	2.68	2.45

Note:

- Rates of return above are calculated by dividing the net investment income included in net surplus from operations / ordinary profit by the average daily balance on a book value basis.
- "Foreign investments" include yen-denominated assets.

(4) Average Daily Balance (General Account)

	(billions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash, deposits, and call loans	281.3	349.3
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	30.8	0.1
Monetary claims bought	279.5	286.5
Trading account securities	70.6	-
Money held in trust	14.4	22.2
Securities	22,100.6	22,821.9
Domestic bonds	12,343.1	12,896.6
Domestic stocks	2,875.2	2,613.6
Foreign securities	6,661.3	7,102.1
Foreign bonds	5,109.0	5,546.1
Foreign stocks and other securities	1,552.2	1,555.9
Loans	4,005.2	3,743.6
Ordinary loans	3,417.2	3,189.5
Real estate	785.8	807.1
Total	29,095.3	29,492.0
Foreign investments	6,942.9	7,387.0

Note: "Foreign investments" include yen-denominated assets.

(5) Breakdown of Securities (General Account)

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
National government bonds	10,404,682	45.6	10,879,230	46.9
Local government bonds	318,778	1.4	309,255	1.3
Corporate bonds	2,266,518	9.9	2,246,485	9.7
Public entity bonds	846,516	3.7	795,308	3.4
Domestic stocks	3,258,143	14.3	2,538,013	10.9
Foreign securities	6,325,956	27.8	7,035,698	30.3
Foreign bonds	4,782,266	21.0	5,581,739	24.1
Foreign stocks and other securities	1,543,689	6.8	1,453,959	6.3
Other securities	219,225	1.0	192,683	0.8
Total	22,793,303	100.0	23,201,366	100.0

(6) Securities by Contractual Maturity Dates (General Account)

	(millions of yen)						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
As of March 31, 2010							
Securities	596,920	1,428,545	2,978,924	1,339,964	2,377,136	14,071,813	22,793,303
National government bonds	338,275	119,703	1,110,518	287,056	1,346,128	7,203,000	10,404,682
Local government bonds	26,151	31,720	184,917	33,913	13,429	28,645	318,778
Corporate bonds	124,052	261,073	711,399	479,957	410,208	279,828	2,266,518
Domestic stocks	-	-	-	-	-	3,258,143	3,258,143
Foreign securities	108,437	959,761	971,432	534,270	587,479	3,164,575	6,325,956
Foreign bonds	108,437	959,761	970,838	527,736	587,479	1,628,012	4,782,266
Foreign stocks and other securities	-	-	593	6,533	-	1,536,562	1,543,689
Other securities	4	56,285	657	4,766	19,890	137,621	219,225
Monetary claims bought	210	9,114	6,246	2,945	-	271,368	289,885
Certificates of deposit	22,999	-	-	-	-	-	22,999
Others	-	1,489	-	-	-	20,769	22,258
As of March 31, 2011							
Securities	525,927	1,994,070	2,206,607	1,372,797	2,582,345	14,519,618	23,201,366
National government bonds	222,228	516,918	347,507	193,633	1,490,966	8,107,975	10,879,230
Local government bonds	10,980	95,550	128,943	20,516	25,473	27,791	309,255
Corporate bonds	115,348	308,295	695,785	536,389	272,534	318,131	2,246,485
Domestic stocks	-	-	-	-	-	2,538,013	2,538,013
Foreign securities	173,518	1,028,686	1,024,426	617,232	778,224	3,413,610	7,035,698
Foreign bonds	173,518	1,028,124	1,019,762	615,757	778,224	1,966,352	5,581,739
Foreign stocks and other securities	-	561	4,664	1,474	-	1,447,258	1,453,959
Other securities	3,852	44,619	9,944	5,025	15,146	114,094	192,683
Monetary claims bought	-	5,336	4,066	-	-	281,712	291,115
Certificates of deposit	16,000	-	-	-	-	-	16,000
Others	1,000	479	-	-	-	19,698	21,178

Note: The table above includes assets which are treated as securities in accordance with the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No.10).

(7) Domestic Stocks by Industry (General Account)

(millions of yen)

	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Forestry and fisheries	447	0.0	353	0.0
Mining	463	0.0	438	0.0
Construction	58,628	1.8	52,179	2.1
Manufacturing industries				
Food products	103,333	3.2	91,758	3.6
Textiles and clothing	28,480	0.9	24,715	1.0
Pulp and paper	3,144	0.1	2,804	0.1
Chemicals	146,657	4.5	114,109	4.5
Medical supplies	85,567	2.6	39,115	1.5
Oil and coal products	6,400	0.2	7,059	0.3
Rubber products	12,011	0.4	11,305	0.4
Glass and stone products	91,470	2.8	59,107	2.3
Steel	105,285	3.2	75,509	3.0
Non-steel metals	21,436	0.7	13,210	0.5
Metal products	27,899	0.9	28,437	1.1
Machinery	117,873	3.6	105,425	4.2
Electric appliances	636,204	19.5	520,476	20.5
Transportation vehicles	252,989	7.8	183,781	7.2
Precision instruments	98,781	3.0	70,905	2.8
Others	69,219	2.1	56,963	2.2
Electric and gas utilities	280,661	8.6	114,653	4.5
Transportation and communications industries				
Ground transportation	201,847	6.2	169,624	6.7
Water transportation	1,190	0.0	1,134	0.0
Air transportation	1,406	0.0	1,403	0.1
Warehouses	5,103	0.2	4,443	0.2
Telecommunications	40,591	1.2	33,539	1.3
Commerce				
Wholesale	93,110	2.9	92,580	3.6
Retail	74,400	2.3	69,578	2.7
Financial industries				
Banks	398,971	12.2	321,418	12.7
Security and trading companies	22,832	0.7	17,734	0.7
Insurance	185,745	5.7	179,098	7.1
Other	18,381	0.6	13,131	0.5
Real estate	18,113	0.6	18,114	0.7
Service	49,491	1.5	43,901	1.7
Total	3,258,143	100.0	2,538,013	100.0

Note: Industry categories above are based on classification by Securities Identification Code Committee.

(8) Local Government Bonds by Region (General Account)

(millions of yen)

	As of March 31, 2010		As of March 31, 2011	
	Carrying value		Carrying value	
Hokkaido	6,402		5,126	
Tohoku	202		-	
Kanto	132,134		114,868	
Chubu	31,296		35,463	
Kinki	33,966		40,284	
Chugoku	4,935		3,017	
Shikoku	1,186		547	
Kyushu	21,504		21,158	
Others	87,148		88,788	
Total	318,778		309,255	

Note: "Others" in the above table shows publicly offered co-issue local government bonds.

(9) Breakdown of Loans (General Account)

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Policy loans	571,443	539,497
Premium loans	74,762	66,650
Policyholder loans	496,680	472,847
Ordinary loans	3,262,921	3,087,925
[Loans to non-residents]	[157,043]	[116,056]
Loans to corporations	2,793,625	2,648,620
[Loans to domestic corporations]	[2,732,734]	[2,595,745]
Loans to national government, government-related organizations and international organizations	80,260	58,213
Loans to local governments and public entities	358,129	351,694
Mortgage loans	30,701	29,245
[Trust loans]	[25,337]	[25,105]
Consumer loans	71	61
Others	132	89
Total loans	3,834,365	3,627,422

(10) Loans by Contractual Maturity Dates (General Account)

	(millions of yen)						Total
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	
As of March 31, 2010							
Floating-rate loans	19,917	63,561	66,746	35,089	15,377	25,943	226,636
Fixed-rate loans	253,914	565,492	572,457	604,654	535,858	503,906	3,036,284
Total	273,832	629,054	639,203	639,744	551,236	529,850	3,262,921
As of March 31, 2011							
Floating-rate loans	33,851	71,207	34,263	31,812	10,048	25,377	206,559
Fixed-rate loans	225,283	588,242	568,425	523,482	452,251	523,680	2,881,365
Total	259,134	659,450	602,689	555,294	462,299	549,057	3,087,925

(11) Loans to Domestic Companies by Company Size (General Account)

		(millions of yen except number of borrowers)			
		As of March 31, 2010		As of March 31, 2011	
			%		%
Large corporations	Number of borrowers	471	48.8	392	51.5
	Amount of loans	2,295,991	84.0	2,197,946	84.7
Medium-sized corporations	Number of borrowers	71	7.4	48	6.3
	Amount of loans	17,023	0.6	11,157	0.4
Small-sized corporations	Number of borrowers	423	43.8	321	42.2
	Amount of loans	419,719	15.4	386,641	14.9
Total	Number of borrowers	965	100.0	761	100.0
	Amount of loans	2,732,734	100.0	2,595,745	100.0

Note:

1. Categorization by company size is based on the following criteria:

- (1) Large corporations include corporations with paid-in capital of at least ¥1 billion and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
- (2) Medium-sized corporations include corporations with paid-in capital of more than ¥300 million and less than ¥1 billion (more than ¥50 million and less than ¥1 billion in the case of retailers, restaurants and service companies; more than ¥100 million and less than ¥1 billion in the case of wholesalers) and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
- (3) Small corporations include all other corporations.

2. Number of borrowers does not equal the number of loan transactions.

(12) Loans by Industry (General Account)

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Domestic				
Manufacturing industries	544,190	16.7	505,762	16.4
Foodstuffs and beverages	33,202	1.0	35,859	1.2
Textile products	8,206	0.3	5,360	0.2
Lumber and wood products	1,529	0.0	1,259	0.0
Pulp, paper and paper products	41,947	1.3	35,513	1.2
Printing	10,146	0.3	21,361	0.7
Chemical and allied products	61,640	1.9	56,092	1.8
Petroleum refining	27,313	0.8	24,307	0.8
Ceramic, stone and clay products	20,882	0.6	16,866	0.5
Iron and steel	69,237	2.1	68,992	2.2
Non-ferrous metals and products	15,831	0.5	13,591	0.4
Fabricated metal products	2,472	0.1	2,105	0.1
General-purpose and production- and business-oriented machinery	78,133	2.4	72,143	2.3
Electrical machinery equipment and supplies	92,314	2.8	84,877	2.7
Transportation equipment	61,387	1.9	54,171	1.8
Miscellaneous manufacturing industries	19,943	0.6	13,259	0.4
Agriculture and forestry	17	0.0	-	-
Fishery	-	-	-	-
Mining and quarrying of stone and gravel	-	-	-	-
Construction	20,213	0.6	18,220	0.6
Electricity, gas, heat supply and water	393,849	12.1	366,050	11.9
Information and communications	22,034	0.7	38,762	1.3
Transport and postal activities	266,394	8.2	249,093	8.1
Wholesale trade	548,193	16.8	543,995	17.6
Retail trade	35,769	1.1	26,922	0.9
Finance and insurance	816,181	25.0	782,920	25.4
Real estate	214,501	6.6	198,629	6.4
Goods rental and leasing	167,329	5.1	162,046	5.2
Scientific research, professional and technical services	1,239	0.0	287	0.0
Accommodations	2,079	0.1	1,343	0.0
Eating and drinking services	3,073	0.1	1,581	0.1
Living-related and personal services and amusement services	7,179	0.2	3,548	0.1
Education, learning support	140	0.0	194	0.0
Medical, health care and welfare	102	0.0	65	0.0
Other services	2,850	0.1	2,196	0.1
Local governments	29,031	0.9	40,273	1.3
Individuals	30,773	0.9	29,306	0.9
Others	733	0.0	666	0.0
Total domestic	3,105,877	95.2	2,971,868	96.2
Foreign				
Governments	96,152	2.9	63,180	2.0
Financial institutions	13,000	0.4	18,000	0.6
Commercial and industrial	47,891	1.5	34,875	1.1
Total foreign	157,043	4.8	116,056	3.8
Total	3,262,921	100.0	3,087,925	100.0

Note:

1. Policy loans are excluded.
2. Domestic industry categories above are based on classification used by Bank of Japan in survey of loans.

