

May 30, 2005

Financial Results for the Fiscal Year Ended March 31, 2005

The Dai-ichi Mutual Life Insurance Company (President: Katsutoshi Saito) announces financial results for the fiscal year ended March 31, 2005.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2005

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Financial Summary for the Fiscal Year Ended March 31, 2005

May 30, 2005

The Dai-ichi Mutual Life Insurance Company

The financial results of the Dai-ichi Mutual Life Insurance Company (hereinafter "the Company") for the fiscal year ended March 31, 2005 will be reported at the 104th annual representative policyholders' meeting to be held on July 5, 2005.

Summary of the financial results are as follows:

1. Business Highlights

(1) Policies in Force

	As of March 31, 2004				As of March 31, 2005			
	Number of policies		Amount		Number of policies		Amount	
	(Thousands)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)	(Thousands)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)
Individual insurance	11,674	98.3	1,964,002	95.4	11,593	99.3	1,894,682	96.5
Individual annuities	1,174	96.9	65,202	97.6	1,165	99.2	65,351	100.2
Group insurance	-	-	543,444	100.3	-	-	548,560	100.9
Group annuities	-	-	64,834	91.7	-	-	59,615	91.9

- 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.

(2) New Policies

	Number of (Thousands)	Amount (100 millions of yen)	New Business	Net increase by conversion	Changes (%, YoY)
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
Year ended March 31, 2005					
Individual insurance	1,197	139,088	114,894	24,194	91.2
Individual annuities	36	2,291	2,539	(248)	189.2
Group insurance	-	8,945	8,945		115.4
Group annuities	-	30	30		721.1

- 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.

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

	Year ended March 31, 2004	Year ended March 31, 2005
Amount of surrender and lapses	194,817	163,022
Surrender and lapses rate (%)	9.16	8.03

(3) Annualized Net Premium of Individual Insurance and Individual Annuities with Medical and Survival Benefits (100 Millions of yen)

	Year ended March 31, 2005
New Policies	626

(100 Millions of yen except percentages)

	As of March 31, 2004		As of March 31, 2005	
	Changes (%, YoY)		Changes (%, YoY)	
Policies in Force	4,325	-	4,533	104.8

- 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.

(reference) Total annualized net premium of individual insurance and individual annuities (100 Millions of yen)

	Year ended March 31, 2005
New Policies	1,728

(100 Millions of yen except percentages)

	As of March 31, 2004		As of March 31, 2005	
	Changes (%, YoY)		Changes (%, YoY)	
Policies in Force	21,780	-	21,501	98.7

(4) Profit and Loss Items

(Millions of yen except percentages)

	Year ended		Year ended	
	March 31, 2004	Changes (% YoY)	March 31, 2005	Changes (% YoY)
Premium and other income	3,420,906	96.0	3,530,451	103.2
Investment income	964,917	100.5	835,774	86.6
Benefits and claims	3,565,061	108.4	3,411,184	95.7
Investment expense	224,030	25.7	238,005	106.2
Net surplus from operations	272,887	203.4	236,232	86.6

(5) Statements of Surplus

(Millions of yen except percentages)

	Year ended		Year ended	
	March 31, 2004	Changes (% YoY)	March 31, 2005	Changes (% YoY)
Unappropriated net surplus	98,377	130.7	118,271	120.2
Reserve for policyholders dividends	70,076	165.5	82,164	117.2
Net surplus	31,289	94.8	40,450	129.3

(6) Total Assets

(Millions of yen except percentages)

	As of March 31, 2004		As of March 31, 2005	
		Changes (% YoY)		Changes (% YoY)
Total Assets	29,652,857	102.6	29,847,706	100.7

2. Policies in Force as of March 31, 2005 by Benefit

	Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
	Number (Thousands)	Amount (100 millions of yen)	Number (Thousands)	Amount (100 millions of yen)	Number (Thousands)	Amount (100 millions of yen)	Number (Thousands)	Amount (100 millions of yen)
Death benefits								
general	11,131	1,850,430		0	46,082	548,492	57,213	2,398,922
accidental	(8,064)	(340,727)	(241)	(3,360)	(3,814)	(21,369)	(12,120)	(365,458)
others	(0)	(2)	(-)	(-)	(87)	(1,129)	(88)	(1,131)
Survival benefits	462	44,252	1,165	65,351	10	68	1,638	109,671
Hospitalization benefits								
accidental	(9,387)	(443)	(112)	(5)	(2,084)	(15)	(11,584)	(464)
illness	(9,214)	(437)	(113)	(5)	(0)	(0)	(9,328)	(443)
others	(5,990)	(280)	(94)	(4)	(69)	(0)	(6,155)	(284)
Injury benefits	(11,914)	-	(115)	-	(3,533)	-	(15,563)	-
Surgery benefits	(7,395)	-	(113)	-	-	-	(7,509)	-

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (Thousands)	Amount (100 millions of yen)	Number (Thousands)	Amount (100 millions of yen)	Number (Thousands)	Amount (100 millions of yen)	Number (Thousands)	Amount (100 millions of yen)
Survival benefits	18,109	59,615	137	2,933	61	1,497	18,308	64,046

	Medical care insurance	
	Number (Thousands)	Amount (100 millions of yen)
Hospitalization benefits	659	8

	Group disability	
	Number (Thousands)	Amount (100 millions of yen)
Disability benefits	88	53

Note:

- Figures in parenthesis show numbers and amounts of additional benefits and of benefits to be paid from riders.
- Number of group insurance, group annuities, financial insurance, financial annuities, medical care and group disability show the number of insureds.
- Amounts in 'Survival benefits' show the sum of (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, for individual insurance, individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
- Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
- Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
- Amount in group disability insurance shows the amount of disability benefits paid per month.
- The number of insureds and amount of policies for reinsurance written were 143 thousand and 153.3 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2005

(1) Investment for the Fiscal Year Ended March 31, 2005

A. Investment environment

Economic conditions for the year were adversely affected by slowdown in exports caused mainly by rising oil price and slower growth in foreign economies. Production adjustments in the technology sector caused by high inventory level, together with other factors, forced the Japanese economy into a temporal stalemate. On the other hand, improved corporate earnings reinforced capital investment activities and new employment by firms, which resulted in slower but sound economic growth.

Although U.S. economy exhibited temporal weaknesses due to rising oil price and higher long-term interest rates, strong employment and personal income situation as well as lower market interest rate later in the year resulted in stable economic growth, fueled by strong consumer spending and housing construction.

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

[Domestic interest rates]

Yield on ten-year government bonds rose to 1.9% level during the first half of the year reflective of the recovery in the domestic economy. However, as a slowdown in economic growth became evident later in the year, interest rates declined. As a result, interest rate level at the fiscal year end was lower than that of the previous year end.

Yield on ten-year government bonds:	March 31, 2004	1.435%
	March 31, 2005	1.320%

[Domestic Stocks]

Nikkei 225 showed steady recovery to the 12,000 level early in the year, reflecting the recovery in the economy and improved corporate earnings. Although stock prices once turned to a sluggish trend due to increasing uncertainty regarding domestic economic growth, strong corporate earnings and steady foreign stock market trends led the stock prices to show another upturn toward the year end, ending at almost the same level as the previous year end.

