

November 26, 2004

Financial Results for the Six Months Ended September 30, 2004

The Dai-ichi Mutual Life Insurance Company (President: Katsutoshi Saito) announces financial results for the six months ended September 30, 2004.

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Attached: Supplementary Materials for the Six Months Ended September 30, 2004

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1. Business Highlights

(1) Policies in Force

	As of September 30, 2003		As of September 30, 2004				As of March 31, 2004	
	Number of policies (Thousands)	Amount (100 millions of yen)	Number of policies (Thousands)		Amount (100 millions of yen)		Number of policies (Thousands)	Amount (100 millions of yen)
				Changes (%)		Changes (%)		
Individual insurance	11,730	2,008,563	11,620	99.1	1,923,656	95.8	11,674	1,964,002
Individual annuities	1,190	65,933	1,168	98.2	65,192	98.9	1,174	65,202
Group insurance	-	548,512	-	-	552,586	100.7	-	543,444
Group annuities	-	70,182	-	-	61,850	88.1	-	64,834

- Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity 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.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.
3. Changes for number and amount of policies in force are presented in comparison with the end of previous interim period.

(2) New Policies

	Number of policies (Thousands)	Amount (100 millions of yen)	New Business	Net increase by conversion	Changes (%)
Six months ended September 30, 2003					
Individual insurance	594	78,427	62,353	16,073	89.2
Individual annuities	13	612	751	(139)	107.1
Group insurance	-	3,372	3,372		93.7
Group annuities	-	1	1		152.3
Six months ended September 30, 2004					
Individual insurance	593	66,767	54,510	12,256	85.1
Individual annuities	18	1,180	1,291	(110)	192.7
Group insurance	-	6,343	6,343		188.1
Group annuities	-	5	5		323.1
Year ended March 31, 2004					
Individual insurance	1,233	152,496	122,400	30,095	86.2
Individual annuities	27	1,210	1,542	(331)	68.2
Group insurance	-	7,752	7,752		28.3
Group annuities	-	4	4		77.5

- Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.
4. Changes for amount of new policies are presented in comparison with the previous interim period.

(reference) Surrender and lapses in individual insurance and individual annuities (100 Millions of yen except percentages)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Year ended March 31, 2004
Amount of surrender and lapses	103,005	83,997	194,817
Surrender and lapses rate (%)	4.85	4.14	9.16

(3) Annualized Net Premium of Individual Insurance and Individual Annuities with Medical and Survival Benefits

	Six months ended September 30, 2004	(100 Millions of yen)
New Policies	309	
	As of September 30, 2004	As of March 31, 2004
	Increase (decrease)	
Policies in Force	4,432	106
		4,325

- Note: 1. Annualized net premium above 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.
2. 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 duration of policies.
3. New policies include net increase by conversion.
4. Increase (decrease) in annualized net premium from policies in force is presented in comparison with the previous fiscal year end (as of March 31, 2004).

(reference) Total annualized net premium of individual insurance and individual annuities

	Six months ended September 30, 2004	(100 Millions of yen)
New Policies	856	
	As of September 30, 2004	As of March 31, 2004
	Increase (decrease)	
Policies in Force	21,678	(102)
		21,780

- Note: Change for annualized net premium from policies in force is presented in comparison with the previous fiscal year end (as of March 31, 2004).

(4) Profit and Loss Items

(Millions of yen except percentages)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Changes (%)		Year ended March 31, 2004
Premium and other income	1,626,469	1,702,010		104.6	3,420,906
Investment income	471,446	360,992		76.6	964,917
Benefits and claims	1,535,593	1,586,537		103.3	3,565,061
Investment expense	126,430	135,017		106.8	224,030
Net surplus from operations	129,306	79,334		61.4	272,887

Note: Changes for profit and loss items are presented in comparison with the previous interim period.

(5) Total Assets

(Millions of yen except percentages)

	As of September 30, 2003	As of September 30, 2004	Changes (%)		As of March 31, 2004
Total Assets	29,447,794	29,711,695		100.9	29,652,857

Note: Change for total assets is presented in comparison with the end of previous interim period.

2. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004 (summarized)	
	Amount	%	Amount	%	Amount	%
(ASSETS)						
Cash and deposits	156,943	0.5	173,535	0.6	276,247	0.9
Call loans	258,400	0.9	239,600	0.8	337,000	1.1
Monetary claims bought	366,346	1.2	523,770	1.8	486,270	1.6
Money held in trust	12,325	0.0	3,031	0.0	2,191	0.0
Securities	20,257,284	68.8	20,948,943	70.5	20,388,505	68.8
[Government bonds]	[5,337,785]		[5,589,908]		[5,262,390]	
[Local government bonds]	[1,561,445]		[1,113,558]		[1,259,722]	
[Corporate bonds]	[2,966,088]		[3,185,180]		[3,032,811]	
[Stocks]	[4,429,014]		[4,444,947]		[4,568,534]	
[Foreign securities]	[5,664,303]		[6,212,054]		[5,910,999]	
Loans	6,483,523	22.0	6,109,716	20.6	6,369,732	21.5
Policy loans	754,573		736,310		737,963	
Ordinary loans	5,728,949		5,373,405		5,631,769	
Real estate and movable assets	1,322,378	4.5	1,284,915	4.3	1,276,027	4.3
[Real estate]	[1,314,351]		[1,277,780]		[1,268,086]	
Reinsurance receivables	9	0.0	78	0.0	93	0.0
Other assets	574,207	1.9	445,269	1.5	543,471	1.8
Deferred tax assets	51,722	0.2	-	-	-	-
Customers' liabilities for acceptances and guarantees	537	0.0	2,822	0.0	526	0.0
Reserve for possible loan losses	(35,448)	(0.1)	(19,840)	(0.1)	(26,934)	(0.1)
Reserve for possible investment losses	(436)	(0.0)	(147)	(0.0)	(276)	(0.0)
Total assets	29,447,794	100.0	29,711,695	100.0	29,652,857	100.0