(13) Loans by Region (General Account)

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Hokkaido	43,635	1.4	41,235	1.4
Tohoku	32,097	1.0	27,614	0.9
Kanto	2,331,433	75.8	2,259,714	76.8
Chubu	217,904	7.1	195,120	6.6
Kinki	312,713	10.2	287,507	9.8
Chugoku	43,819	1.4	38,679	1.3
Shikoku	22,508	0.7	21,062	0.7
Kyushu	71,180	2.3	71,769	2.4
Total	3,075,292	100.0	2,942,704	100.0

Note:

- Loans to individuals and non-residents and policy loans are excluded.
- Categorization of region is based on borrowers' registered head offices.

(14) Loans by Collateral Type (General Account)

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Secured loans	29,458	0.9	21,452	0.7
Stocks and other securities	4,395	0.1	3,359	0.1
Real and personal estate	24,234	0.7	17,428	0.6
Others	828	0.0	664	0.0
Guarantees	159,789	4.9	136,593	4.4
Unsecured loans	3,043,088	93.3	2,900,714	93.9
Others	30,585	0.9	29,164	0.9
Total loans	3,262,921	100.0	3,087,925	100.0
Subordinated loans	380,563	11.7	383,063	12.4

Note: Policy loans are excluded.

(15) Risk-Monitored Loans

		(millions of yen)	
		As of March 31, 2010	As of March 31, 2011
Credits to bankrupt borrowers	(I)	5,259	5,034
Delinquent loans	(II)	28,338	17,349
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	2,383	3,255
Total	(I)+(II)+(III)+(IV)	35,981	25,639
[Percentage of total loans]		[0.94%]	[0.71%]

Note:

- For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2010 and March 31, 2011 were 736 million yen and 739 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2010 and March 31, 2011 were 3,469 million yen and 3,093 million yen, respectively.
- Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
- Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
- Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
- Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(16) Disclosed Claims Based on Categories of Obligors

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Claims against bankrupt and quasi-bankrupt obligors	5,829	5,387
Claims with collection risk	27,769	16,996
Claims for special attention	2,383	3,292
Subtotal (I)	35,981	25,676
[Percentage (I)/(II)]	[0.83%]	[0.62%]
Claims against normal obligors	4,274,266	4,122,851
Total (II)	4,310,248	4,148,527

Note:

1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
4. Claims against normal obligors are all other loans.

(17) Foreign Investments (General Account)

A. Breakdown of Investment by Asset Category (General Account)

(a) Assets denominated in foreign currency

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Foreign bonds	4,344,132	62.3	5,050,119	68.0
Foreign stocks	301,274	4.3	298,584	4.0
Cash, cash equivalents and other assets	382,459	5.5	86,590	1.2
Sub-total	5,027,866	72.1	5,435,294	73.2

(b) Assets swapped into yen

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Foreign bonds	-	-	-	-
Cash, cash equivalents and other assets	109,924	1.6	180,749	2.4
Sub-total	109,924	1.6	180,749	2.4

(c) Assets denominated in yen

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Loans to borrowers outside Japan	157,043	2.3	116,056	1.6
Foreign bonds and others	1,683,368	24.1	1,690,067	22.8
Sub-total	1,840,412	26.4	1,806,123	24.3

(d) Total

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Foreign investments	6,978,204	100.0	7,422,167	100.0

Note: Assets swapped into yen are assets whose settlement amounts are fixed into yen by foreign currency forward contracts and other agreements and which are reported in the yen amounts on the balance sheets.

B. Foreign Currency-Denominated Assets by Currency (General Account)

(millions of yen)

	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
U.S. dollar	2,382,644	47.4	2,799,123	51.5
Euro	2,103,597	41.8	2,022,757	37.2
British pound	233,330	4.6	247,498	4.6
Australian dollar	136,532	2.7	156,212	2.9
Canadian dollar	34,619	0.7	64,061	1.2
New Taiwan dollar	39,008	0.8	41,755	0.8
Chinese yuan	44,219	0.9	36,516	0.7
Total (including others not listed above)	5,027,866	100.0	5,435,294	100.0

C. Investments by Region (General Account)

(millions of yen)

As of March 31, 2010	Foreign securities		Bonds		Stocks and other securities		Loans to borrowers located outside Japan	
	Carrying value	%	Carrying value	%	Carrying value	%	Carrying value	%
North America	2,382,606	37.7	2,302,280	48.1	80,326	5.2	38,333	24.4
Europe	2,120,455	33.5	2,064,592	43.2	55,862	3.6	55,710	35.5
Oceania	69,198	1.1	49,618	1.0	19,579	1.3	10,000	6.4
Asia	103,610	1.6	6,886	0.1	96,723	6.3	492	0.3
Latin America	1,446,603	22.9	155,510	3.3	1,291,092	83.6	4,057	2.6
Middle East	-	-	-	-	-	-	-	-
Africa	104	0.0	-	-	104	0.0	-	-
International organizations	203,377	3.2	203,377	4.3	-	-	48,450	30.9
Total	6,325,956	100.0	4,782,266	100.0	1,543,689	100.0	157,043	100.0
As of March 31, 2011								
North America	2,804,124	39.9	2,736,626	49.0	67,497	4.6	26,800	23.1
Europe	2,451,678	34.8	2,396,215	42.9	55,463	3.8	35,500	30.6
Oceania	148,610	2.1	125,954	2.3	22,656	1.6	15,000	12.9
Asia	110,304	1.6	6,137	0.1	104,167	7.2	230	0.2
Latin America	1,408,495	20.0	204,466	3.7	1,204,029	82.8	2,575	2.2
Middle East	-	-	-	-	-	-	-	-
Africa	146	0.0	-	-	146	0.0	-	-
International organizations	112,338	1.6	112,338	2.0	-	-	35,950	31.0
Total	7,035,698	100.0	5,581,739	100.0	1,453,959	100.0	116,056	100.0

Note: Categorization of region is generally based on nationalities of issuers or borrowers.

(18) Tangible Fixed Assets (General Account)

(millions of yen)							
Year ended March 31, 2010	At previous year-end	Increase	Decrease	Depreciation	At year-end	Accumulated depreciation	Accumulated depreciation ratio %
Land	814,730	3,602	3,524 (3,074)	-	814,807	-	-
Buildings	417,454	14,358	1,942 (1,621)	21,544	408,325	622,858	60.4
Leased assets	242	656	170	85	642	89	12.2
Construction in progress	2,937	30,800	17,972	-	15,766	-	-
Other tangible fixed assets	4,122	2,241	479	1,818	4,065	21,441	84.1
Total	1,239,487	51,659	24,090	23,448	1,243,607	644,389	-
Real estate for rent			(4,696)				
	779,494	24,530	4,800	15,001	784,222	378,090	57.6
Year ended March 31, 2011							
Land	814,807	32,966	4,755 (2,215)	-	843,018	-	-
Buildings	408,325	63,945	4,244 (1,123)	22,476	445,549	636,555	58.8
Leased assets	642	1,067	-	250	1,459	340	18.9
Construction in progress	15,766	83,365	96,912	-	2,219	-	-
Other tangible fixed assets	4,065	1,262	187	1,575	3,565	21,349	85.7
Total	1,243,607	182,606	106,100	24,302	1,295,811	658,245	-
Real estate for rent			(3,338)				
	784,222	55,655	8,677	15,197	816,003	388,528	58.4

Note:

1. Accumulated depreciation ratio is the amount of accumulated depreciation divided by the acquisition cost.
2. Amount resulting in exchange transactions is excluded from the increased/decreased amount in the land and construction in progress account.
3. The amount of impairment loss on fixed assets is shown in parentheses in the "Decrease" column.

(19) Real Estate by Its Use (General Account)

(millions of yen)		
	As of March 31, 2010	As of March 31, 2011
Real estate for business use	456,110	476,453
Real estate for rent	782,788	814,333
Total	1,238,898	1,290,787
Number of buildings for rent	290	287

(20) Fair Value Information on Securities and Others (General Account)

A. Valuation Gains and Losses on Trading Securities (General Account)

(millions of yen)				
	As of March 31, 2010		As of March 31, 2011	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	22,258	3,359	21,178	(1,049)
Trading account securities	-	56	-	-
Money held in trust	22,258	3,303	21,178	(1,049)

Note: "Valuation gains (losses) included in statement of earnings" include reversal gains (losses) at the beginning of the year.

B. Fair Value Information on Securities (General Account) (securities with fair value except for trading securities)

As of March 31, 2010	(millions of yen)				
	Book value	Fair value	Gains (losses)	Gains	Losses
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	17,209	24,415	7,206	7,206	0
Securities available for sale	14,921,552	15,642,718	721,166	1,016,728	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,126,575	5,179,708	53,133	152,490	99,357
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	467,156	444,451	(22,705)	28,233	50,938
Other securities	111,595	110,630	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	20,876,095	21,731,260	855,165	1,165,572	310,406
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,189,931	5,253,489	63,558	162,915	99,357
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	483,503	468,005	(15,498)	35,440	50,938
Other securities	112,458	111,492	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
As of March 31, 2011					
Bonds held to maturity	145,823	150,247	4,424	4,424	-
Domestic bonds	103,924	105,161	1,237	1,237	-
Foreign bonds	41,899	45,085	3,186	3,186	-
Policy-reserve-matching bonds	6,870,639	7,092,066	221,426	234,913	13,486
Domestic bonds	6,870,639	7,092,066	221,426	234,913	13,486
Stocks of subsidiaries and affiliates	20,785	42,999	22,213	22,224	10
Securities available for sale	14,706,987	15,078,568	371,580	794,148	422,567
Domestic bonds	6,299,209	6,460,407	161,198	174,100	12,902
Domestic stocks	1,915,677	2,221,350	305,672	495,777	190,104
Foreign securities	6,088,114	5,987,731	(100,383)	106,876	207,259
Foreign bonds	5,608,527	5,539,839	(68,687)	85,205	153,892
Foreign stocks and other securities	479,587	447,891	(31,695)	21,671	53,367
Other securities	106,978	101,963	(5,015)	6,914	11,929
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
Total	21,744,236	22,363,881	619,644	1,055,709	436,065
Domestic bonds	13,273,773	13,657,635	383,862	410,250	26,388
Domestic stocks	1,915,677	2,221,350	305,672	495,777	190,104
Foreign securities	6,149,107	6,074,134	(74,972)	132,287	207,259
Foreign bonds	5,650,426	5,584,925	(65,501)	88,391	153,892
Foreign stocks and other securities	498,680	489,209	(9,471)	43,896	53,367
Other securities	108,671	103,645	(5,025)	6,914	11,940
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.

* Carrying values of securities whose market prices are deemed extremely difficult to obtain are as follows:

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	202,902	202,187
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	12,192	12,192
Others	8,029	7,313
Other securities	1,305,728	1,190,373
Unlisted domestic stocks (except over-the-counter stocks)	135,623	133,982
Unlisted foreign stocks (except over-the-counter stocks)	1,063,784	968,050
Unlisted foreign bonds	0	0
Others	106,320	88,340
Total	1,508,631	1,392,560

Note:

- The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.
- The amounts of foreign exchange valuation losses on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows: 5,524 million yen as of March 31, 2011 and 3,714 million yen as of March 31, 2010.