Nikkei 225 Stock Average:	March 31, 2004	¥ 11,715
	March 31, 2005	¥ 11,668
TOPIX:	March 31, 2004	1,179
	March 31, 2005	1,182

[Foreign Currency]

Although the Japanese yen strengthened against U.S. dollar up to and after Presidential election in November reflecting double deficit issue of the U.S. and other factors, U.S. dollar recovered toward the fiscal year end, due to diverging economic fundamentals as well as interest rate differential between the U.S. and Japan. Euro strengthened against both the Japanese yen and U.S. dollar throughout the year.

yen/U.S. dollar:	March 31, 2004	¥105.69
	March 31, 2005	¥107.39
yen/euro:	March 31, 2004	¥128.88
	March 31, 2005	¥138.87

B. 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. In the period of higher interest rates during the first half of the fiscal year, the Company actively increased its position in policy-reserve-matching bonds by purchasing long-term and super-long-term domestic bonds, in order to further enhance Asset Liability Management (ALM) strategy and to improve profitability.

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

Assets	Investment results
Domestic bonds	Primarily during the period of higher interest rates during the first half of the fiscal year, based on Asset Liability Management (ALM) strategy, the Company increased its position in policy-reserve-matching bonds with longer duration, while selling bonds with low yields. The Company also continued its effort to improve investment income stream by carefully selecting and diversifying among various credit risk products including corporate bonds and asset backed securities, in accordance with the risk adjusted credit spread guidelines.
Loans	Total balance of loans decreased due to low demand from corporate borrowers. Under such environment, the Company continued to execute loan transactions in accordance with the risk adjusted spread guidelines, while also paying attention to the credit spread changes in the bond market. The Company also maintained the quality of its loan portfolio by controlling problem loans throughout the year.
Domestic stocks	The market value increased due to the rise in stock prices, while the book value decreased by continuing effort to reduce the risk relating to stock holdings.
Foreign bonds	From the viewpoint of profitability and diversification effect to the overall asset portfolio, the Company increased its investment in foreign currency-denominated bonds with currency risk un-hedged when yen appreciated against foreign currencies, while paying full attention to interest rate differentials and exchange rate levels. The Company controlled the related risks by diversifying the portfolio by sector and currency, as well as by conducting hedging operations according to market conditions.
Foreign Stocks	The Company increased its exposure in foreign stocks, adopting independent investment advisors as well as in-house managers to enhance diversification of investment styles.
Real Estate	The Company continued to dispose of low return real estates, taking into account polarization in domestic real estate prices and increasing selectivity of investors/tenants.

[Investment income and expenses]

Amid low interest rate environment, the Company's continuing efforts, which include reduction of cash position, gradual shift of its fixed income investments to policy-reserve-matching bonds with longer duration in a timely manner, and increase in foreign currency-denominated bonds, led the Company to increase income from interest and dividends. Therefore, investment income increased ¥23,144 million, or 3.1% to ¥773,807 million. On the other hand, investment losses increased ¥13,975 million, or 6.2% to ¥238,005 million, mainly due to increase in capital losses on sale of domestic bonds with low yields. As a result, net investment income increased ¥9,169 million, or 1.7% to ¥535,802 million for the fiscal year ended March 31, 2005.

C. Investment environment outlook for the fiscal year ending March 31, 2006

For the first half, the Japanese economic growth is likely to be slower due to weaker foreign demands for exported goods. However, strong consumer spending driven by improved employment and personal income situation, as well as steady capital investment activities, likely lead the economy to grow at a higher rate in the second half of the year.

[Domestic interest rate]

Higher economic growth is likely to put upward pressure on domestic interest rates. Toward the end of the year, ten-year government bond yield is likely to be range-bound around mid-1%.

[Domestic stocks]

Potential adjustment on domestic stock prices would be limited, and they are likely to show another gradual rise once the extent of economic slowdown is confirmed by the market.

[Foreign currency]

Although the U.S. dollar will continue to face double deficit issue, the gap in economic fundamentals as well as interest rate differential between the U.S. and Japan would continuously support the U.S. dollar. However, observation on possible revaluation of Chinese yuan may put an upward pressure on the Japanese yen.

D. Investment policies for the fiscal year ending March 31, 2006

The Company will continue to set fixed income investments, including bonds and loans, as a core of its asset portfolio in order to maintain stable investment income stream, consistent with its mid- to long-term investment policies.

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

Assets	Investment policies
Domestic bonds	<u>Increase.</u> The Company will continue to set bond portfolio as a core asset class while paying full attention to interest rate level. When interest rate rises, the Company would increase investment in bonds with longer duration in order to enhance its ALM strategy.
Loans	<u>Decrease.</u> The Company will provide loans with attention to lending conditions and credit spread levels in the corporate bond market. However, total balance of loans is expected to decrease due to low demand from the corporate borrowers.
Domestic stocks	<u>Slight decrease.</u> The Company continues to reduce exposure in domestic stocks to well control long-term risk-return profile of the overall asset portfolio. The Company will also make effort to improve profitability by actively selecting companies and sectors with high growth potential.
Foreign bonds	<u>Flat.</u> The Company will maintain foreign currency-denominated bonds portfolio at the present level, since it contributes to diversification and better risk-return profile of the overall asset portfolio. The Company continues to control the related risks by accomplishing well diversified sector and country allocation, and by appropriate hedging operations.
Foreign Stocks	<u>Slight increase.</u> The Company will continue to seek regional diversification, as well as investment style diversification by utilizing both in-house managers and independent investment advisors.

(2) Asset Composition (General Account)

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	529,402	1.9	410,029	1.4
Security repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	20,298	0.1
Monetary claims bought	486,270	1.7	520,122	1.8
Trading account securities	-	-	-	-
Money held in trust	2,191	0.0	6,108	0.0
Securities	19,154,822	67.7	20,151,762	70.7
Domestic bonds	9,184,844	32.4	9,697,160	34.0
Domestic stocks	4,139,889	14.6	4,287,014	15.0
Foreign securities	5,607,847	19.8	5,908,290	20.7
Foreign bonds	5,113,733	18.1	5,349,653	18.8
Foreign stocks and other securities	494,113	1.7	558,636	2.0
Other securities	222,240	0.8	259,297	0.9
Loans	6,368,232	22.5	5,803,803	20.4
Policy loans	737,963	2.6	712,438	2.5
Ordinary loans	5,630,269	19.9	5,091,364	17.9
Real estate	1,268,086	4.5	1,241,592	4.4
Real estate for rent	795,036	2.8	781,610	2.7
Deferred tax assets	-	-	-	-
Others	524,427	1.9	377,697	1.3
Reserve for possible loan losses	(26,932)	(0.1)	(14,211)	(0.0)
Total	28,306,501	100.0	28,517,204	100.0
Foreign currency-denominated assets	4,822,024	17.0	5,030,680	17.6