(Millions of yen)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004 (summarized)	
	Amount	%	Amount	%	Amount	%
(LIABILITIES)						
Policy reserves and others	26,783,210	91.0	26,533,836	89.3	26,523,349	89.4
Reserves for outstanding claims	165,187		323,226		313,187	
Policy reserves	26,154,348		25,776,802		25,796,310	
Reserve for policyholder dividends	463,674		433,806		413,851	
Reinsurance payables	346	0.0	528	0.0	682	0.0
Subordinated bonds	-	-	55,525	0.2	52,845	0.2
Other liabilities	897,513	3.0	1,078,127	3.6	941,080	3.2
Reserve for employees' retirement benefits	413,091	1.4	439,214	1.5	420,889	1.4
Reserve for possible losses on sale of claims	1,249	0.0	-	-	-	-
Reserve for possible losses on repurchase of land	677	0.0	-	-	-	-
Reserve for contingent losses	-	-	25,921	0.1	25,921	0.1
Reserve for price fluctuations	143,453	0.5	173,453	0.6	167,453	0.6
Deferred tax liabilities	-	-	25,215	0.1	48,946	0.2
Deferred tax liabilities for land revaluation	1,048	0.0	3,919	0.0	3,281	0.0
Acceptances and guarantees	537	0.0	2,822	0.0	526	0.0
Total liabilities	28,241,130	95.9	28,338,565	95.4	28,184,976	95.0
(CAPITAL)						
Foundation funds	230,000	0.8	140,000	0.5	230,000	0.8
Accumulated redeemed foundation funds	70,000	0.2	220,000	0.7	70,000	0.2
Revaluation reserve	248	0.0	248	0.0	248	0.0
Surplus	290,154	1.0	154,818	0.5	327,958	1.1
Reserve for future losses	3,700		4,000		3,700	
General reserve	225,974		98,887		225,881	
Unappropriated retained earnings	60,480		51,930		98,377	
[Net surplus for the period]	[57,891]		[52,109]		[98,681]	
Reserve for land revaluation	1,858	0.0	6,946	0.0	5,816	0.0
Net unrealized gains on securities, net of tax	614,402	2.1	851,116	2.9	833,856	2.8
Total capital	1,206,664	4.1	1,373,130	4.6	1,467,880	5.0
Total liabilities and capital	29,447,794	100.0	29,711,695	100.0	29,652,857	100.0

3. Unaudited Non-Consolidated Statements of Earnings

(Millions of yen)

	Six months ended September 30, 2003		Six months ended September 30, 2004		Year ended March 31, 2004 (summarized)	
	Amount	%	Amount	%	Amount	%
ORDINARY REVENUES	2,232,344	100.0	2,225,884	100.0	5,058,018	100.0
Premium and other income	1,626,469		1,702,010		3,420,906	
[Premium income]	[1,626,294]		[1,701,722]		[3,420,133]	
Investment income	471,446		360,992		964,917	
[Interest and dividends]	[295,090]		[301,835]		[615,647]	
[Gains on money held in trust]	[0]		[-]		[-]	
[Gains on sale of securities]	[49,796]		[53,542]		[129,032]	
[Gains on redemption of securities]	[461]		[300]		[4,890]	
[Gains on investment in separate accounts]	[125,420]		[910]		[214,253]	
Other ordinary revenues	134,427		162,881		672,194	
[Transfer from policy reserves]	[-]		[19,507]		[333,281]	
ORDINARY EXPENSES	2,103,037	94.2	2,146,549	96.4	4,785,130	94.6
Benefits and claims	1,535,593		1,586,537		3,565,061	
[Claims]	[446,901]		[414,890]		[924,299]	
[Annuities]	[104,479]		[108,495]		[269,915]	
[Benefits]	[291,992]		[258,638]		[574,978]	
[Surrender values]	[540,592]		[593,554]		[1,313,174]	
[Other refunds]	[151,034]		[210,469]		[481,427]	
Provision for policy reserves and others	31,420		16,355		160,644	
Provision for reserve for outstanding claims	-		10,039		147,243	
Provision for policy reserves	24,756		-		-	
Provision for interest on policyholder dividends	6,664		6,316		13,401	
Investment expenses	126,430		135,017		224,030	
[Interest expenses]	[1,924]		[3,636]		[4,163]	
[Losses on money held in trust]	[-]		[271]		[50]	
[Losses on sale of securities]	[43,668]		[68,253]		[103,406]	
[Losses on valuation of securities]	[2,137]		[2,514]		[2,663]	
[Losses on redemption of securities]	[681]		[1,598]		[2,789]	
[Derivative transaction losses]	[34,078]		[15,313]		[24,172]	
Operating expenses	211,534		206,622		435,519	
Other ordinary expenses	198,059		202,016		399,874	
NET SURPLUS FROM OPERATIONS	129,306	5.8	79,334	3.6	272,887	5.4
Extraordinary gains	19,626	0.9	7,562	0.3	30,837	0.6
Extraordinary losses	81,029	3.6	23,127	1.0	191,082	3.8
Net surplus before adjustment for taxes, etc.	67,904	3.0	63,769	2.9	112,642	2.2
Corporate income tax-current	10,013	0.4	44,535	2.0	36,418	0.7
Corporate income tax-deferred	-	-	(32,874)	(1.5)	(22,456)	(0.4)
Net surplus for the period	57,891	2.6	52,109	2.3	98,681	2.0
Transfer from subsidy for social public enterprise	-	-	826	0.0	826	0.0
Transfer from fund for Public Health Awards	-	-	42	0.0	50	0.0
Transfer from fund for Green Design Award	-	-	5	0.0	48	0.0
Transfer from revaluation reserve	2,589	0.1	(1,052)	(0.0)	(1,227)	(0.0)
Unappropriated net surplus for the period	60,480	2.7	51,930	2.3	98,377	1.9

Notes to the Unaudited Interim Non-Consolidated Financial Statements for the Six Months Ended September 30, 2004

I. Basis for Preparation of Unaudited Interim Non-Consolidated Balance Sheet and Statement of Earnings for the six months ended September 30, 2004

1. Valuation Methods of Securities

The valuation of securities, including bank deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, is as explained below:

Trading securities are carried at fair value. Held-to-maturity debt securities are stated at amortized cost determined by the moving average method. Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method in accordance with Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA).

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

Available-for-sale securities which have market value are valued at market value at the end of the interim period (for domestic stocks, the average value during September), with cost determined by the moving average method. With respect to available-for-sale securities for which there is no market value, 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, and 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 capital and not in the statements of earnings.

The amortization of premium or discount is calculated by the straight-line method.

2. Valuation Methods of Derivative Transactions

Derivative transactions are reported at fair value.

3. Depreciation of Real Estate and Movable Assets

Depreciation of buildings (excluding leasehold improvements and structures) is calculated by the straight-line method, while depreciation of assets other than buildings is determined by the declining balance method. Movable assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated by equal amounts over three years.

4. Amortization of Software Costs

The Company uses the straight-line method of amortization for the software based on the estimated useful life of five years.

5. Reserves

(1) Reserve for Possible Loan Losses

Reserves for possible loan losses are 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 by deducting the estimated recoverable amount, determined based on an overall assessment of the obligor’s ability to pay and collateral or guarantees, from book value of the loans and claims.

For other loans and claims, the reserve is calculated by multiplying the actual 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 the Company 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 amount written off during the six months ended September 30, 2004 was ¥10,894 million.