(Reference)

Fair value information of securities, taking into account foreign exchange valuation gains (losses) of foreign securities whose market prices are deemed extremely difficult to obtain and which are listed on the table above, in addition to the figures in the table B, is as follows:

As of March 31, 2010	(millions of yen)				
	Book value	Fair value	Gains (losses)	Gains	Losses
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	220,112	223,306	3,194	7,335	4,141
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	35,156	38,351	3,194	7,335	4,140
Other securities	2,275	2,274	(0)	-	0
Securities available for sale	16,227,281	16,948,744	721,463	1,017,025	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,552,887	3,075,462	522,575	702,945	180,369
Foreign securities	6,190,359	6,243,790	53,430	152,788	99,358
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	1,530,941	1,508,533	(22,408)	28,530	50,938
Other securities	217,916	216,950	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	22,384,726	23,236,177	851,450	1,165,998	314,547
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,735,567	3,258,143	522,575	702,945	180,369
Foreign securities	6,272,525	6,332,369	59,843	163,342	103,498
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	1,566,097	1,546,884	(19,213)	35,866	55,079
Other securities	220,191	219,225	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-

As of March 31, 2011

Bonds held to maturity	145,823	150,247	4,424	4,424	-
Domestic bonds	103,924	105,161	1,237	1,237	-
Foreign bonds	41,899	45,085	3,186	3,186	-
Policy-reserve-matching bonds	6,870,639	7,092,066	221,426	234,913	13,486
Domestic bonds	6,870,639	7,092,066	221,426	234,913	13,486
Stocks of subsidiaries and affiliates	222,972	239,546	16,574	22,224	5,650
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	37,902	54,487	16,585	22,224	5,639
Other securities	2,389	2,378	(10)	-	10
Securities available for sale	15,897,360	16,269,056	371,695	794,263	422,568
Domestic bonds	6,299,209	6,460,407	161,198	174,100	12,902
Domestic stocks	2,049,660	2,355,333	305,672	495,777	190,104
Foreign securities	7,056,164	6,955,896	(100,268)	106,992	207,260
Foreign bonds	5,608,527	5,539,839	(68,687)	85,205	153,892
Foreign stocks and other securities	1,447,637	1,416,057	(31,580)	21,787	53,367
Other securities	195,319	190,304	(5,015)	6,914	11,929
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
Total	23,136,797	23,750,917	614,120	1,055,825	441,705
Domestic bonds	13,273,773	13,657,635	383,862	410,250	26,388
Domestic stocks	2,232,341	2,538,013	305,672	495,777	190,104
Foreign securities	7,135,966	7,055,470	(80,496)	132,403	212,900
Foreign bonds	5,650,426	5,584,925	(65,501)	88,391	153,892
Foreign stocks and other securities	1,485,540	1,470,544	(14,995)	44,011	59,007
Other securities	197,709	192,683	(5,025)	6,914	11,940
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.

C. Fair Value Information on Money Held in Trust (General Account)

	(millions of yen)				
	Carrying value on the balance sheet	Fair value	Gains (losses)	Gains	Losses
As of March 31, 2010	22,258	22,258	3,303	7,288	3,984
As of March 31, 2011	21,178	21,178	(1,049)	4,705	5,755

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
 Gains (losses) include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	22,258	3,303	21,178	(1,049)

Note: "Valuation gains (losses) included in the statement of earnings" include reversal gains (losses) at the beginning of the year.

(21) Fair Value Information on Derivative Transactions (General Account)

A. Gains and Losses on Derivatives

(millions of yen)

	As of March 31, 2010					As of March 31, 2011				
	Interest-related	Currency-related	Stock-related	Bond-related	Total	Interest-related	Currency-related	Stock-related	Bond-related	Total
Hedge accounting applied	(299)	(3,809)	-	-	(4,109)	4,554	(118,807)	-	-	(114,253)
Hedge accounting not applied	37	(411)	(5,466)	(3,144)	(8,985)	37	(316)	(2,882)	(952)	(4,113)
Total	(262)	(4,221)	(5,466)	(3,144)	(13,094)	4,591	(119,124)	(2,882)	(952)	(118,367)

Note: Regarding the table above, following figures are reported in the statements of earnings:

Year ended March 31, 2010: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 3,809 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 8,985 million yen), totalling loss of 12,794 million yen.

Year ended March 31, 2011: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 118,807 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 4,113 million yen), totalling loss of 122,921 million yen.

B. Fair Value Information on Derivatives

(a) Interest-related transactions

(millions of yen)

	As of March 31, 2010					As of March 31, 2011				
	Notional amount/Contract value	Over 1 year	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/Contract value	Over 1 year	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions										
Interest rate futures										
Sold	-	-	-	-	-	24,901	-	(8)	(8)	-
Bought	-	-	-	-	-	24,911	-	4	4	-
Over-the-counter transactions										
Yen interest rate swaps										
Receipts fixed, payments floating	126,666	110,830	2,917	2,917	2,879	110,340	92,340	2,668	2,668	2,627
Receipts floating, payments fixed	183,000	183,000	(3,179)	(3,179)	(3,179)	320,000	320,000	1,926	1,926	1,926
Total				(262)	(299)				4,591	4,554

Note: Fair value is shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, %)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2010							
Notional amount (receipts fixed, payments floating)	15,836	40,600	49,900	15,970	4,360	-	126,666
Average fixed rate (receipt)	0.88	1.25	1.34	1.51	1.50	-	1.28
Average floating rate (payment)	0.46	0.36	0.40	0.36	0.47	-	0.39
Notional amount (receipts floating, payments fixed)	-	-	183,000	-	-	-	183,000
Average fixed rate (payment)	-	-	1.12	-	-	-	1.12
Average floating rate (receipt)	-	-	0.56	-	-	-	0.56
Total	15,836	40,600	232,900	15,970	4,360	-	309,666
As of March 31, 2011							
Notional amount (receipts fixed, payments floating)	18,000	58,300	25,850	8,190	-	-	110,340
Average fixed rate (receipt)	1.26	1.22	1.55	1.67	-	-	1.34
Average floating rate (payment)	0.32	0.27	0.28	0.35	-	-	0.29
Notional amount (receipts floating, payments fixed)	-	-	320,000	-	-	-	320,000
Average fixed rate (payment)	-	-	0.52	-	-	-	0.52
Average floating rate (receipt)	-	-	0.46	-	-	-	0.46
Total	18,000	58,300	345,850	8,190	-	-	430,340

(b) Currency-related transactions

	(millions of yen)							
	As of March 31, 2010				As of March 31, 2011			
	Notional amount/ Contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ Contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold	3,334,360	(6,573)	(6,573)	(3,887)	3,721,930	(122,740)	(122,740)	(118,907)
U.S. dollar	1,542,163	(65,171)	(65,171)	(60,403)	1,921,673	(440)	(440)	188
Euro	1,503,317	57,033	57,033	55,215	1,431,460	(112,654)	(112,654)	(110,345)
British pound	168,416	8,419	8,419	8,023	187,957	(3,236)	(3,236)	(2,916)
Australian dollar	74,224	(5,035)	(5,035)	(4,918)	110,911	(3,896)	(3,896)	(3,535)
Canadian dollar	24,200	(2,208)	(2,208)	(2,148)	45,996	(899)	(899)	(788)
Swedish krona	10,687	33	33	29	12,178	(835)	(835)	(802)
Danish krone	7,787	281	281	248	6,601	(438)	(438)	(386)
Norwegian krone	3,562	72	72	66	5,150	(339)	(339)	(322)
Bought	345,972	2,351	2,351	77	143,163	3,616	3,616	99
U.S. dollar	136,547	1,758	1,758	28	72,352	453	453	21
Euro	195,500	411	411	49	42,672	2,138	2,138	77
Australian dollar	3,980	146	146	-	16,921	803	803	-
British pound	9,044	(1)	(1)	-	7,717	113	113	1
Canadian dollar	690	28	28	-	2,869	86	86	-
Swedish krona	-	-	-	-	253	7	7	-
Hong Kong dollar	192	7	7	-	228	6	6	-
Danish krone	-	-	-	-	114	5	5	-
Norwegian krone	3	0	0	-	30	1	1	-
Indian rupee	12	0	0	-	3	0	0	-
Total			(4,221)	(3,809)			(119,124)	(118,807)

Note:

- Forward exchange rates are used for exchange rates as of fiscal year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Fair values are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(c) Stock-related transactions

	(millions of yen)							
	As of March 31, 2010				As of March 31, 2011			
	Notional amount/ Contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ Contract value	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions								
Yen stock index futures								
Sold	-	-	-	-	14,902	(2,421)	(2,421)	-
Stock index options								
Sold								
Call	99,985 [1,786]	4,422	(2,635)	-	- [-]	-	-	-
Bought								
Put	100,000 [3,117]	286	(2,830)	-	79,961 [5,162]	4,700	(461)	-
Total			(5,466)	-			(2,882)	-

Note:

- Figures in [] are option premiums which are included in the balance sheets.
- Fair value for futures, and differences between the option premiums paid/received and fair value of the option for option transactions are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(d) Bond-related transactions

(millions of yen)

	As of March 31, 2010				As of March 31, 2011			
	Notional amount/ Contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ Contract value	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions								
Yen bond futures								
Sold	5,009	33	33	-	3,193	(15)	(15)	-
Bought	-	-	-	-	11,932	68	68	-
Over-the-counter transactions								
Foreign currency-denominated bond forward contracts								
Sold	-	-	-	-	16,713	(25)	(25)	-
Bought	-	-	-	-	16,701	17	17	-
Bond OTC options								
Sold								
Call	17,488				7,391			
	[46]	17	29	-	[25]	30	(4)	-
Put	45,815				27,173			
	[114]	187	(73)	-	[34]	3	31	-
Bought								
Call	45,815				27,173			
	[68]	33	(34)	-	[28]	24	(4)	-
Put	374,384				87,064			
	[3,320]	221	(3,098)	-	[1,026]	7	(1,019)	-
Total			(3,144)	-			(952)	-

Note:

- Figures in [] are option premiums which are included in the balance sheets.
- Fair value for futures, and differences between the option premiums paid/received and fair value of the option for option transaction are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

3. Liabilities

(1) Policy Reserves by Product Line

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Policy reserves:		
Individual Insurance	16,666,069	17,016,120
(General Account)	(16,618,195)	(16,971,613)
(Separate Account)	(47,874)	(44,507)
Individual Annuities	3,507,259	3,604,181
(General Account)	(3,344,858)	(3,461,776)
(Separate Account)	(162,401)	(142,404)
Group Insurance	23,603	23,750
(General Account)	(23,603)	(23,750)
Group Annuities	6,192,257	6,041,711
(General Account)	(5,130,960)	(5,071,553)
(Separate Account)	(1,061,297)	(970,158)
Others	408,555	401,665
(General Account)	(408,555)	(401,665)
Subtotal	26,797,745	27,087,430
(General Account)	(25,526,173)	(25,930,360)
(Separate Account)	(1,271,572)	(1,157,070)
Contingency reserves	527,093	502,093
(General Account)	(527,093)	(502,093)
Total	27,324,838	27,589,524
(General Account)	(26,053,266)	(26,432,454)
(Separate Account)	(1,271,572)	(1,157,070)

(2) Reserve for Policyholder Dividends

	(millions of yen)						
	Individual Insurance	Individual Annuities	Group Insurance	Group Annuities	Financial Insurance/Annuities	Others	Total
Year ended March 31, 2010							
Balance at the end of previous fiscal year	325,281	6,938	10,756	1,829	2,466	385	347,658
Transfer from surplus in previous year	17,233	908	44,639	-	-	2,182	64,963
Interest accrual in fiscal year	10,204	172	7	4	12	0	10,401
Dividends paid in fiscal year	39,124	624	51,325	240	330	2,162	93,808
Other increase (decrease)	-	-	-	-	-	-	-
Balance at the end of fiscal year	313,594	7,394	4,077	1,593	2,148	405	329,214
Year ended March 31, 2011							
Balance at the end of previous fiscal year	313,594	7,394	4,077	1,593	2,148	405	329,214
Transfer from surplus in previous year	22,256	817	51,292	16,000	-	2,133	92,500
Interest accrual in fiscal year	9,709	160	3	2	5	0	9,882
Dividends paid in fiscal year	36,121	662	51,492	15,802	275	2,072	106,426
Other increase (decrease)	-	-	-	-	-	-	-
Provision for fiscal year	17,929	310	52,161	6,000	-	2,097	78,500
Balance at the end of fiscal year	327,368	8,020	56,043	7,794	1,878	2,564	403,671

(3) Reserve for Possible Loan Losses

	(millions of yen)		
	As of March 31, 2010	As of March 31, 2011	Change
(1) Total of reserves for possible loan losses			
(a) general reserve	4,853	4,480	(373)
(b) specific reserve	16,241	8,419	(7,821)
(c) specific reserve for loans to refinancing countries	-	-	-
(2) Specific reserve			
(a) provision for the year	16,256	8,435	(7,821)
(b) reversal for the year	3,340	9,127	5,787
[excludes reversal due to write-offs]			
(c) net amount of provision	12,916	(691)	(13,608)
(3) Specific reserve for loans to refinancing countries			
(a) number of countries	1	-	(1)
(b) amount of loans	-	-	-
(c) provision for the year	-	-	-
(d) reversal for the year	-	-	-
[excludes reversal due to write-offs]			
(4) Write-down of loans	573	410	(162)

Note:

1. Specific reserve is calculated after direct write-offs of the amount unrecoverable from collateral and guarantees for loans and claims to bankrupt and substantially bankrupt obligors.