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

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Cash, deposits, and call loans	(88,558)	(119,372)
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	(29,982)	20,298
Monetary claims bought	145,014	33,852
Trading account securities	-	-
Money held in trust	(160)	3,916
Securities	1,091,005	996,940
Domestic bonds	(793,622)	512,316
Domestic stocks	887,846	147,125
Foreign securities	982,636	300,442
Foreign bonds	891,759	235,920
Foreign stocks and other securities	90,876	64,522
Other securities	14,144	37,056
Loans	102,951	(564,429)
Policy loans	(32,852)	(25,524)
Ordinary loans	135,803	(538,905)
Real estate	(66,107)	(26,493)
Real estate for rent	(55,463)	(13,426)
Deferred tax assets	(282,255)	-
Others	5,130	(146,730)
Reserve for possible loan losses	21,030	12,720
Total	898,067	210,703
Foreign currency-denominated assets	1,007,937	208,655

(4) Investment Income (General Account)

(Millions of yen)

	Year ended March 31, 2004		Year ended March 31, 2005	
	Amount	%	Amount	%
Interest and dividends	615,647	82.0	639,718	82.7
Interest from deposits	34	0.0	23	0.0
Interest and dividends from securities	409,303	54.5	456,256	59.0
Interest from loans	143,172	19.1	121,804	15.7
Rental income	58,559	7.8	55,639	7.2
Other interest and dividends	4,577	0.6	5,993	0.8
Gains on trading account securities	-	-	-	-
Gains on money held in trust	-	-	-	-
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	129,032	17.2	124,807	16.1
Gains on sale of domestic bonds	14,648	2.0	9,168	1.2
Gains on sale of domestic stocks	78,931	10.5	57,558	7.4
Gains on sale of foreign securities	35,452	4.7	58,080	7.5
Others	-	-	-	-
Gains on redemption of securities	4,890	0.7	3,932	0.5
Derivative transaction gains	-	-	-	-
Foreign exchange gains	-	-	-	-
Other investment income	1,093	0.1	5,349	0.7
Total	750,663	100.0	773,807	100.0

(5) Investment Expense (General Account)

(Millions of yen)

	Year ended March 31, 2004		Year ended March 31, 2005	
	Amount	%	Amount	%
Interest expenses	4,163	1.9	7,185	3.0
Losses on trading account securities	-	-	-	-
Losses on money held in trust	50	0.0	134	0.1
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	103,406	46.2	111,707	46.9
Losses on sale of domestic bonds	31,375	14.0	40,758	17.1
Losses on sale of domestic stocks	33,819	15.1	15,715	6.6
Losses on sale of foreign securities	38,211	17.1	55,233	23.2
Others	-	-	-	-
Losses on valuation of securities	2,663	1.2	5,355	2.3
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	2,604	1.2	2,862	1.2
Losses on valuation of foreign securities	59	0.0	2,493	1.0
Others	-	-	-	-
Losses on redemption of securities	2,789	1.2	2,640	1.1
Derivative transaction losses	24,172	10.8	17,334	7.3
Foreign exchange losses	48,166	21.5	55,279	23.2
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	-	-	-	-
Write-down of loans	255	0.1	40	0.0
Depreciation of rental real estate and others	17,859	8.0	17,072	7.2
Other investment expenses	20,503	9.2	21,255	8.9
Total	224,030	100.0	238,005	100.0

(6) Net Investment Income (General Account)

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Net investment income	526,633	535,802

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2004	Year ended March 31, 2005
Cash, deposits, and call loans	0.01	0.01
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.02	0.02
Monetary claims bought	0.51	0.72
Trading account securities	-	-
Money held in trust	(2.27)	(1.22)
Domestic bonds	1.34	1.29
Domestic stocks	2.07	3.03
Foreign securities	3.08	2.97
Foreign bonds	3.16	2.75
Foreign stocks and other securities	2.26	5.17
Loans	2.27	2.00
Ordinary loans	1.92	1.62
Real estate	3.23	3.31
Total	1.93	1.95
Foreign investments	3.08	2.95

Note: 1. Rates of return above are calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.

2. 'Foreign investments' include yen-denominated assets.

B. Average daily balance (general account)

(100 millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Cash, deposits, and call loans	3,957	2,996
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	16	1
Monetary claims bought	3,715	5,051
Trading account securities	-	-
Money held in trust	118	47
Domestic bonds	94,017	94,184
Domestic stocks	32,950	30,395
Foreign securities	51,197	56,469
Foreign bonds	46,519	51,352
Foreign stocks and other securities	4,678	5,117
Loans	63,085	61,353
Ordinary loans	55,500	54,033
Real estate	8,521	8,142
Total	273,379	274,291
Foreign investments	55,685	59,761

C. Valuation gains and losses on trading securities (general account)

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	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	550	-	4,666	100
Money held in trust	550	-	4,666	100

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

D. Fair value information on securities (general account) (securities with fair value except for trading securities)

(Millions of yen)

		Book value	Fair value	(millions of yen)		
				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 and other securities	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 and other securities	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	-	-	-	-	-	
As of March 31, 2005						
	Bonds held to maturity	176,460	172,761	(3,699)	1,329	5,028
	Domestic bonds	121,469	120,582	(886)	1,329	2,215
	Foreign bonds	54,990	52,178	(2,812)	-	2,812
	Policy-reserve-matching bonds	3,648,697	3,778,289	129,592	137,344	7,752
	Domestic bonds	3,648,697	3,778,289	129,592	137,344	7,752
	Stocks of subsidiaries and affiliates	-	-	-	-	-
	Securities available for sale	14,659,063	16,246,810	1,587,747	1,757,575	169,827
	Domestic bonds	5,792,130	5,926,807	134,677	136,606	1,929
	Domestic stocks	2,923,025	4,196,548	1,273,523	1,387,462	113,939
	Foreign securities	5,541,707	5,718,540	176,832	225,206	48,373
	Foreign bonds	5,141,797	5,294,663	152,865	194,431	41,565
	Foreign stocks and other securities	399,909	423,876	23,967	30,774	6,807
	Other securities	219,202	221,917	2,714	8,299	5,585
	Monetary claims bought	122,997	122,997	-	-	-
	Certificates of deposit	60,000	60,000	-	-	-
	Others	-	-	-	-	-
	Total	18,484,221	20,197,861	1,713,640	1,896,248	182,608
	Domestic bonds	9,562,297	9,825,680	263,382	275,280	11,898
	Domestic stocks	2,923,025	4,196,548	1,273,523	1,387,462	113,939
	Foreign securities	5,596,697	5,770,718	174,020	225,206	51,185
	Foreign bonds	5,196,788	5,346,841	150,053	194,431	44,377
Foreign stocks and other securities	399,909	423,876	23,967	30,774	6,807	
Other securities	219,202	221,917	2,714	8,299	5,585	
Monetary claims bought	122,997	122,997	-	-	-	
Certificates of deposit	60,000	60,000	-	-	-	
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 March 31, 2004 and 2005 amounted to 1,641 million yen and 1,441 million yen, respectively.