(2) 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 Deliberation Council) is provided, based on the estimation of projected benefit obligations and pension assets as of March 31, 2005.

Gains on plan amendments are amortized by the straight-line method over certain years based on employees’ average remaining length of service.

Actuarial differences are amortized from the following fiscal year over certain years based on employees’ average remaining length of service.

Transition differences are amortized by equal amounts over five years. For the six months ended September 30, 2004, the amount is reported by multiplying one half to the equal amount stated above.

(3) Reserve for Contingent Losses

A reserve for contingent losses is established in accordance with the provision of Article 32-14 of the Enforcement Regulations of the Insurance Business Law. It is calculated based on estimated future possible losses from forward contracts and other agreements on real estate.

(4) Reserve for Possible Investment Losses

A reserve for possible investment losses is established for securities with no market value. It is calculated based on the internal rules for self-assessment write-off and reserve on assets.

(5) Reserve for Price Fluctuations

A reserve for price fluctuations is calculated substantially in accordance with the provisions of Article 115 of the Insurance Business Law.

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

Foreign currency-denominated assets and liabilities are translated to yen at the prevailing exchange rate at the end of the interim period. Stocks of subsidiaries and affiliated companies are translated to yen at the exchange rate on the date of acquisition.

7. Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Statement on Establishment of Accounting Standards for Financial Products” issued on January 22, 1999 by the Business Accounting Deliberation Council. Primarily, special hedge accounting for interest swaps and the deferral hedge method are used for cash flow hedges of certain ordinary loans and government and corporate bonds; the currency allotment method is used for foreign currency-denominated loans, and the fair value hedge method is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated securities. Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

8. Calculation of National and Local Consumption Tax

The Company 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 5 years in accordance with the Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

9. Policy Reserves

Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Law. 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.

10. Policy-reserve-matching Bonds

The Company classifies yen-denominated bonds that are held to match the duration of sub-groups of individual life insurance and annuities, financial insurance and annuities, and employee-funded corporate pension contracts (with the exception of some insurance types) as 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).

The total of policy-reserve-matching bonds as of September 30, 2004 amounted to ¥3,583,214 million. The market value of these bonds as of September 30, 2004 was ¥3,641,700 million.

Effective from the six months ended September 30, 2004, in order to further strengthen the Company’s Asset Liability Management strategy, the Company divided the sub-group of individual life insurance and annuities contracts by maturity dates, and also established new sub-groups of financial insurance and annuities, and employee-funded corporate pension contracts. These changes had no effect on statement of earnings.

11. Deferred Assets

Deferred discount on bonds is recognized as Other assets. Amortization is calculated by the straight-line method over the period for which bonds are outstanding.

12. Corporate Income Taxes and Resident Taxes

Corporate income taxes and resident taxes, including taxes deferred, for the six months ended September 30, 2004 are calculated based on the estimated provision for or reversal of reserves for tax basis adjustments of real estate and reserve for policyholder dividends, and estimated interest payment for foundation funds, in the appropriation of net surplus at the fiscal year end.

II. Notes to the Unaudited Interim Non-Consolidated Balance Sheet as of September 30, 2004

1. Yen Amounts

Yen amounts of less than ¥1 million have been omitted.

2. Accumulated Depreciation of Real Estate and Movable Assets

Accumulated depreciation of real estate and movable assets was ¥643,545 million.

3. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts was ¥1,342,834 million. Separate account liabilities were the same amount as separate account assets.

4. Leased Computers

In addition to movable assets included in the balance sheet, the Company has computers as significant leased movable assets.

5. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Millions of yen)
Balance at the end of previous fiscal year	¥ 413,851
Transfer from surplus in previous fiscal year	70,076
Dividends paid in the interim period	(56,438)
Interest accrual in the interim period	6,316
	<hr/>
Balance at the end of the interim period	¥ 433,806

6. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent was ¥551,007 million.

7. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥23,755 million.

8. Subordinated Debt

Other liabilities included subordinated debt of ¥130,000 million whose repayment is subordinated to other obligations.

9. Subordinated Bonds

Subordinated bonds of ¥55,525 million shown in liabilities were foreign currency-denominated subordinated bonds whose repayment is subordinated to other obligations.

10. Stocks of Subsidiaries

The amount of stocks of subsidiaries the Company held was ¥11,307 million.

11. Assets Pledged as Collateral / Secured Liabilities

Assets pledged as collateral totaled ¥151,632 million. Secured liabilities totaled ¥4,404 million.

12. Problem Loans

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, amounted to ¥44,621 million. The amount of credits to bankrupt borrowers was ¥2,032 million, the amount of delinquent loans was ¥30,752 million, the amount of loans past due for three months or more was ¥2,283 million, and the amount of restructured loans was ¥9,553 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. 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 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.

As a result of the direct write-offs of loans described above, credits to bankrupt borrowers and delinquent loans decreased by ¥2,089 million and ¥8,804 million, respectively.

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

The future obligations of the Company estimated as of September 30, 2004, imposed by the former Insurance Policyholders Protection Fund that has been taken over by the Life Insurance Policyholders Protection Corporation of Japan based on the Supplementary Provision 140 Paragraph 5 of the Financial System Reform Law, amount to ¥10,210 million. These obligations will be recognized as operating expenses in the years in which they are paid.

The future obligations of the Company estimated as of September 30, 2004 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥59,921 million. These obligations will be recognized as operating expenses in the years in which they are paid.

14. Revaluation of Land

Based on the “Law for Revaluation of Land” (Publicly Issued Law 34, March 31, 1998), the Company 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 reserve for land revaluation as a separate component of capital 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 as of September 30, 2004 was ¥91,332 million.

15. Accounting for Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests obtained in the securitization of mortgage loans originated by the Company in August 2000 amounted to ¥27,415 million and are included as loans in the balance sheet. The reserve for possible loan losses for this particular beneficial interests is calculated based on the balance of the underlying loans. The balance of the underlying loans in the trust as of September 30, 2004 was ¥128,152 million.

16. Additional Foundation Funds

The Company raised additional foundation funds of ¥60,000 million during the six months ended September 30, 2004, in accordance with Article 60 of the Insurance Business Law.

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

According to the redemption of foundation funds of ¥150,000 million during the six months ended September 30, 2004, the Company reversed the 'reserve for redemption of foundation funds' and provided the equivalent amount as 'accumulated redeemed foundation funds', in accordance with Article 56 of the Insurance Business Law.

III. Notes to the Unaudited Interim Non-Consolidated Statement of Earnings for the six months ended September 30, 2004

1. Yen Amounts

Yen amounts of less than ¥1 million have been omitted.