The amounts written off were as follows:

- Fiscal year ended March 31, 2010: 4,206 million yen

- Fiscal year ended March 31, 2011: 3,832 million yen

2. Amounts of loans shown in (3)(b) are net amounts after deducting estimated recoverable amount of collateral or guarantees from the book value of loans and claims.

4. Insurance Income & Expenses

(1) Insurance Premiums by Product Line

(millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Individual Insurance	1,756,700	1,885,262
Individual Annuities	155,758	160,049
Group Insurance	163,141	158,264
Group Annuities	716,387	806,317
Others	44,245	45,876
Total	2,836,231	3,055,768

Note: "Others" include premiums from financial insurance, financial annuities, and reinsurance written.

(2) Benefits and Claims by Product Line

(millions of yen)

Year ended March 31, 2010	Individual Insurance	Individual Annuities	Group Insurance	Group Annuities	Financial Insurance/Annuities	Others	Total
Claims	683,219	142	90,048	1,613	1,307	670	777,001
Death	320,036	129	83,228	-	-	660	404,054
Accidental	4,989	1	250	-	150	-	5,391
Disability	22,996	12	6,147	-	-	-	29,155
Maturity	305,488	-	261	1,613	1,156	-	308,519
Others	29,709	-	160	-	-	9	29,880
Annuities	78,092	119,415	1,004	272,213	7,977	-	478,704
Benefits	150,804	40,215	227	338,096	3,640	826	533,811
Death	1,208	15,959	-	199	421	-	17,788
Hospitalization	53,106	435	73	-	-	614	54,230
Operation	31,484	331	-	-	-	156	31,971
Disability	2,818	18	43	77	2	-	2,961
Survival	54,405	1,877	-	-	3,216	-	59,499
Lump-sum payment	-	21,581	105	337,819	-	-	359,506
Others	7,780	11	5	-	-	55	7,853
Surrender values	453,161	32,684	559	137,222	38,087	-	661,715
Year ended March 31, 2011							
Claims	668,931	231	86,076	6,257	1,017	2,489	765,003
Death	310,824	219	79,609	-	-	2,484	393,137
Accidental	4,680	8	139	-	116	-	4,943
Disability	19,690	4	5,883	-	-	-	25,578
Maturity	304,595	-	214	6,257	900	-	311,968
Others	29,140	-	229	-	-	4	29,374
Annuities	72,807	129,723	1,015	303,734	8,200	-	515,481
Benefits	171,021	35,940	203	294,751	3,193	808	505,918
Death	1,328	17,347	-	286	415	-	19,378
Hospitalization	53,268	439	63	-	-	587	54,359
Operation	33,057	321	-	-	-	168	33,546
Disability	2,991	8	60	51	4	-	3,115
Survival	72,862	757	-	-	2,773	-	76,393
Lump-sum payment	-	17,055	74	294,412	-	-	311,542
Others	7,513	10	6	-	-	52	7,583
Surrender values	355,755	57,243	137	190,960	32,839	-	636,936

5. Investment Income & Expenses

(1) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Amount	%	Amount	%
Interest and dividends	708,082	73.7	698,159	75.7
Interest from deposits	2,832	0.3	5,229	0.6
Interest and dividends from securities	533,908	55.6	529,413	57.4
Interest from loans	91,517	9.5	86,019	9.3
Rental income	70,333	7.3	66,814	7.2
Other interest and dividends	9,489	1.0	10,682	1.2
Gains on trading account securities	1,336	0.1	-	-
Gains on money held in trust	3,295	0.3	-	-
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	242,556	25.3	212,245	23.0
Gains on sale of domestic bonds	16,603	1.7	69,746	7.6
Gains on sale of domestic stocks	109,425	11.4	79,808	8.6
Gains on sale of foreign securities	116,528	12.1	62,689	6.8
Others	-	-	-	-
Gains on redemption of securities	4,472	0.5	1,533	0.2
Derivative transaction gains	-	-	9,842	1.1
Foreign exchange gains	-	-	-	-
Other investment income	566	0.1	906	0.1
Total	960,310	100.0	922,686	100.0

(2) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Amount	%	Amount	%
Interest expenses	12,725	3.9	13,073	3.3
Losses on trading account securities	-	-	-	-
Losses on money held in trust	-	-	1,051	0.3
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	207,894	63.0	120,905	30.4
Losses on sale of domestic bonds	19,655	6.0	4,461	1.1
Losses on sale of domestic stocks	51,171	15.5	34,035	8.6
Losses on sale of foreign securities	137,067	41.5	82,407	20.7
Others	-	-	-	-
Losses on valuation of securities	10,502	3.2	179,621	45.2
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	7,121	2.2	174,022	43.8
Losses on valuation of foreign securities	3,380	1.0	5,595	1.4
Others	-	-	3	0.0
Losses on redemption of securities	2,470	0.7	4,168	1.0
Derivative transaction losses	16,772	5.1	-	-
Foreign exchange losses	18,528	5.6	28,417	7.1
Provision for reserve for possible loan losses	10,288	3.1	-	-
Provision for reserve for possible investment losses	1,123	0.3	-	-
Write-down of loans	573	0.2	410	0.1
Depreciation of rental real estate and others	15,016	4.5	15,207	3.8
Other investment expenses	34,171	10.4	34,665	8.7
Total	330,067	100.0	397,522	100.0

(3) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net investment income	630,242	525,163

6. Solvency Margin Ratio

		(millions of yen)	
		As of March 31, 2010	As of March 31, 2011
Total solvency margin (A)		3,525,861	3,314,721
Foundation funds and surplus / common stock, etc. ^{*1}		594,697	576,808
Reserve for price fluctuations		115,453	80,453
Contingency reserve		527,093	502,093
General reserve for possible loan losses		4,853	4,480
Net unrealized gains on securities (before tax) × 90% ^{*2}		649,316	334,526
Net unrealized gains (losses) on real estate × 85% ^{*2}		77,247	17,447
Policy reserves in excess of surrender values		1,245,466	1,367,418
Qualifying subordinated debt		328,906	456,189
Excluded items		(169,881)	(169,881)
Others		152,707	145,185
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)		739,535	673,739
Insurance risk R_1		102,331	98,094
3rd sector insurance risk R_8		150,182	154,741
Assumed investment yield risk R_2		130,566	123,947
Investment risk R_3		538,537	475,887
Business risk R_4		18,556	17,175
Guaranteed minimum benefit risk R_7 ^{*3}		6,209	6,094
Solvency margin ratio		953.5%	983.9%
$\frac{(A)}{(1/2) \times (B)} \times 100$			

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The above figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996. ("Policy reserves in excess of surrender values" is calculated based on Article 1 Paragraph 3-1 of the Announcement No. 50.)

(Reference)

Solvency margin ratio under the new standards to be officially applied at the end of fiscal year ending March 31, 2012

		(millions of yen)	
		As of March 31, 2011	
Total solvency margin (A)		3,048,033	
Foundation funds and surplus / common stock, etc. ^{*1}		576,808	
Reserve for price fluctuations		80,453	
Contingency reserve		502,093	
General reserve for possible loan losses		4,480	
Net unrealized gains on securities (before tax) × 90% ^{*2}		334,526	
Net unrealized gains (losses) on real estate × 85% ^{*2}		17,447	
Policy reserves in excess of surrender values ^{*3}		1,367,418	
Qualifying subordinated debt ^{*3}		456,189	
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt ^{*3}		(227,437)	
Excluded items		(169,881)	
Others		105,935	
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)		1,112,941	
Insurance risk R_1		98,094	
3rd sector insurance risk R_8		154,741	
Assumed investment yield risk R_2		296,597	
Investment risk R_3		754,112	
Business risk R_4		26,195	
Guaranteed minimum benefit risk R_7 ^{*4}		6,215	
Solvency margin ratio		547.7%	
$\frac{(A)}{(1/2) \times (B)} \times 100$			

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: "Policy reserves in excess of surrender values" represent the amount stipulated under Notification of the Financial Services Agency No. 25, Article 1, paragraph 1-1. "Qualifying subordinated debt" represents the amount stipulated under Notification of the Financial Services Agency No. 25, Article 1, paragraph 1-2. "Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt" represent the amount stipulated under Notification of the Financial Services Agency No. 25, Article 1, paragraph 1-3.

*4: Calculated by standard method.

Note: Under Cabinet Office Ordinance No.23, 2010 and Notification of the Financial Services Agency No. 48, the standards for the calculation of solvency margin ratio is planned to be revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be officially applied at the end of the fiscal year ending March 31, 2012.

The above figures are calculated by applying the revised standards to the financial results as of March 31, 2011.

7. Embedded Value

(1) Embedded Value

EV (Embedded Value) is the sum of “adjusted net worth,” which is calculated by making necessary adjustments to total net assets on the balance sheet, and “value of in-force business,” which is calculated as present value of future after-tax profits on in-force business less present value of cost of capital. EV is one of the indicators that represent corporate value for shareholders.

Under current statutory accounting practices applicable to life insurance companies in Japan, there is a time lag between the sale of policies and recognition of profits. The use of EV allows the contribution of future profit from new business to be recognized at the time of sale. It therefore serves as a valuable supplement to statutory financial information.

The Dai-ichi Life Group has been disclosing EV (“EEV”) pursuant to the European Embedded Value (EEV) Principles with the aim of facilitating understanding of the Group.

*The European Embedded Value Principles were published in May 2004 by the CFO Forum, an organization comprising the chief financial officers of Europe’s leading life insurers, to improve consistency and transparency in EV reporting.

(2) EEV Results of the Group

The EEVs valued at the ends of the last two fiscal years are shown in the table below.

	(billions of yen)					
	Dai-ichi Life Group			Dai-ichi Life (Non-consolidated)		
	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
EEV	2,836.3	2,440.3	(396.0)	2,868.0	2,479.6	(388.4)
Adjusted net worth	1,863.5	1,454.2	(409.2)	1,880.9	1,518.7	(362.1)
Total net assets on the balance sheet ⁽¹⁾	720.9	664.7	(56.1)	604.6	592.8	(11.8)
Retained earnings in liabilities ⁽²⁾	698.5	628.3	(70.1)	653.6	591.7	(61.8)
General reserve for possible loan losses	4.8	4.5	(0.3)	4.8	4.4	(0.3)
Unrealized gains (losses) on securities and miscellaneous items ⁽³⁾	1,068.2	693.4	(374.8)	1,066.4	691.2	(375.1)
Unrealized gains (losses) on loans	209.3	196.0	(13.3)	209.3	196.0	(13.3)
Unrealized gains (losses) on real estate ⁽⁴⁾	105.0	(2.7)	(107.8)	105.0	(2.7)	(107.8)
Unrealized gains (losses) on liabilities ⁽⁵⁾	(19.7)	(28.6)	(8.8)	(19.7)	(28.6)	(8.8)
Unfunded retirement benefit obligation ⁽⁶⁾	(28.5)	(37.6)	(9.1)	(28.5)	(37.6)	(9.1)
Tax effect equivalent of above items	(715.6)	(506.8)	208.8	(714.9)	(506.0)	208.9
Adjustment for the Trust Fund for Employee Stock Holding Partnership and Stock Granting Trust ⁽⁷⁾	-	17.4	17.4	-	17.4	17.4
Consolidation adjustment ⁽⁸⁾	(163.4)	(163.4)	0.0	-	-	-
Minority interest in DFL’s adjusted net worth ⁽⁹⁾	(16.2)	(10.9)	5.2	-	-	-
Value of in-force business	972.8	986.0	13.2	987.1	960.9	(26.2)
Certainty equivalent present value of future profits ⁽¹⁰⁾	1,182.3	1,162.9	(19.4)	1,141.5	1,098.7	(42.7)
Time value of financial options and guarantees	(123.3)	(108.4)	14.8	(71.4)	(71.3)	0.0
Cost of holding required capital	(38.2)	(19.3)	18.8	(35.9)	(18.4)	17.4
Allowance for non-financial risks	(48.0)	(49.1)	(1.1)	(47.0)	(48.1)	(1.1)
Value of new business ⁽¹¹⁾	118.9	158.1	39.1	135.6	158.5	22.8

Note:

- The total amount of valuation and translation adjustments are excluded. Effective the fiscal year ended March 31, 2011, an adjustment regarding the surplus relief reinsurance has been made for DFL’s EEV calculation. The effect of the adjustment as of March 31, 2011 is ¥43.3 billion.
- The sum of reserve for price fluctuations, contingency reserve, and the unallocated portion of reserve for policyholder dividends is reported.
- For purposes of EEV calculations, domestic listed stocks are recorded at their market value as of the end of the reporting period, whereas for accounting purposes under Japanese GAAP, they are recorded on the balance sheet at their average value during the last month of the reporting period. The difference (the value for purposes of EEV calculations less the value recorded on our balance sheet) (after tax) was ¥85.2 billion as of March 31, 2010, and (¥8.7) billion as of March 31, 2011. The decrease in unrealized gains (losses) on securities and miscellaneous items is mainly attributed to the decrease in unrealized gains on stocks.
- With respect to land, the difference between fair value and carrying value before revaluation is posted.
- The figure represents the unrealized gains (losses) in subordinated debt that Dai-ichi Life issued.
- The sum of unrecognized gains on plan amendments and unrecognized actuarial differences is reported.
- The fair value of the stocks issued by Dai-ichi Life and held by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership (the “E-ship Trust”) and Stock Granting Trust (collectively, the “Trusts”) is reported (the fair value of the stocks held by the E-ship Trust does not exceed the loan amount of the trust fund). Although Dai-ichi Life stock which the Trusts own is expected to be sold and excluded from the amount of treasury stock in the future, the book value (¥20.4 billion) of such stocks is deducted from “Total net assets” on the balance sheet as treasury stock. The item is posted to adjust the deducted amount.
- Dai-ichi Life’s carrying amount of equity of DFL, which is reported in “Total net assets on the balance sheet”, is deducted to offset.
- Minority interest in DFL’s adjusted net worth is deducted. Effective the fiscal year ended March 31, 2011, an adjustment regarding the surplus relief reinsurance of DFL has been included. The effect of the adjustment as of March 31, 2011 is ¥4.3 billion.
- Effective the fiscal year ended March 31, 2011, an adjustment regarding the surplus relief reinsurance has been made for DFL’s EEV calculation. The adjustment increases the certainty equivalent present value of future profits as of March 31, 2011 by ¥39.0 billion.
- The increase in certainty equivalent present value of future profits in value of new business is mainly attributed to the improvement of the surrender and lapse rate.

* All the items from “Total net assets on the balance sheet” to “Tax effect equivalent of above items” display the sum of the figures for Dai-ichi Life and DFL.

(3) Analysis of Change in EEV from March 31, 2010 to March 31, 2011

(billions of yen)

	Dai-ichi Life Group			Dai-ichi Life (Non-consolidated)		
	Adjusted net worth	Value of in-force business	EEV	Adjusted net worth	Value of in-force business	EEV
Values as of March 31, 2010	1,863.5	972.8	2,836.3	1,880.9	987.1	2,868.0
(1) Adjustments to the values as of March 31, 2010	(52.0)	42.0	(10.0)	(10.0)	0.0	(10.0)
Adjusted values as of March 31, 2010	1,811.4	1,014.8	2,826.3	1,870.9	987.1	2,858.0
(2) Value of new business	0.0	158.1	158.1	0.0	158.5	158.5
(3) Expected existing business contribution (risk-free rate)	(4.1)	11.1	6.9	1.2	4.1	5.4
(4) Expected existing business contribution (in excess of risk-free rate)	13.4	327.7	341.2	23.2	306.8	330.1
(5) Expected transfer from VIF to adjusted net worth on in-force at beginning of year	43.1	(43.1)	0.0	20.3	(20.3)	0.0
on new business	193.5	(193.5)	0.0	165.4	(165.4)	0.0
	(150.3)	150.3	0.0	(145.1)	145.1	0.0
(6) Non-economic experience variances	(11.0)	4.5	(6.5)	(11.3)	4.6	(6.6)
(7) Non-economic assumptions changes	0.0	13.2	13.2	0.0	9.4	9.4
(8) Economic variances	(398.6)	(500.3)	(899.0)	(385.6)	(489.6)	(875.2)
Values as of March 31, 2011	1,454.2	986.0	2,440.3	1,518.7	960.9	2,479.6

(4) Effects of Changes in Assumptions (Sensitivities)

The followings are the effects on the EEV of changes in assumptions.

(billions of yen)

Assumptions	Dai-ichi Life Group		Dai-ichi Life (Non-consolidated)	
	EEV	Increase (Decrease)	EEV	Increase (Decrease)
Values as of March 31, 2011	2,440.3	-	2,479.6	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	2,727.9	287.5	2,760.5	280.8
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	2,074.9	(365.3)	2,121.7	(357.8)
Sensitivity 3: 10% decline in equity and real estate values	2,179.8	(260.4)	2,219.6	(259.9)
Sensitivity 4: 10% decline in maintenance expenses	2,585.0	144.7	2,623.3	143.6
Sensitivity 5: 10% decline in surrender and lapse rate	2,580.6	140.3	2,622.1	142.5
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	2,562.5	122.2	2,601.8	122.2
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	2,432.5	(7.7)	2,471.8	(7.8)
Sensitivity 8: Setting required capital at statutory minimum level	2,459.5	19.1	2,498.0	18.4
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	2,417.2	(23.1)	2,471.7	(7.9)
Sensitivity 10: 25% increase in implied volatilities of swaptions	2,425.8	(14.4)	2,464.5	(15.1)

(5) Major Assumptions Used in the Calculation of EEV

A. Economic Assumptions

In the certainty equivalent calculation, the Japanese Government Bond (JGB) is used as a proxy for risk-free rates, taking assets in the Group's portfolio and the liquidity in the market into account. With respect to the forward rates in and after the 31st year, we applied the method used for setting the forward risk-free rates from the 31st year to also take into account the shape of the swap rate yield curve. The table below shows, for selected terms, the risk-free rates (spot rates) which are used in the calculations.

Term	March 31, 2010	March 31, 2011
1 Year	0.108%	0.151%
2 Year	0.157%	0.198%
3 Year	0.289%	0.281%
4 Year	0.416%	0.408%
5 Year	0.575%	0.492%
10 Year	1.454%	1.268%
15 Year	2.024%	1.884%
20 Year	2.338%	2.198%
25 Year	2.418%	2.278%
30 Year	2.444%	2.335%
35 Year	2.464%	2.384%
40 Year	2.478%	2.427%
45 Year	2.489%	2.468%
50 Year	2.498%	2.536%

B. Non-Economic Assumptions

All cash flows (premium, operating expense, benefits and claims, cash surrender value, tax, etc.) are projected applying the best estimate assumptions up to the termination of the policies, by product, referring to past, current and expected future experience.

(6) Note in Using EV

1. The calculation of EV involves certain assumptions regarding future projections that are subject to risks and uncertainties. Actual future results might materially differ from the assumptions used in the EV calculations. We therefore ask that full care is exercised when using or analyzing EV.
2. In calculating EV, the Group requested a third party (an actuarial firm) with expertise in actuarial calculation to review the assumptions and method of calculation, and obtained a written opinion. For information on the written opinion, please refer to the news release posted on the Company's website (http://www.dai-ichi-life.co.jp/english/investor/ir/financial/results/2010/pdf/index_036.pdf).

8. Separate Account

(1) Separate Account Assets by Product

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Individual variable insurance	48,107	45,273
Individual variable annuities	174,050	153,869
Group annuities	1,070,091	976,992
Separate account total	1,292,250	1,176,136

(2) Individual Variable Insurance (Separate Account)

A. Sum Insured of Policies in Force

	(millions of yen except number of policies)			
	As of March 31, 2010		As of March 31, 2011	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	220	1,107	201	1,015
Variable insurance (whole life)	48,160	300,010	47,495	294,700
Total	48,380	301,118	47,696	295,716

Note: Policies in force include term life riders.

B. Breakdown of Separate Account Assets for Individual Variable Insurance in Sum Insured

	(millions of yen except percentages)			
	As of March 31, 2010		As of March 31, 2011	
	Amount	%	Amount	%
Cash, deposits, and call loans	1	0.0	3	0.0
Securities	45,335	94.2	41,985	92.7
Domestic bonds	13,615	28.3	13,626	30.1
Domestic stocks	17,152	35.7	14,296	31.6
Foreign securities	14,567	30.3	14,062	31.1
Foreign bonds	5,605	11.7	5,048	11.2
Foreign stocks and other securities	8,962	18.6	9,014	19.9
Other securities	-	-	-	-
Loans	-	-	-	-
Others	2,771	5.8	3,284	7.3
Reserve for possible loan losses	-	-	-	-
Total	48,107	100.0	45,273	100.0

C. Investment Gains and Losses of Separate Account for Individual Variable Insurance

	(millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Interest and dividends	889	894
Gains on sales of securities	2,204	1,949
Gains on redemption of securities	-	-
Gains on valuation of securities	11,334	4,088
Foreign exchange gains	215	173
Derivative transaction gains	88	55
Other investment income	50	1
Losses on sales of securities	4,195	3,290
Losses on redemption of securities	-	-
Losses on valuation of securities	2,632	4,682
Foreign exchange losses	144	168
Derivative transaction losses	64	49
Other investment expenses	2	1
Net investment income	7,742	(1,029)

D. Fair Value Information on Securities in Separate Account for Individual Variable Insurance

* Valuation gains (losses) of trading securities

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	45,335	8,702	41,985	(593)

Note: "Valuation gains (losses) included in the statement of earnings" include reversal gains (losses) at the beginning of the year.

* Fair value information on money held in trust

The Company had no balance as of March 31, 2010 or March 31, 2011.

E. Fair Value Information on Derivative Transactions (Individual Variable Insurance)

(a) Gains and losses on derivatives

	(millions of yen)					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
As of March 31, 2010						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(4)	-	-	-	(4)
Total	-	(4)	-	-	-	(4)
As of March 31, 2011						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	1	-	-	-	1
Total	-	1	-	-	-	1

Note: All gains and losses above are reported in the statements of earnings.

(b) Fair value information on derivatives

* Currency-related transactions

	(millions of yen)							
	As of March 31, 2010				As of March 31, 2011			
	Contract value	Fair value	Gains (losses)	Hedge accounting applied	Contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold	940	(38)	(38)	-	711	(15)	(15)	-
U.S. dollar	240	(9)	(9)	-	383	(5)	(5)	-
Euro	469	(14)	(14)	-	236	(9)	(9)	-
British pound	8	(0)	(0)	-	91	(0)	(0)	-
Canadian dollar	222	(14)	(14)	-	-	-	-	-
Bought	725	34	34	-	611	16	16	-
U.S. dollar	379	17	17	-	405	11	11	-
Euro	5	0	0	-	50	1	1	-
British pound	197	10	10	-	47	0	0	-
Polish zloty	51	2	2	-	45	1	1	-
Swiss franc	31	1	1	-	25	0	0	-
Singapore dollar	19	0	0	-	19	0	0	-
Norwegian krone	19	0	0	-	13	0	0	-
Canadian dollar	8	0	0	-	2	0	0	-
Australian dollar	10	0	0	-	-	-	-	-
Swedish krona	0	0	0	-	-	-	-	-
Total			(4)	-			1	-

Note:

- Forward exchange rates are used for exchange rates as of fiscal year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Fair value is shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

The Company held no interest-related, stock-related or bond-related derivative instruments since March 31, 2010. Therefore no information for interest-related, stock-related or bond-related derivative instruments is provided in the report.