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

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	28,929	28,929
Unlisted domestic stocks (except over-the-counter stocks)	20,715	20,715
Unlisted foreign stocks (except over-the-counter stocks)	8,214	8,214
Other securities	312,536	380,932
Unlisted domestic stocks (except over-the-counter stocks)	80,475	69,751
Unlisted foreign stocks (except over-the-counter stocks)	133,405	126,555
Unlisted foreign bonds	0	0
Others	98,655	184,626
Total	341,466	409,862

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 D., is as follows:

(Millions of yen)

		Book value	Fair value	(millions of yen)		
				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 and other securities	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 and other securities	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	-	-	-	-	-	
As of March 31, 2005						
	Bonds held to maturity	176,460	172,761	(3,699)	1,329	5,028
	Domestic bonds	121,469	120,582	(886)	1,329	2,215
	Foreign bonds	54,990	52,178	(2,812)	-	2,812
	Policy-reserve-matching bonds	3,648,697	3,778,289	129,592	137,344	7,752
	Domestic bonds	3,648,697	3,778,289	129,592	137,344	7,752
	Stocks of subsidiaries and affiliates	28,929	27,479	(1,450)	-	1,450
	Domestic stocks	20,715	20,715	-	-	-
	Foreign stocks	8,214	6,763	(1,450)	-	1,450
	Securities available for sale	15,039,995	16,627,732	1,587,737	1,757,575	169,838
	Domestic bonds	5,792,316	5,926,993	134,677	136,606	1,929
	Domestic stocks	2,992,776	4,266,299	1,273,523	1,387,462	113,939
	Foreign securities	5,668,262	5,845,085	176,822	225,206	48,383
	Foreign bonds	5,141,797	5,294,663	152,865	194,431	41,565
	Foreign stocks and other securities	526,465	550,421	23,956	30,774	6,818
	Other securities	256,582	259,297	2,714	8,299	5,585
	Monetary claims bought	270,057	270,057	-	-	-
	Certificates of deposit	60,000	60,000	-	-	-
	Others	-	-	-	-	-
	Total	18,894,083	20,606,263	1,712,179	1,896,248	184,069
	Domestic bonds	9,562,483	9,825,865	263,382	275,280	11,898
Domestic stocks	3,013,491	4,287,014	1,273,523	1,387,462	113,939	
Foreign securities	5,731,467	5,904,027	172,559	225,206	52,646	
Foreign bonds	5,196,788	5,346,841	150,053	194,431	44,377	
Foreign stocks and other securities	534,679	557,185	22,506	30,774	8,268	
Other securities	256,582	259,297	2,714	8,299	5,585	
Monetary claims bought	270,057	270,057	-	-	-	
Certificates of deposit	60,000	60,000	-	-	-	
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 March 31, 2004 and 2005 amounted to 1,641 million yen and 1,441 million yen, respectively.

E. 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, 2004	2,191	2,191	-	-	-
As of March 31, 2005	6,108	6,108	100	173	73

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 trading purpose is as follows:

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	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 trading purpose	550	-	4,666	100

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, 2004					As of March 31, 2005				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
			Gains	Losses				Gains	Losses	
Trust held to maturity	-	-	-	-	-	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-	-	-	-	-	-
Trust available for sale	1,641	1,641	-	-	-	1,441	1,441	-	-	-

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

F. Total net unrealized gains (losses) of general account assets

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Securities	1,329,930	1,712,179
Domestic bonds	131,940	263,382
Domestic stocks	1,049,035	1,273,523
Foreign securities	156,120	172,559
Foreign bonds	151,652	150,053
Foreign stocks and other securities	4,467	22,506
Other securities	(7,165)	2,714
Real estate	(132,248)	(69,578)
Total (including others not listed above)	1,199,014	1,644,622

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.

4. Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005		As of March 31, 2004	As of March 31, 2005
(ASSETS)			(LIABILITIES)		
Cash and deposits	276,247	188,229	Policy reserves and others	26,523,349	26,486,069
Cash	1,317	1,298	Reserves for outstanding claims	313,187	274,269
Bank deposits	274,929	186,930	Policy reserves	25,796,310	25,821,788
Call loans	337,000	254,000	Reserve for policyholder dividends	413,851	390,010
Deposit paid for securities borrowing transactions	-	20,298	Reinsurance payables	682	434
Monetary claims bought	486,270	520,122	Subordinated bonds	52,845	53,695
Money held in trust	2,191	6,108	Other liabilities	941,080	948,285
Securities	20,388,505	21,411,692	Collateral for securities lending transactions	419,107	475,056
Government bonds	5,262,390	5,989,456	Long-term debt and other borrowings	130,088	130,070
Local government bonds	1,259,722	994,112	Corporate income tax payable	28,494	55,049
Corporate bonds	3,032,811	3,094,283	Accounts payable	207,309	54,878
Stocks	4,568,534	4,666,697	Accrued expenses	36,749	36,513
Foreign securities	5,910,999	6,237,635	Unearned revenue	8,220	7,039
Other securities	354,047	429,504	Deposits received	64,541	60,975
Loans	6,369,732	5,805,303	Guarantee deposits received	35,372	34,602
Policy loans	737,963	712,438	Differential account for futures trading	-	29
Ordinary loans	5,631,769	5,092,864	Derivatives	6,682	89,378
Ordinary loans	5,604,032	5,065,789	Profit from deferred hedging	1,095	390
Trust loans	27,736	27,074	Suspense receipt	3,232	4,273
Real estate and movable assets	1,276,027	1,247,909	Other liabilities	186	27
Land	753,271	745,752	Reserve for employees' retirement benefits	420,889	443,804
Buildings	507,375	486,546	Reserve for contingent losses	25,921	-
Movable assets	7,941	6,316	Reserve for price fluctuations	167,453	180,453
Construction in progress	7,439	9,293	Deferred tax liabilities	48,946	94,856
Reinsurance receivables	93	107	Deferred tax liabilities for land revaluation	3,281	15,373
Other assets	543,471	407,140	Acceptances and guarantees	526	1,110
Accounts receivable	62,111	60,689	Total liabilities	28,184,976	28,224,083
Prepaid expenses	6,996	6,828	(CAPITAL)		
Accrued revenue	154,255	152,055	Foundation funds	230,000	140,000
Deposits	45,704	44,469	Accumulated redeemed foundation funds	70,000	220,000
Margin money for futures trading	6,410	3,501	Revaluation reserve	248	248
Differential account for futures trading	3	-	Surplus	327,958	221,086
Derivatives	114,210	3,746	Reserve for future losses	3,700	4,000
Deferred hedge losses	12	0	General reserve	225,881	98,814
Suspense payment	13,578	12,377	Reserve for redemption of foundation funds	171,500	43,000
Other assets	140,189	123,472	Reserve for risk allowance	43,139	43,139
Customers' liabilities for acceptances and guarantees	526	1,110	Reserve for tax basis adjustments of real estate	11,084	12,539
Reserve for possible loan losses	(26,934)	(14,212)	Other reserves	156	134
Reserve for possible investment losses	(276)	(103)	Unappropriated retained earnings	98,377	118,271
			(Net surplus for the year)	(98,681)	(138,925)
			Reserve for land revaluation	5,816	27,248
			Net unrealized gains on securities, net of tax	833,856	1,015,040
			Total capital	1,467,880	1,623,623
Total assets	29,652,857	29,847,706	Total liabilities and capital	29,652,857	29,847,706

Notes to the Non-Consolidated Balance Sheet

1. Yen Amounts

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

2. 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 with cost determined by the moving average method. 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 the 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 fiscal year (for domestic stocks, the average value during March), 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.