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 ¥5,814 million, ¥34,063 million and ¥13,664 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥35,910 million, ¥11,439 million and ¥20,903 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥1,800 million and ¥714 million, respectively.

3. Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥0 million.

4. Derivative Transaction Losses

Derivative transaction losses included valuation losses of ¥8,466 million.

5. Interest and Dividends

Major components of interest and dividends for the six months ended September 30, 2004 were as follows:

	(Millions of yen)
Interest from bank deposits	¥ 10
Interest and dividends from securities	208,653
Interest from loans	62,672
Rental income	27,580
Other interest and dividends	2,918
	<hr/>
Total	¥ 301,835
	<hr/>

4. Breakdown of Net Surplus from Operations (Fundamental Profit)

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Fundamental revenues	2,182,547	2,239,342	4,928,986
Premium and other income	1,626,469	1,702,010	3,420,906
Investment income	421,649	307,450	835,885
[Interest and dividends]	[295,090]	[301,835]	[615,647]
Other ordinary revenues	134,427	229,881	672,194
[Reversal of reserve for policy reserves]	[-]	[86,507]	[333,281]
Fundamental expense	1,999,580	2,038,530	4,536,363
Benefits and claims	1,535,593	1,586,537	3,565,061
Provision for policy and other reserves	31,399	16,355	90,591
Investment iexpenses	22,994	26,997	45,316
Operating expenses	211,534	206,622	435,519
Other ordinary revenues	198,059	202,016	399,874
Fundamental profit	A	182,966	200,811
Capital gains	49,797	53,542	129,032
Gains on money held in trust	0	-	-
Gains on investments in trading securities	-	-	-
Gains on sale of securities	49,796	53,542	129,032
Derivative transaction gains	-	-	-
Foreign exchange gains	-	-	-
Gains on trading account securities	-	-	-
Others	-	-	-
Capital losses	103,337	108,017	178,458
Losses on money held in trust	-	271	50
Losses on investments in trading securities	-	-	-
Losses on sale of securities	43,668	68,253	103,406
Losses on valuation of securities	2,137	2,514	2,663
Derivative transaction losses	34,078	15,313	24,172
Foreign exchange losses	23,454	21,664	48,166
Losses on trading account securities	-	-	-
Others	-	-	-
Net capital gains	B	(53,540)	(49,426)
Fundamental profit plus net capital gains	A+B	129,425	343,195
Other one-time gains	-	-	-
Ceding reinsurance commissions	-	-	-
Reversal of contingency reserve	-	-	-
Others	-	-	-
Other one-time losses	119	67,001	70,308
Reinsurance premiums	-	-	-
Provision for contingency reserve	21	67,000	70,053
Provision for specific reserve for possible loan losses	-	-	-
Provision for specific reserves for loans to refinancing countries	-	-	-
Write-down of loans	56	1	255
Others	41	-	-
Other one-time profits	C	(119)	(70,308)
Net surplus from operations	A+B+C	129,306	272,887

Note: 'Others' in other one-time losses represents provision for reserve for possible investment losses.

5. Investment of General Account Assets for the Six Months Ended September 30, 2004

(1) Investment Environment

Economic conditions in Japan for the period showed steady recovery in general, mainly due to strong capital investment by large manufacturers who enjoyed improved corporate earnings, and consumer spending supported by improved employment environment.

U.S. economy, while having enjoyed strong capital investment and housing construction, showed a slowdown in its growth since summer, mainly due to the adverse effect of rise in energy prices and unfavorable climate to consumer spending.

Under the economic environment described above, investment environment was as follows:

[Domestic interest rate]

The yield on ten-year government bonds rose to 1.9% level during the period reflecting the recovery in domestic economy. However, interest rate showed another decline once the slowdown of economy was widely recognized by the market. The interest rate at the end of the interim period stayed at the same level as the beginning of the period.

Yield on ten-year government bonds:	March 31, 2004	1.435%
	September 30, 2004	1.440%

[Domestic Stocks]

Nikkei 225 showed steady recovery to the 12,000 level early in the period, reflecting the recovery in economy and improved corporate earnings. Because of the increasing uncertainty in domestic economic growth, however, stock prices turned to a sluggish trend later in the period.

Nikkei 225 Stock Average:	March 31, 2004	¥ 11,715
	September 30, 2004	¥ 10,823
TOPIX:	March 31, 2004	1,179
	September 30, 2004	1,102

[Foreign Currency]

The Japanese yen weakened against U.S. dollar, reflecting strong U.S. economy and tightening monetary policy by FRB. The exchange rate remained stable since July 2004 within the narrow range of around ¥110 per dollar.

yen/U.S. dollar:	March 31, 2004	¥105.69
	September 30, 2004	¥111.05
yen/euro:	March 31, 2004	¥128.88
	September 30, 2004	¥137.04

(2) Investment Results

[Asset Composition]

The Company continued to set fixed income investments, including bonds and loans, as a core of its asset portfolio, consistent with its mid- to long-term investment policies. The Company increased its investment in long-term domestic bonds classified as 'policy-reserve-matching bonds' when long-term domestic interest rate rose during the period, in order to improve profitability as well as to strengthen the Company's Asset Liability Management strategy.

The table below summarizes the investment results of general account by asset:

Assets	Investment results
Domestic bonds	In the period of interest rate hike, the Company increased its position in policy-reserve-matching bonds with long duration from the viewpoint of Asset Liability Management (ALM). The Company also made efforts to pick up investment yields by making various portfolio adjustments based on measures such as yield-curve analysis.
Loans	The Company decreased its loan exposures, mainly due to continuous debt reduction on borrowers' side. The Company maintained high quality and profitability of its loan portfolio by setting adequate lending conditions and by continuously reducing the balance of its problem loans.
Domestic stocks	Book value of domestic stocks was decreased as a result of the Company's continuing effort to reduce risk relating to stock holdings.
Foreign bonds	The Company continued to invest in foreign currency-denominated bonds with currency risk fully hedged, which provided relatively higher yield than domestic bonds. The Company also maintained well diversified foreign currency-denominated bonds with currency risk un-hedged, which contributed to improved profitability and diversification of overall asset portfolio.
Foreign Stocks	The Company slightly increased its investment in foreign stocks, utilizing independent investment advisors, as well as in-house managers, to establish diversified portfolio.
Real Estate	The Company continued to dispose of low return real estate and purchased real estate with high risk-return profile, taking into account varied trends in land prices seen in urban and rural areas.