(3) Individual Variable Annuities (Separate Account)

A. Sum Insured of Policies in Force

	(millions of yen except number of policies)			
	As of March 31, 2010		As of March 31, 2011	
	Number	Amount	Number	Amount
Individual variable annuities	46,803	162,411	44,063	142,440

B. Breakdown of Separate Account Assets for Individual Variable Annuities in Sum Insured

	(millions of yen except percentages)			
	As of March 31, 2010		As of March 31, 2011	
	Amount	%	Amount	%
Cash, deposits, and call loans	1,645	0.9	1,670	1.1
Securities	170,423	97.9	150,347	97.7
Domestic bonds	4,971	2.9	5,004	3.3
Domestic stocks	3,804	2.2	3,409	2.2
Foreign securities	6,340	3.6	5,777	3.8
Foreign bonds	2,391	1.4	2,001	1.3
Foreign stocks and other securities	3,948	2.3	3,776	2.5
Other securities	155,307	89.2	136,155	88.5
Loans	-	-	-	-
Others	1,982	1.1	1,851	1.2
Reserve for possible loan losses	-	-	-	-
Total	174,050	100.0	153,869	100.0

C. Investment Gains and Losses of Separate Account for Individual Variable Annuities

	(millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Interest and dividends	733	679
Gains on sales of securities	487	414
Gains on redemption of securities	-	-
Gains on valuation of securities	46,245	16,433
Foreign exchange gains	7	5
Derivative transaction gains	0	0
Other investment income	8	0
Losses on sales of securities	676	604
Losses on redemption of securities	-	1
Losses on valuation of securities	13,724	21,679
Foreign exchange losses	7	8
Derivative transaction losses	0	0
Other investment expenses	1,493	1,679
Net investment income	31,579	(6,438)

D. Fair Value Information on Securities in Separate Account for Individual Variable Annuities

* Valuation gains (losses) of trading securities

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	170,423	32,520	150,347	(5,245)

Note: "Valuation gains (losses) included in the statement of earnings" include reversal gains (losses) at the beginning of the year.

* Fair value information on money held in trust

The Company had no balance as of March 31, 2010 or March 31, 2011.

E. Fair Value Information on Derivative Transactions (Individual Variable Annuities)

(a) Gains and losses on derivatives

	(millions of yen)					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
As of March 31, 2010						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(0)	-	-	-	(0)
Total	-	(0)	-	-	-	(0)
As of March 31, 2011						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note: All gains and losses above are reported in the statements of earnings.

(b) Fair value information on derivatives

* Currency-related transactions

	(millions of yen)							
	As of March 31, 2010				As of March 31, 2011			
	Contract value	Fair value	Gains (losses)	Hedge accounting applied	Contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold								
U.S. dollar	3	(0)	(0)	-	-	-	-	-
Euro	1	(0)	(0)	-	-	-	-	-
British pound	0	(0)	(0)	-	-	-	-	-
Bought								
U.S. dollar	3	0	0	-	-	-	-	-
Canadian dollar	1	0	0	-	-	-	-	-
Euro	0	0	0	-	-	-	-	-
Total			(0)	-			-	-

Note:

- Forward exchange rates are used for exchange rates as of fiscal year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Fair value is shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

The Company held no interest-related, stock-related or bond-related derivative instruments since March 31, 2010. Therefore no information for interest-related, stock-related or bond-related derivative instruments is provided in the report.

9. Company Total of General Account and Separate Account

(1) Asset Composition

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	397,604	1.3	467,149	1.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	289,885	0.9	291,115	0.9
Trading account securities	-	-	-	-
Money held in trust	22,258	0.1	21,178	0.1
Securities	23,987,934	77.8	24,294,557	78.7
Domestic bonds	13,336,448	43.3	13,750,568	44.5
Domestic stocks	3,598,019	11.7	2,838,617	9.2
Foreign securities	6,678,934	21.7	7,370,161	23.9
Foreign bonds	4,944,976	16.0	5,723,585	18.5
Foreign stocks and other securities	1,733,957	5.6	1,646,575	5.3
Other securities	374,532	1.2	335,210	1.1
Loans	3,834,365	12.4	3,627,422	11.8
Policy loans	571,443	1.9	539,497	1.7
Ordinary loans	3,262,921	10.6	3,087,925	10.0
Real estate	1,238,898	4.0	1,290,787	4.2
Deferred tax assets	337,687	1.1	475,198	1.5
Others	734,927	2.4	415,152	1.3
Reserve for possible loan losses	(21,095)	(0.1)	(12,900)	(0.0)
Total	30,822,467	100.0	30,869,661	100.0
Foreign currency-denominated assets	5,382,291	17.5	5,765,641	18.7

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(2) Changes (Increase/Decrease) in Assets

	(millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash, deposits, and call loans	4,096	69,545
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	(14,954)	-
Monetary claims bought	8,513	1,230
Trading account securities	(52,597)	-
Money held in trust	8,993	(1,080)
Securities	1,320,088	306,622
Domestic bonds	382,671	414,119
Domestic stocks	458,418	(759,401)
Foreign securities	458,447	691,227
Foreign bonds	327,061	778,608
Foreign stocks and other securities	131,385	(87,381)
Other securities	20,551	(39,322)
Loans	(414,073)	(206,942)
Policy loans	(33,262)	(31,946)
Ordinary loans	(380,811)	(174,996)
Real estate	3,775	51,888
Deferred tax assets	(303,303)	137,511
Others	249,864	(319,774)
Reserve for possible loan losses	(10,179)	8,195
Total	800,224	47,194
Foreign currency-denominated assets	657,083	383,349

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(3) Fair Value Information on Securities and Others

A. Valuation Gains and Losses on Trading Securities

(millions of yen)

	As of March 31, 2010		As of March 31, 2011	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	1,216,890	219,533	1,114,369	(21,228)
General account	22,258	3,359	21,178	(1,049)
Separate account	1,194,631	216,173	1,093,190	(20,179)

Note:

1. The table above includes money held in trust classified as trading securities.

2. "Valuation gains (losses) included in the statement of earnings" includes reversal gains (losses) at the beginning of the year.

B. Fair Value Information on Securities (Securities with Fair Value Except for Trading Securities)

(millions of yen)

As of March 31, 2010	Book value	Fair value	Gains (losses)	Gains	Losses
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	17,209	24,415	7,206	7,206	0
Securities available for sale	14,921,552	15,642,718	721,166	1,016,728	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,126,575	5,179,708	53,133	152,490	99,357
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	467,156	444,451	(22,705)	28,233	50,938
Other securities	111,595	110,630	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	20,876,095	21,731,260	855,165	1,165,572	310,406
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,189,931	5,253,489	63,558	162,915	99,357
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	483,503	468,005	(15,498)	35,440	50,938
Other securities	112,458	111,492	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
As of March 31, 2011					
Bonds held to maturity	145,823	150,247	4,424	4,424	-
Domestic bonds	103,924	105,161	1,237	1,237	-
Foreign bonds	41,899	45,085	3,186	3,186	-
Policy-reserve-matching bonds	6,870,639	7,092,066	221,426	234,913	13,486
Domestic bonds	6,870,639	7,092,066	221,426	234,913	13,486
Stocks of subsidiaries and affiliates	20,785	42,999	22,213	22,224	10
Securities available for sale	14,706,987	15,078,568	371,580	794,148	422,567
Domestic bonds	6,299,209	6,460,407	161,198	174,100	12,902
Domestic stocks	1,915,677	2,221,350	305,672	495,777	190,104
Foreign securities	6,088,114	5,987,731	(100,383)	106,876	207,259
Foreign bonds	5,608,527	5,539,839	(68,687)	85,205	153,892
Foreign stocks and other securities	479,587	447,891	(31,695)	21,671	53,367
Other securities	106,978	101,963	(5,015)	6,914	11,929
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
Total	21,744,236	22,363,881	619,644	1,055,709	436,065
Domestic bonds	13,273,773	13,657,635	383,862	410,250	26,388
Domestic stocks	1,915,677	2,221,350	305,672	495,777	190,104
Foreign securities	6,149,107	6,074,134	(74,972)	132,287	207,259
Foreign bonds	5,650,426	5,584,925	(65,501)	88,391	153,892
Foreign stocks and other securities	498,680	489,209	(9,471)	43,896	53,367
Other securities	108,671	103,645	(5,025)	6,914	11,940
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to deem as securities as defined in the Securities and Exchange Law.

* Carrying values of securities whose market prices are deemed extremely difficult to obtain are as follows:

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	202,902	202,187
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	12,192	12,192
Others	8,029	7,313
Other securities	1,305,728	1,190,373
Unlisted domestic stocks (except over-the-counter stocks)	135,623	133,982
Unlisted foreign stocks (except over-the-counter stocks)	1,063,784	968,050
Unlisted foreign bonds	0	0
Others	106,320	88,340
Total	1,508,631	1,392,560

Note:

- The table above includes assets which are considered appropriate to deem as securities as defined in the Securities and Exchange Law.
- The amounts of foreign exchange valuation gains/losses on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows: loss of 5,524 million yen as of March 31, 2011 and loss of 3,714 million yen as of March 31, 2010.

C. Fair Value Information on Money Held in Trust

	(millions of yen)				
	Carrying value on the balance sheet	Fair value	Gains (losses)	Gains	Losses
As of March 31, 2010	22,258	22,258	3,303	7,288	3,984
As of March 31, 2011	21,178	21,178	(1,049)	4,705	5,755

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis. "Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

	(millions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	22,258	3,303	21,178	(1,049)

Note: "Valuation gains (losses) included in the statement of earnings" include reversal gains (losses) at the beginning of the year.

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching, and available-for-sale are as follows:

	(millions of yen)									
	As of March 31, 2010					As of March 31, 2011				
	Book value	Fair value	Gains (losses)	Gains	Losses	Book value	Fair value	Gains (losses)	Gains	Losses
Trust held to maturity	-	-	-	-	-	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-	-	-	-	-	-
Trust available for sale	-	-	-	-	-	-	-	-	-	-

(4) Fair Value Information on Derivative Transactions

A. Credit Risk Information on OTC Derivative Transactions

	(billions of yen)			
	As of March 31, 2010		As of March 31, 2011	
	Notional amount/ Contract value	Credit risk amount	Notional amount/ Contract value	Credit risk amount
Interest rate swaps	309.6	4.5	430.3	6.7
Foreign currency forward contracts	3,751.4	112.4	4,098.3	48.8
Currency options	-	-	-	-
Currency swaps	-	-	107.5	15.3
Bond forward contracts	-	-	33.4	0.0
Bond options	483.5	0.4	148.8	0.0
Total	4,544.6	117.5	4,818.4	71.0

Note: Figures in "Credit risk amount" show the replacement cost based on the current exposure method for OTC derivative transactions.

B. Gains and Losses on Derivatives

	(millions of yen)				
	Interest- related	Currency- related	Stock- related	Bond- related	Total
As of March 31, 2010					
Hedge accounting applied	(299)	(3,809)	-	-	(4,109)
Hedge accounting not applied	37	(1,115)	(4,919)	(3,144)	(9,141)
Total	(262)	(4,925)	(4,919)	(3,144)	(13,250)
As of March 31, 2011					
Hedge accounting applied	4,554	(118,807)	-	-	(114,253)
Hedge accounting not applied	37	(541)	(3,021)	(952)	(4,477)
Total	4,591	(119,349)	(3,021)	(952)	(118,731)

Note: Regarding the table above, following figures are reported in the statements of earnings:

Year ended March 31, 2010: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 3,809 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 9,141 million yen), totalling loss of 12,951 million yen.

Year ended March 31, 2011: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 118,807 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 4,477 million yen), totalling loss of 123,285 million yen.