3. Policy-reserve-matching Bonds

The Dai-ichi Mutual Life Insurance Company (hereinafter “the Company”) classifies yen-denominated bonds that are held to match the duration of sub-groups of individual life insurance and annuities contracts, financial insurance and annuities contracts, 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 March 31, 2005 amounted to ¥3,648,697 million. The market value of these bonds as of March 31, 2005 was ¥3,778,289 million.

Effective from the fiscal year ended March 31, 2005, 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 contracts, and employee-funded corporate pension contracts. These changes had no effect on statement of earnings.

4. Valuation Methods of Derivative Transactions

Derivative transactions are reported at fair value.

5. 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 in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2005 was ¥102,021 million.

6. 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.

Accumulated depreciation of real estate and movable assets was ¥641,024 million.

7. 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 fiscal year. Stocks of subsidiaries and affiliated companies are translated to yen at the exchange rate on the date of acquisition.

8. 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 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 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 fiscal year ended March 31, 2005 was ¥13,203 million.

9. 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 ¥27,074 million and are included as trust 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 March 31, 2005 was ¥118,820 million.

10. 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.

The funding status of employees' retirement benefits of the Company as of March 31, 2005 was as follows:

(1) Funding status of the Company's employees' retirement benefits:

	(Millions of yen)
a. Projected benefit obligations	¥ (597,028)
b. Pension assets	89,427
	<hr/>
c. Unfunded benefit obligations (a + b)	(507,601)
d. Unrecognized transition differences	—
e. Unrecognized actuarial differences	94,038
f. Unrecognized gains on plan amendments	(30,241)
	<hr/>
g. Net amount recognized on the balance sheet (c + d + e + f)	(443,804)
h. Prepaid pension expenses	—
	<hr/>
i. Reserve for employees' retirement benefits (g - h)	¥ (443,804)

(2) Assumptions used by the Company:

- Method of periodic allocation of benefit obligations—straight-line method
- Discount rate —1.7% per annum
- Estimated return on investment —2.6% per annum
- Amortization period for transition differences—5 years
- Amortization period for actuarial differences—10 years starting from the following fiscal year
- Amortization period for gains on plan amendments—10 years

11. 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-offs and reserves on assets.

12. 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 fiscal year in accordance with the provisions of Article 115 of the Insurance Business Law.

13. 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.

14. 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.

15. 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.

16. Amortization of Software Costs

The Company uses the straight-line method of amortization for the software, which is reported as Other assets, based on the estimated useful life of five years.

17. 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.

18. 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 ¥28,456 million. The amount of credits to bankrupt borrowers was ¥1,363 million, the amount of delinquent loans was ¥21,896 million, the amount of loans past due for three months or more was ¥849 million, and the amount of restructured loans was ¥4,346 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 in 8. above, credits to bankrupt borrowers and delinquent loans decreased by ¥2,291 million and ¥10,911 million, respectively.

19. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Law was ¥1,350,388 million. Separate account liabilities were the same amount as separate account assets.

20. Net Assets

Net assets defined in Article 24-2, Paragraph 2, Item 2 of the Enforcement Regulations of the Insurance Business Law were ¥1,014,659 million.

21. Receivables and Payables to Subsidiaries

The total amounts of receivables and payables to subsidiaries were ¥38,860 million and ¥5,025 million.

22. Leased Computers

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

23. 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 fiscal year	(106,373)
Interest accrual in fiscal year	12,456
	<hr/>
Balance at the end of fiscal year	¥ 390,010
	<hr/>

24. Additional Foundation Funds

The Company raised additional foundation funds of ¥60,000 million in accordance with Article 60 of the Insurance Business Law.

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

According to the redemption of foundation funds of ¥150,000 million, 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.

26. Securities Borrowing

Securities borrowed under consumption borrowing agreements can be sold or pledged as collateral. Market value of the securities borrowed but not sold or pledged was ¥20,215 million as of March 31, 2005.

27. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥24,570 million.

28. Subordinated Debt

Long-term debt and other borrowings included subordinated debt of ¥130,000 million whose repayment is subordinated to other obligations.

29. Subordinated Bonds

Subordinated bonds of ¥53,695 million shown in liabilities were foreign currency-denominated subordinated bonds whose repayment is subordinated to other obligations.

30. Assets Denominated in Foreign Currencies

Assets of the Company denominated in foreign currencies totaled ¥5,361,590 million. The principal foreign currency asset amounts were US\$27,052 million and 14,106 million euros.

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

The future obligations of the Company estimated as of March 31, 2005, 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 ¥8,557 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 March 31, 2005 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥48,580 million. These obligations will be recognized as operating expenses in the years in which they are paid.

32. Application of Deferred Tax Accounting

Total deferred tax assets were ¥494,806 million. Total deferred tax liabilities were ¥589,662 million.

Major components of deferred tax assets were as follows:

	(Millions of yen)
Insurance policy reserve	¥ 231,227
Reserve for employees' retirement benefits	156,031
Reserve for price fluctuations	65,089
Reserve for possible loan losses	7,389

Major components of deferred tax liabilities were as follows:

	(Millions of yen)
Net unrealized gains on securities	¥ 572,696

Deferred tax liabilities and deferred tax assets are offset and presented as deferred tax liabilities.

The statutory tax rate for the Company during the fiscal year ended March 31, 2005 was 36.07%. The principal reason for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes is the impact by reserve for policyholder dividends, whose effect is to reduce the tax rate by 17.30%.

33. Stocks of Subsidiaries

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

34. Assets Pledged as Collateral / Secured Liabilities

Assets pledged as collateral totaled ¥149,613 million. Secured liabilities totaled ¥4,395 million.

35. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent was ¥463,814 million.

36. Reinsurance

Reserves for outstanding claims are not provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Ordinance of the Insurance Business Law, which is referred to in Article 73, Paragraph 3 of the Enforcement Regulations of the Law. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Ordinance of the Law was ¥0 million.