[Investment income and expenses]

Amid low interest rate environment, the Company's continuing effort, including its investments in policy-reserve-matching bonds with long duration and foreign currency-denominated bonds with currency risk fully hedged, led the Company to enjoy slight increase in income from interest and dividends compared to the previous interim period ended September 30, 2003. As a result, investment income also increased slightly to 360,082 million yen. Since investment expenses remained almost unchanged due to relatively stable market environment, net investment income increased 2.5%, or 5,469 million yen, to 225,065 million yen for the six months ended September 30, 2004.

(3) Perspectives in Investment Environment for the Six Months Ending March 31, 2005

Japanese economy will show a certain slowdown, compared to the high growth rate it has recently demonstrated. Factors which may lead to such a slowdown include decline in U.S. and China economy, and inventory adjustment pressures seen in high-tech companies. However, capital investments driven by steady corporate earnings, as well as strong consumption due to improved employment environment will keep the economy grow at a moderate rate.

[Domestic interest rate]

Domestic interest rate represented by ten-year government bond yield will be stable within mid-1% range, due to moderate economic growth and unchanged monetary policy.

[Domestic stocks]

Downward pressure on domestic stock prices will be limited, and they will show another gradual recovery once the degree of economic slowdown is confirmed by the market.

[Foreign currency]

The U.S. dollar will continue to be in a weak trend, due to an impact of surge in oil price to the U.S. economy, uncertainty in U.S. currency policy after the presidential election, and the twin deficit problem. In the mid-term, however, the pressure toward strong yen will be less effective, reflecting economic growth differentials between U.S. and Japan.

(4) Investment Policies for the Six Months Ending March 31, 2005

The Company will continue to set fixed income investments, including bonds and loans, as a core of its asset portfolio, consistent with its mid- to long-term investment policies. The Company will also continue to maintain its low cash position in a continuing low interest rate environment, and increase its exposure in domestic bonds when interest rate shows upward trend from ALM perspective.

The table below summarizes the expected investments of general account by asset:

Assets	Investment policies
Domestic bonds	<u>Increased.</u> The Company will increase its investment in domestic bonds, mainly long-term bonds, if interest rate hikes to a certain level.
Loans	<u>Unchanged.</u> The Company will carefully monitor credit profile and control lending rate levels in order to earn stable profit from loan assets. It will also continue to reduce the balance of its problem loans.
Domestic stocks	<u>Slightly decreased.</u> The Company continues its effort to reduce the risk relating to stock holdings.
Foreign bonds	<u>Unchanged.</u> The Company will maintain its well-diversified foreign currency-denominated bond portfolio, which contributes to improved profitability and diversification of overall asset portfolio. The Company will continue to carefully control and hedge risks related to the foreign bond portfolio, including foreign currency risk.
Foreign Stocks	<u>Slightly increased.</u> The Company will slightly increase its investment in foreign stocks, taking into account confident corporate earnings forecasts. The Company will continue to utilize independent investment advisors, as well as in-house managers.

6. Investment Results of General Account

(1) Asset Composition (General Account)

(Millions of yen)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	Carrying value	%	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	352,823	1.3	366,685	1.3	529,402	1.9
Security repurchased under resale agreements	-	-	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-	-	-
Monetary claims bought	366,346	1.3	523,770	1.8	486,270	1.7
Trading account securities	-	-	-	-	-	-
Money held in trust	12,325	0.0	3,031	0.0	2,191	0.0
Securities	18,973,528	67.6	19,720,508	69.4	19,154,822	67.7
Domestic bonds	9,462,224	33.7	9,521,674	33.5	9,184,844	32.4
Domestic stocks	4,029,349	14.4	4,053,891	14.3	4,139,889	14.6
Foreign securities	5,275,843	18.8	5,892,022	20.7	5,607,847	19.8
Foreign bonds	4,834,772	17.2	5,368,157	18.9	5,113,733	18.1
Foreign stocks	441,070	1.6	523,864	1.8	494,113	1.7
Other securities	206,110	0.7	252,920	0.9	222,240	0.8
Loans	6,482,023	23.1	6,108,216	21.5	6,368,232	22.5
Policy loans	754,573	2.7	736,310	2.6	737,963	2.6
Ordinary loans	5,727,449	20.4	5,371,905	18.9	5,630,269	19.9
Real estate	1,314,351	4.7	1,277,780	4.5	1,268,086	4.5
Real estate for rent	836,910	3.0	811,142	2.9	795,036	2.8
Deferred tax assets	51,722	0.2	-	-	-	-
Others	556,765	2.0	434,708	1.5	524,427	1.9
Reserve for possible loan losses	(35,445)	(0.1)	(19,839)	(0.1)	(26,932)	(0.1)
Total	28,074,441	100.0	28,414,861	100.0	28,306,501	100.0
Foreign currency-denominated assets	4,527,183	16.1	4,977,049	17.5	4,822,024	17.0

(2) Changes (Increase/Decrease) in Assets (General Account)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Year ended March 31, 2004
Cash, deposits, and call loans	(265,137)	(162,716)	(88,558)
Security repurchased under resale agreements	-	-	-
Deposit paid for securities borrowing transactions	(29,982)	-	(29,982)
Monetary claims bought	25,090	37,499	145,014
Trading account securities	-	-	-
Money held in trust	9,973	839	(160)
Securities	909,711	565,686	1,091,005
Domestic bonds	(516,241)	336,830	(793,622)
Domestic stocks	777,306	(85,997)	887,846
Foreign securities	650,632	284,174	982,636
Foreign bonds	612,798	254,423	891,759
Foreign stocks	37,834	29,751	90,876
Other securities	(1,985)	30,679	14,144
Loans	216,741	(260,016)	102,951
Policy loans	(16,241)	(1,652)	(32,852)
Ordinary loans	232,983	(258,364)	135,803
Real estate	(19,841)	9,693	(66,107)
Real estate for rent	(13,589)	16,105	(55,463)
Deferred tax assets	(230,533)	-	(282,255)
Others	37,469	(89,719)	5,130
Reserve for possible loan losses	12,516	7,092	21,030
Total	666,007	108,359	898,067
Foreign currency-denominated assets	713,095	155,024	1,007,937

(3) Investment Income (General Account)

(Millions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Year ended March 31, 2004
Interest and dividends	295,090	301,835	615,647
Interest from deposits	12	10	34
Interest and dividends from securities	192,881	208,653	409,303
Interest from loans	70,617	62,672	143,172
Rental income	29,567	27,580	58,559
Other interest and dividends	2,010	2,918	4,577
Gains on trading account securities	-	-	-
Gains on money held in trust	0	-	-
Gains on investments in trading securities	-	-	-
Gains on sale of securities	49,796	53,542	129,032
Gains on sale of domestic bonds	7,114	5,814	14,648
Gains on sale of domestic stocks	31,821	34,063	78,931
Gains on sale of foreign securities	10,860	13,664	35,452
Others	-	-	-
Gains on redemption of securities	461	300	4,890
Derivative transaction gains	-	-	-
Foreign exchange gains	-	-	-
Other investment income	676	4,404	1,093
Total	346,025	360,082	750,663