C. Fair Value Information on Derivatives

(a) Hedge accounting not applied

(i) Interest-related transactions

	(millions of yen)							
	As of March 31, 2010				As of March 31, 2011			
	Notional amount/ Contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ Contract value	Over 1 year	Fair value	Gains (losses)
Exchange-traded transactions								
Interest rate futures								
Sold	-	-	-	-	24,901	-	(8)	(8)
Bought	-	-	-	-	24,911	-	4	4
Over-the-counter transactions								
Yen interest rate swaps								
Receipts fixed, payments floating	1,000	1,000	37	37	1,000	1,000	40	40
Total				37				37

Note: Differences between contract value and fair value for futures, and fair value for swap transactions, are shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

	(millions of yen, %)						
	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2010							
Notional amount (receipts fixed, payments floating)	-	-	-	1,000	-	-	1,000
Average fixed rate (receipt)	-	-	-	1.47	-	-	1.47
Average floating rate (payment)	-	-	-	0.25	-	-	0.25
Total	-	-	-	1,000	-	-	1,000
As of March 31, 2011							
Notional amount (receipts fixed, payments floating)	-	-	1,000	-	-	-	1,000
Average fixed rate (receipt)	-	-	1.47	-	-	-	1.47
Average floating rate (payment)	-	-	0.19	-	-	-	0.19
Total	-	-	1,000	-	-	-	1,000

(ii) Currency-related transactions

	(millions of yen)					
	As of March 31, 2010			As of March 31, 2011		
	Contract value	Fair value	Gains (losses)	Contract value	Fair value	Gains (losses)
Over-the-counter transactions						
Currency forward contracts						
Sold	497,428	(4,486)	(4,486)	228,693	(4,500)	(4,500)
U.S. dollar	217,103	(5,221)	(5,221)	141,347	(815)	(815)
Euro	251,545	987	987	50,418	(2,789)	(2,789)
Australian dollar	4,113	(122)	(122)	17,343	(366)	(366)
British pound	15,248	365	365	14,334	(306)	(306)
Canadian dollar	7,539	(533)	(533)	3,561	(113)	(113)
Danish krone	763	33	33	641	(52)	(52)
Swedish krona	771	(1)	(1)	533	(34)	(34)
Norwegian krone	339	6	6	253	(16)	(16)
Mexican Peso	-	-	-	243	(6)	(6)
Polish zloty	-	-	-	13	0	0
Singapore dollar	0	(0)	(0)	3	0	0
Swiss franc	2	(0)	(0)	-	-	-
Bought	357,104	3,371	3,371	158,375	3,959	3,959
U.S. dollar	143,371	2,285	2,285	82,040	718	718
Euro	190,987	386	386	44,275	2,151	2,151
Australian dollar	4,183	160	160	16,925	803	803
British pound	14,444	316	316	9,043	115	115
Canadian dollar	826	30	30	2,922	87	87
Polish zloty	1,293	74	74	1,109	29	29
Swiss franc	800	57	57	620	15	15
Singapore dollar	486	27	27	480	9	9
Norwegian krone	503	23	23	357	9	9
Swedish krona	2	0	0	253	7	7
Hong Kong dollar	192	7	7	228	6	6
Danish krone	-	-	-	114	5	5
Indian rupee	12	0	0	3	0	0
Mexican Peso	-	-	-	0	0	0
Total			(1,115)			(541)

Note:

- Forward exchange rates are used for exchange rates as of fiscal year ends.
- Fair values are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(iii) Stock-related transactions

	(millions of yen)					
	As of March 31, 2010			As of March 31, 2011		
	Notional amount/ Contract value	Fair value	Gains (losses)	Notional amount/ Contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen stock index futures						
Sold	-	-	-	14,902	(2,421)	(2,421)
Bought	12,820	512	512	13,798	(184)	(184)
Foreign currency-denominated stock index futures						
Bought	2,945	34	34	1,960	45	45
Stock index options						
Sold						
Call	99,985			-		
	[1,786]	4,422	(2,635)	[-]	-	-
Bought						
Put	100,000			79,961		
	[3,117]	286	(2,830)	[5,162]	4,700	(461)
Total			(4,919)			(3,021)

Note:

- Figures in [] are option premiums which are included in the balance sheets.
- Fair value for futures contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(iv) Bond-related transactions

	(millions of yen)					
	As of March 31, 2010			As of March 31, 2011		
	Notional amount/ Contract value	Fair value	Gains (losses)	Notional amount/ Contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen bond futures						
Sold	5,009	33	33	3,193	(15)	(15)
Bought	-	-	-	11,932	68	68
Over-the-counter transactions						
Foreign currency-denominated bond forward contracts						
Sold	-	-	-	16,713	(25)	(25)
Bought	-	-	-	16,701	17	17
Bond OTC options						
Sold						
Call	17,488			7,391		
	[46]	17	29	[25]	30	(4)
Put	45,815			27,173		
	[114]	187	(73)	[34]	3	31
Bought						
Call	45,815			27,173		
	[68]	33	(34)	[28]	24	(4)
Put	374,384			87,064		
	[3,320]	221	(3,098)	[1,026]	7	(1,019)
Total			(3,144)			(952)

Note:

- Figures in [] are option premiums which are included in the balance sheets.
- Fair value for futures contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(v) Others

The Company held no derivative instruments categorized as Others as of March 31, 2010 or March 31, 2011. Therefore no information for (v) Others is provided in the report.

(b) Hedge accounting applied

(i) Interest-related transactions

As of March 31, 2010

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	Notional amount		Fair value	Gains (losses)
			Over 1 year			
	Yen interest rate swaps					
Deferred hedge	Receipts fixed, payments floating	Loans	5,000	5,000	36	36
	Receipts floating, payments fixed	Loans payable	183,000	183,000	(3,179)	(3,179)
Special hedge accounting for interest rate swaps	Receipts fixed, payments floating	Loans	120,666	104,830	2,842	2,842
Total						(299)

Note: Fair values are shown in "Gains (losses)".

As of March 31, 2011

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	Notional amount		Fair value	Gains (losses)
			Over 1 year			
	Yen interest rate swaps					
Deferred hedge	Receipts fixed, payments floating	Loans	5,000	-	18	18
Special exemption	Receipts floating, payments fixed	Loans payable	320,000	320,000	1,926	1,926
Special hedge accounting for interest rate swaps	Receipts fixed, payments floating	Loans	104,340	91,340	2,609	2,609
Total						4,554

Note: Fair values are shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, %)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2010							
Notional amount (receipts fixed, payments floating)	15,836	40,600	49,900	14,970	4,360	-	125,666
Average fixed rate (receipt)	0.88	1.25	1.34	1.51	1.50	-	1.28
Average floating rate (payment)	0.46	0.36	0.40	0.37	0.47	-	0.39
Notional amount (receipts floating, payments fixed)	-	-	183,000	-	-	-	183,000
Average fixed rate (payment)	-	-	1.12	-	-	-	1.12
Average floating rate (receipt)	-	-	0.56	-	-	-	0.56
Total	15,836	40,600	232,900	14,970	4,360	-	308,666
As of March 31, 2011							
Notional amount (receipts fixed, payments floating)	18,000	58,300	24,850	8,190	-	-	109,340
Average fixed rate (receipt)	1.26	1.22	1.56	1.67	-	-	1.34
Average floating rate (payment)	0.32	0.27	0.28	0.35	-	-	0.29
Notional amount (receipts floating, payments fixed)	-	-	320,000	-	-	-	320,000
Average fixed rate (payment)	-	-	0.52	-	-	-	0.52
Average floating rate (receipt)	-	-	0.46	-	-	-	0.46
Total	18,000	58,300	344,850	8,190	-	-	429,340

(ii) Currency-related transactions

As of March 31, 2010

(millions of yen)

Type of hedge accounting	Type	Hedged item	Contract Value		Fair Value	Gains (losses)
				Over 1 year		
Currency forward contracts						
Fair value hedge	Sold	Foreign currency-	2,875,475	-	(3,887)	(3,887)
	U.S. dollar	denominated bonds	1,336,048	-	(60,403)	(60,403)
	Euro		1,271,841	-	55,215	55,215
	British pound		153,954	-	8,023	8,023
	Australian dollar		70,276	-	(4,918)	(4,918)
	Canadian dollar		23,054	-	(2,148)	(2,148)
	Swedish krona		10,052	-	29	29
	Danish krone		7,024	-	248	248
	Norwegian krone		3,223	-	66	66
	Bought		9,629	-	77	77
	Euro		5,184	-	49	49
	U.S. dollar		4,445	-	28	28
	British pound		-	-	-	-
Currency forward contracts						
Currency allotment method	Sold	Foreign currency-	109,719	-	-	-
	Australian dollar	denominated term deposits	80,715	-	-	-
	U.S. dollar		29,003	-	-	-
Currency swaps						
	U.S. dollar	Foreign currency-	-	-	-	-
		denominated bonds payable	-	-	-	-
Total						(3,809)

Note:

- Forward exchange rates are used for exchange rates as of fiscal year ends.
- Currency forward contracts other than those which are applied fair value hedge method to are recorded as the combined amount of such currency forward contracts and their corresponding hedged items. Therefore, their fair values are included in the fair value of such foreign currency-denominated term deposits.
- Fair value for forward contracts is shown in "Gains (losses)", except for those to which Note 2 is applied.
- There were no transactions with maturity of more than one year in the table above.

As of March 31, 2011

(millions of yen)

Type of hedge accounting	Type	Hedged item	Contract Value		Fair Value	Gains (losses)
				Over 1 year		
Currency forward contracts						
Fair value hedge	Sold	Foreign currency-	3,526,926	-	(118,907)	(118,907)
	U.S. dollar	denominated bonds	1,796,391	-	188	188
	Euro		1,394,184	-	(110,345)	(110,345)
	British pound		177,162	-	(2,916)	(2,916)
	Australian dollar		93,764	-	(3,535)	(3,535)
	Canadian dollar		42,809	-	(788)	(788)
	Swedish krona		11,745	-	(802)	(802)
	Danish krone		5,968	-	(386)	(386)
	Norwegian krone		4,899	-	(322)	(322)
	Bought		3,999	-	99	99
	U.S. dollar		2,519	-	21	21
	Euro		1,432	-	77	77
	British pound		48	-	1	1
Currency forward contracts						
Currency allotment method	Sold	Foreign currency-	180,356	-	-	-
	Australian dollar	denominated term deposits	140,354	-	-	-
	U.S. dollar		40,001	-	-	-
Currency swaps						
	U.S. dollar	Foreign currency-	107,562	107,562	-	-
		denominated bonds payable	107,562	107,562	-	-
Total						(118,807)

Note:

- Forward exchange rates are used for exchange rates as of fiscal year ends.
- Currency forward contracts other than those which are applied fair value hedge method to are recorded as the combined amount of such currency forward contracts and their corresponding hedged items (foreign currency-denominated term deposits and foreign currency-denominated bonds payable). Therefore, their fair values are included in the fair value of such foreign currency-denominated term deposits and foreign currency-denominated bonds payable.
- Fair value for forward contracts is shown in "Gains (losses)", except for those to which Note 2 is applied.

The Company held no stock-related, bond-related or other derivative instruments as of March 31, 2010 or March 31, 2011.

Therefore no information for stock-related, bond-related, nor other transactions is provided in the report.

10. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

	(millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Ordinary revenues	5,294,004	4,571,556
Net surplus from operations / ordinary profit	188,211	81,199
Net surplus for the year	55,665	-
Net income for the year	-	19,139
Comprehensive income	-	(201,763)

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Total assets	32,104,248	32,297,862

(2) Scope of Consolidation and Application of Equity Method

	(millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Number of consolidated subsidiaries	3	5
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	30	27

(3) Risk-Monitored Loans

		(millions of yen)	
		As of March 31, 2010	As of March 31, 2011
Credits to bankrupt borrowers	(I)	5,259	5,034
Delinquent loans	(II)	28,338	17,349
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	2,383	3,255
Total	(I)+(II)+(III)+(IV)	35,981	25,639
[Percentage of total loans]		[0.94%]	[0.71%]

Note:

- For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2010 and March 31, 2011 were 736 million yen and 739 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2010 and March 31, 2011 were 3,469 million yen and 3,093 million yen, respectively.
- Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to, foreign proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
- Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
- Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
- Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(Reference) Disclosed claims based on categories of obligors

	(millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Claims against bankrupt and quasi-bankrupt obligors	5,829	5,387
Claims with collection risk	27,769	16,996
Claims for special attention	2,383	3,292
Subtotal	35,981	25,676
Claims against normal obligors	4,274,857	4,123,420
Total	4,310,839	4,149,096

Note:

- Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
- Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
- Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
- Claims against normal obligors are all other loans.