5. Non-Consolidated Statements of Earnings

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
ORDINARY REVENUES	5,058,018	4,746,767
Premium and other income	3,420,906	3,530,451
Premium income	3,420,133	3,529,690
Reinsurance income	773	761
Investment income	964,917	835,774
Interest and dividends	615,647	639,718
Interest from bank deposits	34	23
Interest and dividends from securities	409,303	456,256
Interest from loans	143,172	121,804
Rental income	58,559	55,639
Other interest and dividends	4,577	5,993
Gains on sale of securities	129,032	124,807
Gains on redemption of securities	4,890	3,932
Other investment income	1,093	5,349
Gains on investment in separate accounts	214,253	61,966
Other ordinary revenues	672,194	380,541
Fund receipt for annuity rider of group insurance	1,120	1,155
Fund receipt for claim deposit payment	321,876	322,186
Transfer from reserves for outstanding claims	-	38,918
Transfer from policy reserves	333,281	-
Reversal of reserve for employees' retirement benefits	-	1,991
Other ordinary revenues	15,915	16,288
ORDINARY EXPENSES	4,785,130	4,510,534
Benefits and claims	3,565,061	3,411,184
Claims	924,299	846,083
Annuities	269,915	287,787
Benefits	574,978	525,233
Surrender values	1,313,174	1,396,106
Other refunds	481,427	354,909
Ceding reinsurance commissions	1,266	1,064
Provision for policy reserves and others	160,644	37,935
Provision for reserves for outstanding claims	147,243	-
Provision for policy reserves	-	25,478
Provision for interest on policyholder dividends	13,401	12,456
Investment expenses	224,030	238,005
Interest expenses	4,163	7,185
Losses on money held in trust	50	134
Losses on sale of securities	103,406	111,707
Losses on valuation of securities	2,663	5,355
Losses on redemption of securities	2,789	2,640
Derivative transaction losses	24,172	17,334
Foreign exchange losses	48,166	55,279
Write-down of loans	255	40
Depreciation of rented real estate and others	17,859	17,072
Other investment expenses	20,503	21,255
Operating expenses	435,519	425,415
Other ordinary expenses	399,874	397,993
Claim deposit payments	332,900	333,728
National and local taxes	25,252	25,013
Depreciation	32,558	30,800
Provision for reserve for employees' retirement benefits	1,035	-
Other ordinary expenses	8,127	8,451
NET SURPLUS FROM OPERATIONS	272,887	236,232
EXTRAORDINARY GAINS	30,837	16,028
Gains on disposal of real estate and movable assets	858	7,739
Reversal of reserve for possible loan losses	21,249	8,115
Reversal of reserve for possible investment losses	118	173
Reversal of reserve for possible losses on sale of claims	8,610	-
Reversal of reserve for securities transactions liabilities	0	-
EXTRAORDINARY LOSSES	191,082	80,977
Losses on disposal of real estate and movable assets	59,329	42,123
Provision for reserve for contingent losses	25,921	-
Provision for reserve for price fluctuations	80,000	13,000
Other extraordinary losses	25,830	25,854
Net surplus before adjustment for taxes, etc.	112,642	171,283
Corporate income taxes-current	36,418	76,485
Corporate income tax-deferred	(22,456)	(44,127)
Net surplus for the year	98,681	138,925
Transfer from subsidy for social public enterprise	826	826
Transfer from fund for Public Health Awards	50	69
Transfer from fund for Green Design Award	48	51
Transfer from reserve for land revaluation	(1,227)	(21,601)
Unappropriated net surplus for the year	98,377	118,271

Notes to the Non-Consolidated Statement of Earnings

1. Yen Amounts

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

2. Revenues and Expenses from Transactions with Subsidiaries

Total amounts of revenues and expenses from transactions with subsidiaries were ¥1,464 million and ¥18,679 million.

3. 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 ¥9,168 million, ¥57,558 million and ¥58,080 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥40,758 million, ¥15,715 million and ¥55,233 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥2,862 million and ¥2,493 million, respectively.

4. Losses on Money Held in Trust

Losses on money held in trust included gains on valuation of securities of ¥98 million.

5. Derivative Transaction Losses

Derivative transaction losses included valuation losses of ¥7,453 million.

6. Retirement Benefit Expenses

Retirement benefit expenses were ¥64,111 million, comprised of the following:

		(Millions of yen)
Service cost	¥	24,125
Interest cost		14,334
Estimated investment income		(2,247)
Amortization of unrecognized transition differences		24,906
Amortization of unrecognized actuarial differences		6,353
Amortization of unrecognized gains on plan amendments		(3,360)
Retirement benefit expenses	¥	<u>64,111</u>

7. Losses on Disposal of Real Estate and Movable Assets

Losses on disposal of real estate and movable assets included valuation losses on real estate of ¥25,220 million.

8. Other Extraordinary Losses

Other extraordinary losses included a transfer to reserve for employees' retirement benefits of ¥24,906 million.

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

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Fundamental revenues	4,928,986	4,718,505
Premium and other income	3,420,906	3,530,451
Investment income	835,885	710,966
[Interest and dividends]	[615,647]	[639,718]
Other ordinary revenues	672,194	477,087
[Transfer from policy reserves]	[333,281]	[96,546]
Fundamental expense	4,536,363	4,295,203
Benefits and claims	3,565,061	3,411,184
Provision for policy reserves and others	90,591	12,456
Investment expenses	45,316	48,153
Operating expenses	435,519	425,415
Other ordinary expenses	399,874	397,993
Fundamental profit A	392,622	423,301
Capital gains	129,032	124,807
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	129,032	124,807
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Gains on trading account securities	-	-
Others	-	-
Capital losses	178,458	189,811
Losses on money held in trust	50	134
Losses on investments in trading securities	-	-
Losses on sale of securities	103,406	111,707
Losses on valuation of securities	2,663	5,355
Derivative transaction losses	24,172	17,334
Foreign exchange losses	48,166	55,279
Losses on trading account securities	-	-
Others	-	-
Net capital gains B	(49,426)	(65,003)
Fundamental profit plus net capital gains A+B	343,195	358,298
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Others	-	-
Other one-time losses	70,308	122,066
Ceding reinsurance commissions	-	-
Provision for contingency reserve	70,053	122,025
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	255	40
Others	-	-
Other one-time profits C	(70,308)	(122,066)
Net surplus from operations A+B+C	272,887	236,232

7. Non-Consolidated Statements of Surplus

(Thousands of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Unappropriated net surplus for the year	98,377,331	118,271,908
Transfer from general reserve	2,988,313	4,342,778
Transfer from reserve for tax basis adjustments of real estate	2,988,313	4,342,778
Total	101,365,645	122,614,687
Appropriation of unappropriated net surplus	101,365,645	122,614,687
Reserve for policyholder dividends	70,076,468	82,164,501
Net surplus	31,289,177	40,450,185
Reserve for future losses	300,000	300,000
Interest payment for foundation funds	4,120,000	2,224,000
General reserve	26,869,177	37,926,185
Reserve for redemption of foundation funds	21,500,000	31,700,000
Subsidy for social public enterprise	826,000	826,000
Fund for Public Health Awards	50,000	50,000
Fund for Green Design Award	50,000	50,000
Transfer to reserve for tax basis adjustments of real estate	4,443,177	5,300,185

Note: Net surplus is calculated by deducting provision for reserve for policyholder dividends from unappropriated net surplus.