(4) Investment Expense (General Account)

(Millions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Year ended March 31, 2004
Interest expenses	1,924	3,636	4,163
Losses on trading account securities	-	-	-
Losses on money held in trust	-	271	50
Losses on investments in trading securities	-	-	-
Losses on sale of securities	43,668	68,253	103,406
Losses on sale of domestic bonds	13,492	35,910	31,375
Losses on sale of domestic stocks	21,388	11,439	33,819
Losses on sale of foreign securities	8,787	20,903	38,211
Others	-	-	-
Losses on valuation of securities	2,137	2,514	2,663
Losses on valuation of domestic bonds	-	-	-
Losses on valuation of domestic stocks	2,092	1,800	2,604
Losses on valuation of foreign securities	44	714	59
Others	-	-	-
Losses on redemption of securities	681	1,598	2,789
Derivative transaction losses	34,078	15,313	24,172
Foreign exchange losses	23,454	21,664	48,166
Provision for reserve for possible loan losses	-	-	-
Provision for reserve for possible investment losses	41	-	-
Write-down of loans	56	1	255
Depreciation of rental real estate and others	9,341	8,791	17,859
Other investment expenses	11,046	12,972	20,503
Total	126,430	135,017	224,030

(5) Net Investment Income (General Account)

(Millions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Year ended March 31, 2004
Net investment income	219,595	225,065	526,633

(6) Valuation Gains and Losses on Trading Securities (General Account)

(Millions of yen)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	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	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	10,545	(7)	1,550	-	550	-
Money held in trust	10,545	(7)	1,550	-	550	-

Note: 'Valuation gains (losses) included in statement of earnings' include reversal gains (losses) at the beginning of the period.

(7) Fair Value Information on Securities (General Account) (securities with fair value except for trading securities)

(Millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of September 30, 2003					
Bonds held to maturity	120,771	117,686	(3,084)	412	3,497
Domestic bonds	120,771	117,686	(3,084)	412	3,497
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	1,144,713	1,188,506	43,792	49,637	5,844
Domestic bonds	1,144,713	1,188,506	43,792	49,637	5,844
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	16,643,199	17,604,619	961,419	1,269,292	307,872
Domestic bonds	8,091,450	8,196,529	105,079	151,889	46,809
Domestic stocks	3,205,505	3,934,453	728,948	899,650	170,701
Foreign securities	4,993,414	5,133,703	140,288	214,639	74,350
Foreign bonds	4,671,466	4,834,772	163,305	204,639	41,333
Foreign stocks	321,947	298,930	(23,016)	9,999	33,016
Other securities	209,834	196,938	(12,896)	3,114	16,010
Monetary claims bought	52,994	52,994	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	17,908,684	18,910,812	1,002,128	1,319,342	317,214
Domestic bonds	9,356,935	9,502,722	145,787	201,939	56,151
Domestic stocks	3,205,505	3,934,453	728,948	899,650	170,701
Foreign securities	4,993,414	5,133,703	140,288	214,639	74,350
Foreign bonds	4,671,466	4,834,772	163,305	204,639	41,333
Foreign stocks	321,947	298,930	(23,016)	9,999	33,016
Other securities	209,834	196,938	(12,896)	3,114	16,010
Monetary claims bought	52,994	52,994	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
As of September 30, 2004					
Bonds held to maturity	178,131	173,224	(4,906)	795	5,702
Domestic bonds	121,191	118,049	(3,142)	795	3,937
Foreign bonds	56,940	55,175	(1,764)	-	1,764
Policy-reserve-matching bonds	3,583,214	3,641,700	58,486	76,707	18,221
Domestic bonds	3,583,214	3,641,700	58,486	76,707	18,221
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	14,551,834	15,883,174	1,331,339	1,526,763	195,424
Domestic bonds	5,703,715	5,817,082	113,367	119,860	6,493
Domestic stocks	2,951,396	3,952,183	1,000,786	1,154,756	153,969
Foreign securities	5,484,465	5,700,333	215,868	245,474	29,606
Foreign bonds	5,116,665	5,311,217	194,551	217,486	22,934
Foreign stocks	367,800	389,116	21,316	27,988	6,672
Other securities	210,259	211,576	1,316	6,671	5,354
Monetary claims bought	101,996	101,996	-	-	-
Certificates of deposit	100,000	100,000	-	-	-
Others	-	-	-	-	-
Total	18,313,180	19,698,099	1,384,918	1,604,267	219,348
Domestic bonds	9,408,121	9,576,832	168,711	197,364	28,653
Domestic stocks	2,951,396	3,952,183	1,000,786	1,154,756	153,969
Foreign securities	5,541,405	5,755,509	214,103	245,474	31,371
Foreign bonds	5,173,605	5,366,392	192,787	217,486	24,698
Foreign stocks	367,800	389,116	21,316	27,988	6,672
Other securities	210,259	211,576	1,316	6,671	5,354
Monetary claims bought	101,996	101,996	-	-	-
Certificates of deposit	100,000	100,000	-	-	-
Others	-	-	-	-	-

(Millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2004					
Bonds held to maturity	175,176	171,637	(3,539)	576	4,115
Domestic bonds	120,912	118,031	(2,881)	576	3,457
Foreign bonds	54,263	53,606	(657)	-	657
Policy-reserve-matching bonds	1,665,815	1,696,593	30,778	41,514	10,735
Domestic bonds	1,665,815	1,696,593	30,778	41,514	10,735
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	15,897,425	17,202,692	1,305,267	1,517,984	212,716
Domestic bonds	7,293,862	7,397,906	104,043	132,305	28,262
Domestic stocks	2,989,663	4,038,698	1,049,035	1,164,448	115,412
Foreign securities	5,253,549	5,412,904	159,354	216,504	57,149
Foreign bonds	4,907,159	5,059,469	152,310	198,704	46,394
Foreign stocks	346,390	353,434	7,044	17,799	10,755
Other securities	192,350	185,185	(7,165)	4,726	11,891
Monetary claims bought	72,998	72,998	-	-	-
Certificates of deposit	95,000	95,000	-	-	-
Others	-	-	-	-	-
Total	17,738,416	19,070,924	1,332,507	1,560,075	227,567
Domestic bonds	9,080,590	9,212,531	131,940	174,396	42,455
Domestic stocks	2,989,663	4,038,698	1,049,035	1,164,448	115,412
Foreign securities	5,307,813	5,466,510	158,697	216,504	57,807
Foreign bonds	4,961,423	5,113,075	151,652	198,704	47,052
Foreign stocks	346,390	353,434	7,044	17,799	10,755
Other securities	192,350	185,185	(7,165)	4,726	11,891
Monetary claims bought	72,998	72,998	-	-	-
Certificates of deposit	95,000	95,000	-	-	-
Others	-	-	-	-	-

- Note: 1. The table above includes assets, such as certificates of deposit, which are considered appropriate to deem as securities, as defined in the Securities and Exchange Law.
2. Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above. Book value, equivalent of fair value, of the trust as of September 30, 2003 and 2004 and as of March 31, 2004 amounted to 1,779 million yen, 1,481 million yen and 1,641 million yen, respectively.