(4) Segment Information

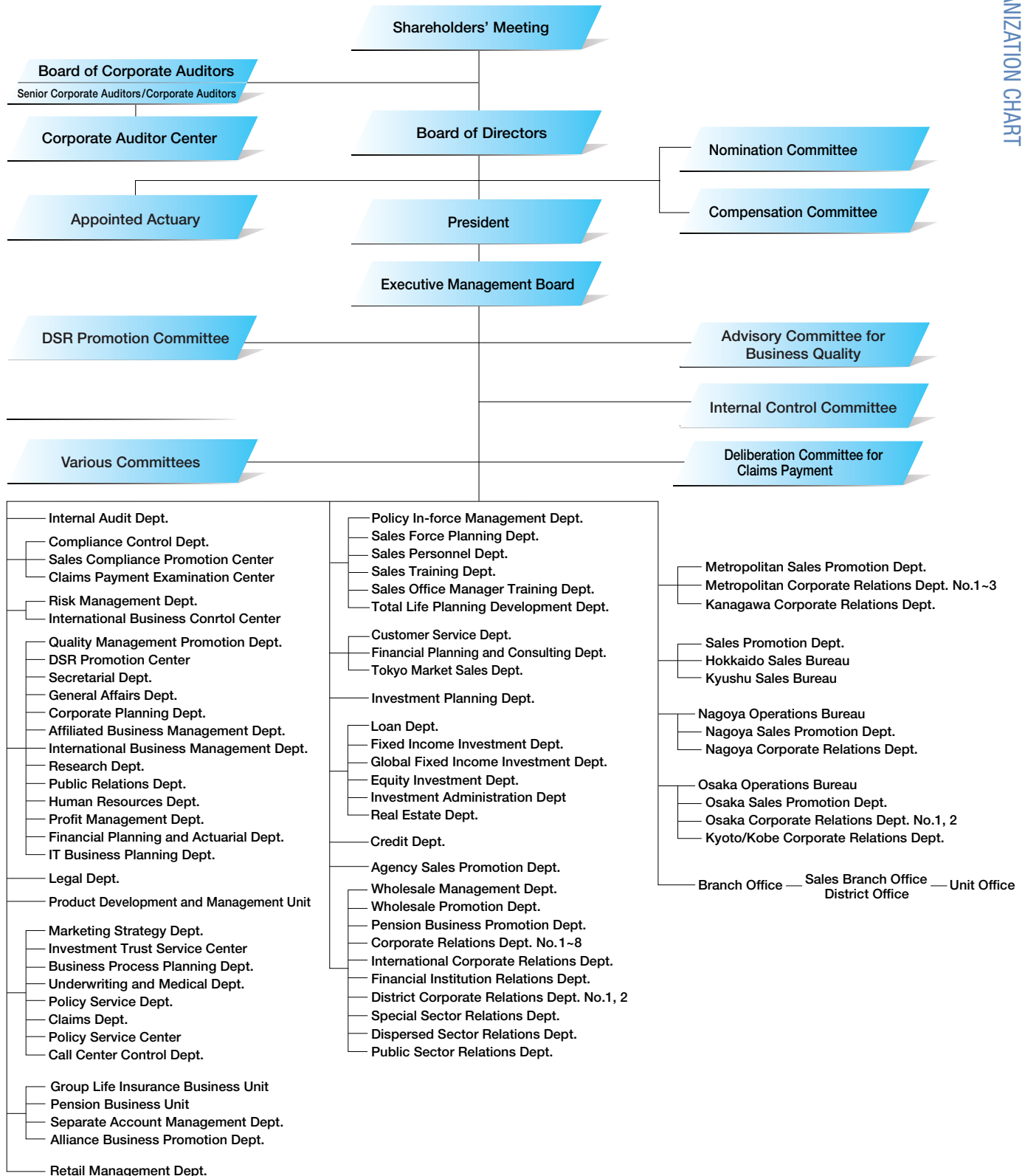
The Company and its consolidated subsidiaries did not operate any businesses categorized in other segments than its own core life insurance business, and therefore segment information was omitted.

Organization Chart

(As of April 1, 2011)

Operations Bureaus	2
Dept./Sales Bureaus	78
Centers	7
Branch Offices	84
Sales Branch Offices	9
District Offices	7

ORGANIZATION CHART



Board of Directors and Executive Officers

(As of July 1, 2011)

- Representative Director, Chairman of the Board
Katsutoshi Saito
- Representative Director, President
Koichiro Watanabe
- Representative Directors, Deputy Presidents
Hideto Masaki
Shinsuke Kume
- Directors, Senior Managing Executive Officers
Ryoji Yajima
Kazuma Ishii
Shigeo Tsuyuki
- Directors, Managing Executive Officers
Tomoyasu Asano
Yoshio Takeyama
Hiroshi Kanai
- Director
Haruo Funabashi
- Senior Corporate Auditors
Teruo Imano
Masanori Minagawa

- Corporate Auditors
Masasuke Omori
Yoshitoshi Kitajima
Takashi Wachi
- Senior Managing Executive Officers
Satoru Ueno
Takahiro Inaba
- Managing Executive Officers
Takehide Itonaga
Norimitsu Horio
Yoshifumi Miyata
Koji Shimogama
Kenji Sakurai
Hideo Teramoto
- Executive Officers
Akio Tanaka
Koichi Maruno
Morinobu Nagahama
Takashi Kawashima
Nobuyuki Akimoto
Atsushi Takahashi
Atsushi Nagayama
Satoshi Sato

Overseas Network

NORTH AMERICA

Dai-ichi Life International (U.S.A.), Inc.

President: Shigeru Mori
Address: 1133 Avenue of the Americas, 28th Floor,
New York, NY 10036 USA
Tel: 1-212-350-7600
Fax: 1-212-354-1866

EUROPE

Dai-ichi Life International (Europe) Limited

Managing Director: Koichi Kashimoto
Address: Level 4, 155 Bishopsgate, London EC2M 3XN, U.K.
Tel: 44-20-7454-9871
Fax: 44-20-7628-0074

ASIA

Dai-ichi Life Insurance Company of Vietnam, Limited

Chairman cum General Director: Takashi Fujii
Address: 3rd Floor, Saigon Riverside Office Center,
2A-4A Ton Duc Thang Street, Dist. 1,
Ho Chi Minh City, Vietnam
Tel: 84-8-3829-1919
Fax: 84-8-3829-3131

TAL Limited

Chairman: Robert Thomas
CEO & MD: Jim Minto
Address: 80 Alfred Street, Milsons Point, NSW 2061,
Australia
Tel: 61-2-9448-9000
Fax: 61-2-9448-9100

Star Union Dai-ichi Life Insurance Company Limited

CEO & MD: Kamalji Sahay
Address: 11th Floor, Raghuleela Arcade, IT park,
Sector 30 A, Opp. Vashi Railway Station, Vashi,
Navi Mumbai – 400703
Tel: 91-22-3954-6300

ASIA

Ocean Life Insurance Co., Ltd.

Chairman: Kirati Assakul
Address: 170 / 74 - 83 Ocean Tower 1 Bldg.,
Rachadapisek Rd., Klongtoey, Bangkok, Thailand
Tel: 66(0)-2261-2300
Fax: 66(0)-2261-3344

Dai-ichi Life International (AsiaPacific) Limited

Managing Director: Tatsusaburo Yamamoto
Address: Suite 902, Central Plaza 18, Harbour Road,
Wanchai, Hong Kong
Tel: 852-2588-1331
Fax: 852-2588-1218

Beijing Representative Office

Chief Representative: Zhao Ke Fei
Address: 8th Floor, Chang Fu Gong Office Building,
Jianguomenwai St. Chaoyang District, Beijing,
China
Tel: 86-10-6513-9031
Fax: 86-10-6513-9225

Shanghai Representative Office

Chief Representative: Tomoki Sugizaki
Address: 15F, Shanghai World Financial Center,
100 Century Avenue, Pudong New Area,
Shanghai, China
Tel: 86-21-6877-5788
Fax: 86-21-6877-5988

Taipei Representative Office

Chief Representative: Hajime Namba
Address: Shin Kong Life Tower 33F, 66, Chung-Hsiao
W. RD., Sec.1, Taipei, Taiwan
Tel: 886-2-2388-5399
Fax: 886-2-2331-9344

HISTORY

1902

Tsuneta Yano issues Characteristics of My Company, a pamphlet explaining the merits of a mutual company, and subsequently establishes Japan's first mutual life insurance company, the Dai-ichi Mutual Life Insurance Company.

1938

The Head Office is moved to its current Tokyo location, which served as the General Headquarters of the Allied Powers (GHQ) following World War II.

1967

Dai-ichi's 20-story Oi Head Office, housing the Company's Policy Service departments and Computer Systems Department, is completed.

1970

FALIA, Foundation for the Advancement of Life Insurance Around the World, a consolidation of several related organizations active since 1962, is established to expand Dai-ichi's support for the life insurance business in Asia.

1975

Dai-ichi's first overseas representative office is established in New York (currently Dai-ichi Life International (U.S.A.), Inc.) to study U.S. insurance, economic, and financial systems as well as to promote international group insurance policies among local subsidiaries of Japanese corporations.

1982

Dai-ichi's first European representative office is established in London (currently Dai-ichi Life International (Europe) Limited).

1988

Dai-ichi establishes Dai-ichi Life International (H.K.) Limited (currently Dai-ichi Life International [AsiaPacific] Limited).

1990

Dai-ichi's investment in Lincoln National Life Insurance Company marks the first time a Japanese company has participated in capitalizing a leading U.S. insurer (already ceased).

1993

Dai-ichi completes the DN Tower 21, a new Head Office building in the heart of Tokyo.

1995

Following the Great Hanshin Earthquake in January, Dai-ichi simplifies claims settlement procedures.

1996

Dai-ichi establishes the Dai-ichi Property and Casualty Insurance Co., Ltd. (already ceased).

1997

Dai-ichi establishes Dai-ichi Life Research Institute Inc.

1998

- Dai-ichi enters into the investment trust business as Daiichi Life Asset Management Co., Ltd.
- Dai-ichi reaches an agreement on total business cooperation with the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.).

1999

- Dai-ichi and the Industrial Bank of Japan Co., Ltd. establish IBJ-DL Financial Technology Co., Ltd. (currently Mizuho-DL Financial Technology Co., Ltd.).
- Dai-ichi Life Asset Management Co., Ltd., IBJ NW Asset Management Co., Ltd. and IBJ Investment Trust Management Co., Ltd. merge to form DLIBJ Asset Management Co., Ltd. (currently DIAM Co., Ltd.).

2000

Dai-ichi enters into an agreement to form a comprehensive business alliance with the Yasuda Fire and Marine Insurance Co., Ltd. (currently SOMPO JAPAN INSURANCE INC.) and a strategic marketing alliance with American Family Life Assurance Company of Columbus (AFLAC).

2001

Dai-ichi wins the "Japan Quality Award," the first company in the financial and insurance industry to receive this honor.

2002

Marking a century of insurance and investment achievements, Dai-ichi celebrates its 100th Anniversary.

2003

Dai-ichi issues subordinated bonds of ¥30 billion for public subscription using a securitization scheme.

2004

- Dai-ichi issues U.S. dollar-denominated subordinated bonds in the global capital market.
- Dai-ichi raises additional foundation funds of ¥60 billion through public offering using a securitization scheme.

2006

- Dai-ichi raises additional foundation funds of ¥60 billion through public offering using a securitization scheme.

2007

- Dai-ichi acquires Bao Minh CMG, which recommences operations as Dai-ichi Life Insurance Company of Vietnam, Ltd.
- Dai-ichi's wholly-owned subsidiary, Dai-ichi Frontier Life Insurance Co., Ltd., obtains a license for life insurance business.
- Dai-ichi concludes a joint-venture contract to establish a joint life insurance company (Star Union Dai-ichi Life Insurance Company Limited) with the Bank of India and Union Bank of India.

2008

- Dai-ichi adopts a plan to demutualize and become a stock company.
- Dai-ichi concludes an agreement on a strategic business alliance, including the acquisition of shares, with Ocean Life Insurance Co., Ltd. of Thailand.
- Dai-ichi enters into an agreement to form a strategic business alliance with TOWER Australia Group Limited (TOWER Australia).

2009

- Star Union Dai-ichi Life Insurance Company Limited commences sales of its products.
- Dai-ichi enters into ¥183 billion syndicated subordinated loan.
- The 108th general meeting of representative policyholders approves Dai-ichi's demutualization.

2010

- Dai-ichi demutualizes and is listed on the Tokyo Stock Exchange.

2011

- Dai-ichi issues U.S. dollar-denominated perpetual subordinated notes in the global capital market.
- Following the Great East Japan Earthquake in March, Dai-ichi offers aid to the victims and special treatment for the policyholders affected by the earthquake.
- Dai-ichi successfully acquires 100% ownership of TOWER Australia, and TOWER Australia changes its name to TAL Limited.

THE DAI-ICHI LIFE INSURANCE COMPANY, LIMITED

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DAI-ICHI LIFE

The Dai-ichi Life Insurance Company, Limited