8. Disclosed Claims Based on Categories of Obligors

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Claims against bankrupt and quasi-bankrupt obligors	9,667	7,218
Claims with collection risk	30,710	16,043
Claims for special attention	9,616	5,196
Subtotal (I)	49,994	28,458
(Percentage (I)/(II))	(0.78)	(0.49)
Claims against normal obligors	6,348,979	5,803,429
Total (II)	6,398,973	5,831,887

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.

9. Risk-Monitored Loans

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Credits to bankrupt borrowers (I)	2,458	1,363
Delinquent loans (II)	37,868	21,896
Loans past due for three months or more (III)	623	849
Restructured loans (IV)	8,993	4,346
Total ((I)+(II)+(III)+(IV))	49,943	28,456
(Percentage of total loans)	(0.78)	(0.49)

- 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 in the fiscal years ended March 31, 2004 and 2005 were ¥2,318 million and ¥2,291 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2004 and 2005 were ¥9,191 million and ¥10,911 million, respectively.
 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 of principal or interest or for some other reason.
 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.

10. Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Total solvency margin (A)	3,137,441	3,552,464
Capital (less certain items) ^{*1}	561,849	525,772
Reserve for price fluctuations	167,453	180,453
Contingency reserve	462,582	584,608
General reserve for possible loan losses	16,079	6,450
Net unrealized gains on securities (before tax) x 90% ^{*2}	1,173,894	1,428,963
Net unrealized gains (losses) on real estate x 85% ^{*2}	(141,346)	(112,200)
Qualifying subordinated debt	182,845	183,695
Excluded items	(5,750)	(5,750)
Others	719,833	760,472
Total risk $\sqrt{R_1^2 + (R_2 + R_3)^2} + R_4$ (B)	781,242	796,896
Insurance risk R_1	200,309	204,997
Assumed investment yield risk R_2	167,661	166,101
Investment risk R_3	568,080	584,188
Business risk R_4	18,721	19,105
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	803.2%	891.6%

*1: Expected disbursements from capital outside the Company, 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.

11. Status of Separate Account for the Fiscal Year Ended **March 31, 2005**

(1) Separate Account Assets by Product

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Individual variable insurance	61,452	59,390
Individual variable annuities	152,878	190,925
Group annuities	1,180,308	1,100,072
Separate account total	1,394,640	1,350,388

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	Number	Amount	Number	Amount
Variable insurance (term life)	453	2,160	400	1,907
Variable insurance (whole life)	53,376	341,909	52,517	334,166
Total	53,829	344,069	52,917	336,074

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	Amount	%	Amount	%
Cash, deposits, and call loans	1	0.0	1	0.0
Securities	55,243	89.9	55,353	93.2
Domestic bonds	17,879	29.1	18,957	31.9
Domestic stocks	21,433	34.9	20,040	33.7
Foreign securities	15,930	25.9	16,355	27.5
Foreign bonds	8,026	13.1	6,997	11.8
Foreign stocks and other securities	7,904	12.9	9,358	15.8
Other securities	-	-	-	-
Loans	-	-	-	-
Others	6,207	10.1	4,036	6.8
Reserve for possible loan losses	-	-	-	-
Total	61,452	100.0	59,390	100.0

C. Investment gains and losses of separate account for individual variable insurance

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Interest and dividends	1,106	1,066
Gains on sales of securities	2,087	3,268
Gains on redemption of securities	-	-
Gains on valuation of securities	16,032	7,327
Foreign exchange gains	31	48
Derivative transaction gains	0	1
Other investment income	0	0
Losses on sales of securities	5,917	2,129
Losses on redemption of securities	-	1
Losses on valuation of securities	5,161	7,079
Foreign exchange losses	39	62
Derivative transaction losses	0	0
Other investment expenses	1	1
Net investment income	8,138	2,438

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, 2004		As of March 31, 2005	
	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	55,243	10,871	55,353	248

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 balances as of March 31, 2004 or 2005.

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	Number	Amount	Number	Amount
Individual variable annuities	21,786	140,792	39,717	179,055

B. Breakdown of separate account assets for individual variable annuities

(Millions of yen)

	As of March 31, 2004		As of March 31, 2005	
	Amount	%	Amount	%
Cash, deposits, and call loans	3,129	2.0	2,974	1.6
Securities	145,772	95.4	185,444	97.1
Domestic bonds	4,240	2.8	4,647	2.4
Domestic stocks	3,656	2.4	3,399	1.8
Foreign securities	6,067	4.0	7,191	3.8
Foreign bonds	3,495	2.3	4,081	2.1
Foreign stocks and other securities	2,571	1.7	3,109	1.6
Other securities	131,806	86.2	170,207	89.1
Loans	-	-	-	-
Others	3,977	2.6	2,506	1.3
Reserve for possible loan losses	-	-	-	-
Total	152,878	100.0	190,925	100.0

C. Investment gains and losses of separate account for individual variable annuities

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Interest and dividends	893	1,948
Gains on sales of securities	275	508
Gains on redemption of securities	-	-
Gains on valuation of securities	18,128	18,558
Foreign exchange gains	3	4
Derivative transaction gains	0	0
Other investment income	0	0
Losses on sales of securities	458	251
Losses on redemption of securities	-	-
Losses on valuation of securities	1,496	14,858
Foreign exchange losses	3	5
Derivative transaction losses	0	0
Other investment expenses	67	49
Net investment income	17,275	5,854

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, 2004		As of March 31, 2005	
	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	145,772	16,632	185,444	3,699

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 balances as of March 31, 2004 or 2005.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
Ordinary revenues	5,090,418	4,779,180
Net surplus from operations	275,373	239,115
Net surplus for the year	99,349	139,896
Total assets	29,718,275	29,915,699

(2) Scope of Consolidation and Application of Equity Method

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
Number of consolidated subsidiaries	9	9
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	7	8

(3) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005		As of March 31, 2004	As of March 31, 2005
(ASSETS)			(LIABILITIES)		
Cash and deposits	292,453	198,267	Policy reserves and others	26,523,349	26,486,069
Call Loans	337,000	254,000	Reserves for outstanding claims	313,187	274,269
Deposit paid for securities borrowing transactions	-	20,298	Policy reserves	25,796,310	25,821,788
Monetary claims bought	486,270	520,122	Reserve for policyholder dividends	413,851	390,010
Money held in trust	2,191	6,108	Reinsurance payables	682	434
Securities	20,385,369	21,409,726	Subordinated bonds	52,845	53,695
Loans	6,343,001	5,782,954	Other liabilities	1,000,650	1,008,453
Real estate and movable assets	1,331,400	1,303,844	Reserve for employees' retirement benefits	421,876	445,009
Reinsurance receivables	93	107	Reserve for contingent losses	25,921	-
Other assets	564,123	431,325	Reserve for price fluctuations	167,453	180,453
Deferred tax assets	3,884	3,332	Deferred tax liabilities	49,144	95,172
Customers' liabilities for acceptances and guarantees	526	1,110	Deferred tax liabilities for land revaluation	3,281	15,373
Reserve for possible loan losses	(27,762)	(15,396)	Acceptances and guarantees	526	1,110
Reserve for possible investment losses	(276)	(103)	Total liabilities	28,245,732	28,285,772
			(MINORITY INTERESTS)		
			Minority interests	1,604	2,045
			(CAPITAL)		
			Foundation funds	230,000	140,000
			Accumulated redeemed foundation funds	70,000	220,000
			Revaluation reserve	248	248
			Consolidated surplus	332,161	226,423
			Reserve for land revaluation	5,816	27,248
			Net unrealized gains on securities, net of tax	833,996	1,015,229
			Foreign currency translation adjustments	(1,284)	(1,267)
			Total capital	1,470,938	1,627,881
Total assets	29,718,275	29,915,699	Total liabilities, minority interests and capital	29,718,275	29,915,699