* Carrying values of securities without fair value are as follows:

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
(Millions of yen)			
Bonds held to maturity	-	-	-
Unlisted foreign bonds	-	-	-
Others	-	-	-
Policy-reserve-matching bonds	-	-	-
Stocks of subsidiaries and affiliates	27,929	28,931	28,929
Unlisted domestic stocks (except over-the-counter stocks)	19,715	20,717	20,715
Unlisted foreign stocks (except over-the-counter stocks)	8,214	8,214	8,214
Other securities	234,089	358,488	312,536
Unlisted domestic stocks (except over-the-counter stocks)	75,180	80,990	80,475
Unlisted foreign stocks (except over-the-counter stocks)	134,291	126,546	133,405
Unlisted foreign bonds	0	0	0
Others	24,617	150,950	98,655
Total	262,018	387,419	341,466

Note: The table above includes assets, such as certificates of deposit, which are considered appropriate to deem as securities, as defined in the Securities and Exchange Law.

(reference) Fair value information of securities, taking into account foreign exchange valuation gains (losses) of foreign securities without fair value which are listed on the table above, in addition to the figures in the table (7), is as follows:

(Millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of September 30, 2003					
Bonds held to maturity	120,771	117,686	(3,084)	412	3,497
Domestic bonds	120,771	117,686	(3,084)	412	3,497
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	1,144,713	1,188,506	43,792	49,637	5,844
Domestic bonds	1,144,713	1,188,506	43,792	49,637	5,844
Stocks of subsidiaries and affiliates	27,929	26,436	(1,493)	-	1,493
Domestic stocks	19,715	19,715	-	-	-
Foreign stocks	8,214	6,720	(1,493)	-	1,493
Securities available for sale	16,877,289	17,838,343	961,054	1,269,518	308,464
Domestic bonds	8,091,660	8,196,739	105,079	151,889	46,809
Domestic stocks	3,280,685	4,009,634	728,948	899,650	170,701
Foreign securities	5,127,705	5,267,628	139,923	214,865	74,942
Foreign bonds	4,671,466	4,834,772	163,305	204,639	41,333
Foreign stocks	456,238	432,856	(23,382)	10,226	33,608
Other securities	219,007	206,110	(12,896)	3,114	16,010
Monetary claims bought	68,229	68,229	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	18,170,703	19,170,972	1,000,269	1,319,569	319,299
Domestic bonds	9,357,145	9,502,933	145,787	201,939	56,151
Domestic stocks	3,300,400	4,029,349	728,948	899,650	170,701
Foreign securities	5,135,919	5,274,349	138,429	214,865	76,435
Foreign bonds	4,671,466	4,834,772	163,305	204,639	41,333
Foreign stocks	464,453	439,577	(24,875)	10,226	35,101
Other securities	219,007	206,110	(12,896)	3,114	16,010
Monetary claims bought	68,229	68,229	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
As of September 30, 2004					
Bonds held to maturity	178,131	173,224	(4,906)	795	5,702
Domestic bonds	121,191	118,049	(3,142)	795	3,937
Foreign bonds	56,940	55,175	(1,764)	-	1,764
Policy-reserve-matching bonds	3,583,214	3,641,700	58,486	76,707	18,221
Domestic bonds	3,583,214	3,641,700	58,486	76,707	18,221
Stocks of subsidiaries and affiliates	28,931	27,594	(1,337)	-	1,337
Domestic stocks	20,717	20,717	-	-	-
Foreign stocks	8,214	6,876	(1,337)	-	1,337
Securities available for sale	14,910,322	16,241,649	1,331,326	1,526,763	195,437
Domestic bonds	5,703,901	5,817,268	113,367	119,860	6,493
Domestic stocks	3,032,387	4,033,174	1,000,786	1,154,756	153,969
Foreign securities	5,611,012	5,826,867	215,855	245,474	29,619
Foreign bonds	5,116,665	5,311,217	194,551	217,486	22,934
Foreign stocks	494,346	515,650	21,303	27,988	6,685
Other securities	251,603	252,920	1,316	6,671	5,354
Monetary claims bought	211,417	211,417	-	-	-
Certificates of deposit	100,000	100,000	-	-	-
Others	-	-	-	-	-
Total	18,700,600	20,084,168	1,383,568	1,604,267	220,699
Domestic bonds	9,408,307	9,577,018	168,711	197,364	28,653
Domestic stocks	3,053,105	4,053,891	1,000,786	1,154,756	153,969
Foreign securities	5,676,166	5,888,920	212,753	245,474	32,721
Foreign bonds	5,173,605	5,366,392	192,787	217,486	24,698
Foreign stocks	502,561	522,527	19,966	27,988	8,022
Other securities	251,603	252,920	1,316	6,671	5,354
Monetary claims bought	211,417	211,417	-	-	-
Certificates of deposit	100,000	100,000	-	-	-
Others	-	-	-	-	-

(Millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2004					
Bonds held to maturity	175,176	171,637	(3,539)	576	4,115
Domestic bonds	120,912	118,031	(2,881)	576	3,457
Foreign bonds	54,263	53,606	(657)	-	657
Policy-reserve-matching bonds	1,665,815	1,696,593	30,778	41,514	10,735
Domestic bonds	1,665,815	1,696,593	30,778	41,514	10,735
Stocks of subsidiaries and affiliates	28,929	27,293	(1,636)	-	1,636
Domestic stocks	20,715	20,715	-	-	-
Foreign stocks	8,214	6,578	(1,636)	-	1,636
Securities available for sale	16,209,961	17,514,288	1,304,327	1,517,984	213,657
Domestic bonds	7,294,072	7,398,116	104,043	132,305	28,262
Domestic stocks	3,070,139	4,119,174	1,049,035	1,164,448	115,412
Foreign securities	5,386,954	5,545,369	158,414	216,504	58,090
Foreign bonds	4,907,159	5,059,469	152,310	198,704	46,394
Foreign stocks	479,795	485,899	6,104	17,799	11,695
Other securities	229,406	222,240	(7,165)	4,726	11,891
Monetary claims bought	134,388	134,388	-	-	-
Certificates of deposit	95,000	95,000	-	-	-
Others	-	-	-	-	-
Total	18,079,883	19,409,813	1,329,930	1,560,075	230,144
Domestic bonds	9,080,800	9,212,741	131,940	174,396	42,455
Domestic stocks	3,090,854	4,139,889	1,049,035	1,164,448	115,412
Foreign securities	5,449,433	5,605,553	156,120	216,504	60,384
Foreign bonds	4,961,423	5,113,075	151,652	198,704	47,052
Foreign stocks	488,009	492,477	4,467	17,799	13,331
Other securities	229,406	222,240	(7,165)	4,726	11,891
Monetary claims bought	134,388	134,388	-	-	-
Certificates of deposit	95,000	95,000	-	-	-
Others	-	-	-	-	-

- Note: 1. The table above includes assets, such as certificates of deposit, which are considered appropriate to deem as securities, as defined in the Securities and Exchange Law.
2. Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above. Book value, equivalent of fair value, of the trust as of September 30, 2003 and 2004 and as of March 31, 2004 amounted to 1,779 million yen, 1,481 million yen and 1,641 million yen, respectively.

(8) 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 September 30, 2003	12,325	12,325	-	-
As of September 30, 2004	3,031	3,031	-	-
As of March 31, 2004	2,191	2,191	-	-

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 September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	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	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	10,545	(7)	1,550	-	550	-

Note: 'Valuation gains (losses) included in the statement of earnings' include reversal gains (losses) at the beginning of the period.

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching, and available-for-sale are as follows:

(Millions of yen)

	Book value	Fair value	Gains (losses)	
			Gains	Losses
As of September 30, 2003				
Trust held to maturity	-	-	-	-
Trust matched with policy reserve	-	-	-	-
Trust available for sale	1,779	1,779	-	-
As of September 30, 2004				
Trust held to maturity	-	-	-	-
Trust matched with policy reserve	-	-	-	-
Trust available for sale	1,481	1,481	-	-
As of March 31, 2004				
Trust held to maturity	-	-	-	-
Trust matched with policy reserve	-	-	-	-
Trust available for sale	1,641	1,641	-	-

Note: Trust in which bank deposits are held is reported as 'Trust available for sale'.

(9) Total Net Unrealized Gains and Losses on General Account Assets

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Securities	1,000,269	1,383,568	1,329,930
Domestic bonds	145,787	168,711	131,940
Domestic stocks	728,948	1,000,786	1,049,035
Foreign securities	138,429	212,753	156,120
Foreign bonds	163,305	192,787	151,652
Foreign stocks	(24,875)	19,966	4,467
Other securities	(12,896)	1,316	(7,165)
Real estate	(127,465)	(129,170)	(132,248)
Total (including others not listed above)	874,002	1,256,101	1,199,014

Note: 1. Foreign exchange valuation gains (losses) only are taken into account for foreign securities without fair value.
2. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

7. Disclosed Claims Based on Categories of Obligors

		(Millions of yen)		
		As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
	Claims against bankrupt and quasi-bankrupt obligors	11,232	8,920	9,667
	Claims with collection risk	33,554	23,906	30,710
	Claims for special attention	7,500	11,836	9,616
	Subtotal (I)	52,287	44,664	49,994
	[Percentage (I)/(II)]	[0.80]	[0.73]	[0.78]
	Claims against normal obligors	6,464,796	6,095,812	6,348,979
	Total (II)	6,517,083	6,140,476	6,398,973

- 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
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.

8. Risk-Monitored Loans

		(Millions of yen)		
		As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
	Credits to bankrupt borrowers (I)	3,003	2,032	2,458
	Delinquent loans (II)	41,743	30,752	37,868
	Loans past due for three months or more (III)	1,079	2,283	623
	Restructured loans (IV)	6,420	9,553	8,993
	Total ((I)+(II)+(III)+(IV))	52,247	44,621	49,943
	[Percentage of total loans]	[0.81]	[0.73]	[0.78]

- Note: 1. 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 and delinquent loans for the six month ended September 30, 2003 were ¥13,414 million and ¥11,459 million, respectively. The write-offs of those loans for the six months ended September 30, 2004 were ¥2,089 million and ¥8,804 million, respectively. The write-offs of those loans for the fiscal year ended March 31, 2004 were ¥2,318 million
2. 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
3. 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.
4. 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.
5. 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.

9. Solvency Margin Ratio

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Total solvency margin (A)	2,670,664	3,165,042	3,137,441
Capital (less certain items) *1	556,114	486,863	561,849
Reserve for price fluctuations	143,453	173,453	167,453
Contingency reserve	392,550	529,582	462,582
General reserve for possible loan losses	20,061	11,401	16,079
Net unrealized gains on securities (before tax) x 90% *2	864,949	1,198,193	1,173,894
Net unrealized gains (losses) on real estate x 85% *2	(130,372)	(140,036)	(141,346)
Qualifying subordinated debt	130,000	185,525	182,845
Excluded items	(5,750)	(5,750)	(5,750)
Others	699,657	725,809	719,833
Total risk $\frac{R_1^2 + (R_2 + R_3)^2 + R_4}{B}$	769,299	794,999	781,242
Insurance risk R_1	202,494	201,469	200,309
Assumed investment yield risk R_2	169,906	167,049	167,661
Investment risk R_3	553,060	582,323	568,080
Business risk R_4	18,509	19,016	18,721
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	694.3%	796.2%	803.2%

*1: Expected disbursements from capital outside Dai-ichi, and net unrealized gains on securities, net of tax, is excluded.

*2: Multiplied by 100% if losses.

Note: The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996.

10. Separate Accounts

(1) Separate Account Assets by Product

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Individual variable insurance	57,688	57,849	61,452
Individual variable annuities	113,138	170,310	152,878
Group annuities	1,259,376	1,114,674	1,180,308
Separate account total	1,430,203	1,342,834	1,394,640

(2) Policies in Force for Individual Variable Insurance and Individual Variable Annuities

A. Individual Variable Insurance

(Millions of yen except number of policies)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	Number of policies	Amount	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	480	2,293	426	2,015	453	2,160
Variable insurance (whole life)	53,859	345,294	52,963	338,049	53,376	341,909
Total	54,339	347,588	53,389	340,064	53,829	344,069

Note: Policies in force include term life riders.

B. Individual Variable Annuities

(Millions of yen except number of policies)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	Number of policies	Amount	Number of policies	Amount	Number of policies	Amount
Total	16,687	98,897	31,535	159,063	21,786	140,792