(4) Consolidated Statements of Earnings

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
ORDINARY REVENUES	5,090,418	4,779,180
Premium and other income	3,420,801	3,530,344
Investment income	992,139	862,074
Interest and dividends	614,842	638,840
Gains on sale of securities	129,032	124,809
Gains on redemption of securities	4,890	3,932
Other investment income	29,120	32,525
Gains on investment in separate accounts	214,253	61,966
Other ordinary revenues	677,476	386,760
ORDINARY EXPENSES	4,815,045	4,540,065
Benefits and claims	3,565,059	3,411,184
Claims	924,297	846,083
Annuities	269,915	287,787
Benefits	574,978	525,233
Surrender values	1,313,174	1,396,106
Other refunds	482,694	355,973
Provision for policy reserves and others	160,644	37,935
Provision for reserves for outstanding claims	147,243	-
Provision for policy reserves	-	25,478
Provision for interest on policyholder dividends	13,401	12,456
Investment expenses	228,033	242,497
Interest expenses	4,751	7,743
Losses on money held in trust	50	134
Losses on sale of securities	103,459	111,719
Losses on valuation of securities	2,668	5,355
Losses on redemption of securities	2,789	2,640
Derivative transaction losses	24,172	17,334
Foreign exchange losses	48,206	55,293
Write-down of loans	924	57
Depreciation of rented real estate and others	17,859	17,072
Other investment expenses	23,151	25,146
Operating expenses	427,840	420,421
Other ordinary expenses	433,466	428,027
NET SURPLUS FROM OPERATIONS	275,373	239,115
EXTRAORDINARY GAINS	30,452	16,015
Gains on disposal of real estate and movable assets	1,132	8,072
Reversal of reserve for possible loan losses	20,589	7,767
Reversal of reserve for possible investment losses	119	173
Reversal of reserve for possible losses on sale of claims	8,610	-
Reversal of reserve for securities transaction liabilities	0	-
Other extraordinary gains	0	2
EXTRAORDINARY LOSSES	191,230	80,987
Losses on disposal of real estate and movable assets	59,374	42,133
Provision for reserve for contingent losses	25,921	-
Provision for reserve for price fluctuations	80,000	13,000
Other extraordinary losses	25,934	25,854
Net surplus before adjustment for taxes, etc.	114,595	174,143
Corporate income taxes-current	36,998	77,178
Corporate income tax-deferred	(21,901)	(43,359)
Minority interests in profit of subsidiaries	148	427
Net surplus for the year	99,349	139,896

(5) Consolidated Statements of Surplus

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Consolidated surplus at beginning of year	278,146	332,161
Increase in consolidated surplus	101,992	140,059
Net surplus for the year	99,349	139,896
Increase in surplus due to changes in the subsidiaries included in the scope of consolidation	2,642	-
Increase of other surplus	-	162
Decrease in consolidated surplus	47,976	245,797
Reserve for policyholder dividends	42,332	70,076
Accumulated redeemed foundation funds	-	150,000
Interest on foundation funds	4,120	4,120
Transfer from reserve for land revaluation	1,227	21,601
Decrease in surplus due to changes in the subsidiaries included in the scope of consolidation	217	-
Decrease of other surplus	78	-
Consolidated surplus at end of year	332,161	226,423

(6) Risk-Monitored Loans

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Credits to bankrupt borrowers (I)	2,484	1,385
Delinquent loans (II)	40,772	24,200
Loans past due for three months or more (III)	623	849
Restructured loans (IV)	11,263	6,052
Total ((I)+(II)+(III)+(IV)) (Percentage of total loans)	55,143 (0.87)	32,487 (0.56)

- 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 in the fiscal years ended March 31, 2004 and 2005 were ¥2,336 million and ¥2,309 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2004 and 2005 were ¥11,385 million and ¥13,095 million, respectively.
 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 of principal or interest or for some other reason.
 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.

(reference) Disclosed claims based on categories of obligors

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Claims against bankrupt and quasi-bankrupt obligors	10,765	7,578
Claims with collection risk	32,542	18,009
Claims for special attention	11,886	6,901
Subtotal	55,193	32,490
Claims against normal obligors	6,317,086	5,777,082
Total	6,372,280	5,809,573

- 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.

(7) Segment Information

The Company and its consolidated subsidiaries are engaged in businesses other than life insurance business. Those businesses have a minimal impact on overall consolidated financial conditions, and the segment information on those businesses is omitted.

13. Selected Financial Information by Insurance Product

(Millions of yen)

	Individual insurance and annuities	Group insurance	Group annuities	Others	Total
Policies in force at the beginning of the year	202,920,505	54,344,407	6,483,487	-	-
Policies in force at the end of the year	196,003,384	54,856,083	5,961,515	-	-
Net increase in policies in force	(6,917,121)	511,675	(521,972)	-	-
Ordinary revenues	-	-	-	-	4,746,767
a. Premium and other income	2,254,936	179,956	1,041,100	54,459	3,530,451
Premium	2,254,846	179,324	1,041,100	54,419	3,529,690
b. Ordinary revenues other than a. above	-	-	-	-	1,216,315
Ordinary expenses	-	-	-	-	4,510,534
c. Benefits and claims	1,561,057	100,343	1,690,705	59,076	3,411,184
Claims	744,494	97,745	1,488	2,355	846,083
Annuities	116,727	829	163,752	6,477	287,787
Benefits	208,150	242	310,109	6,730	525,233
Surrender values	456,893	686	895,375	43,150	1,396,106
d. Ordinary expenses other than c. above	-	-	-	-	1,099,349
Provision for policy reserves	430,495	(218)	(521,972)	(4,850)	25,478
Net surplus from operations	-	-	-	-	236,232

Note: 1. Categorization of insurance products:

'Others' are the sum of financial insurance, financial annuities, medical care insurance, group disability insurance and reinsurance written.

2. Policies in force:

- 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.
- Policies in force of group insurance include those of annuity riders attached to group insurance, which are the sum of (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.
- Policies in force of group annuities are equal to the amount of outstanding corresponding policy reserve.

3. Profit and loss items:

- 'Premium and other income' shows the sum of premium and reinsurance income.
- 'Benefits and claims' shows the sum of claims, annuities, benefits, surrender values, other payments and reinsurance premium.