

May 29, 2006

Financial Results for the Fiscal Year Ended March 31, 2006

The Dai-ichi Mutual Life Insurance Company (President: Katsutoshi Saito) announces financial results for the fiscal year ended March 31, 2006.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2006

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Financial Summary for the Fiscal Year Ended March 31, 2006

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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, 2006 will be reported at the 105th annual representative policyholders' meeting to be held on July 4, 2006.

Summary of the financial results are as follows:

1. Business Highlights

(1) Policies in Force and New Policies

Policies in Force

	As of March 31, 2005				As of March 31, 2006			
	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	11,593	99.3	1,894,682	96.5	11,498	99.2	1,832,105	96.7
Individual annuities	1,165	99.2	65,351	100.2	1,173	100.7	67,247	102.9
Individual insurance and annuities	12,759	99.3	1,960,033	96.6	12,672	99.3	1,899,352	96.9
Group insurance	-	-	548,560	100.9	-	-	550,313	100.3
Group annuities	-	-	59,615	91.9	-	-	62,634	105.1

- 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.

New Policies

	Number of policies (Thousands)	Amount (100 millions of yen)	New Business	Net increase by conversion	Changes (%, YoY)
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
Individual insurance and annuities	1,234	141,379	117,434	23,945	92.0
Group insurance	-	8,945	8,945		115.4
Group annuities	-	30	30		721.1
Year ended March 31, 2006					
Individual insurance	1,139	126,020	107,130	18,889	90.6
Individual annuities	47	3,482	3,658	(175)	152.0
Individual insurance and annuities	1,187	129,503	110,789	18,713	91.6
Group insurance	-	4,135	4,135		46.2
Group annuities	-	13	13		42.6

- 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, 2005	Year ended March 31, 2006
Amount of surrender and lapses	163,022	146,980
Surrender and lapses rate (%)	8.03	7.50

(2) Annualized Net Premium

Policies in Force

(100 Millions of yen except percentages)

	As of March 31, 2005		As of March 31, 2006	
		Changes (% , YoY)		Changes (% , YoY)
Individual insurance	19,364	98.6	19,012	98.2
Individual annuities	2,136	99.8	2,323	108.8
Total	21,501	98.7	21,336	99.2
Medical and survival benefits	4,533	104.8	4,710	103.9

New Policies

(100 Millions of yen except percentages)

	Year ended March 31, 2005		Year ended March 31, 2006	
		Changes (% , YoY)		Changes (% , YoY)
Individual insurance	1,540	-	1,431	92.9
Individual annuities	187	-	220	117.7
Total	1,728	-	1,651	95.6
Medical and survival benefits	626	-	586	93.7

- Note:
1. Annualized net premium is calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by duration of policies.
 2. Annualized net premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefit (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
 3. New policies include net increase by conversion.

(3) Profit and Loss Items

(Millions of yen except percentages)

	Year ended March 31, 2005		Year ended March 31, 2006	
		Changes (% , YoY)		Changes (% , YoY)
Premium and other income	3,530,451	103.2	3,400,393	96.3
Investment income	835,774	86.6	1,154,639	138.2
Benefits and claims	3,411,184	95.7	2,782,498	81.6
Investment expense	238,005	106.2	257,195	108.1
Net surplus from operations	236,232	86.6	221,542	93.8

(4) Statements of Surplus

(Millions of yen except percentages)

	Year ended March 31, 2005		Year ended March 31, 2006	
		Changes (% , YoY)		Changes (% , YoY)
Unappropriated net surplus	118,271	120.2	147,556	124.8
Reserve for policyholders dividends	82,164	117.2	112,247	136.6
Net surplus	40,450	129.3	35,484	87.7

(5) Total Assets

(Millions of yen except percentages)

	As of March 31, 2005		As of March 31, 2006	
		Changes (% , YoY)		Changes (% , YoY)
Total Assets	29,847,706	100.7	32,486,618	108.8

2. Policies in Force as of March 31, 2006 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	11,033	1,754,482		0	44,781	550,243	55,814	2,304,726
accidental	[7,502]	[312,812]	[272]	[3,672]	[3,689]	[25,977]	[11,464]	[342,463]
others	[0]	[1]	[-]	[-]	[85]	[1,125]	[85]	[1,127]
Survival benefits	465	77,622	1,173	67,247	10	70	1,650	144,940
Hospitalization benefits								
accidental	[9,346]	[437]	[108]	[5]	[1,982]	[14]	[11,436]	[457]
illness	[9,197]	[432]	[109]	[5]	[0]	[0]	[9,307]	[437]
others	[5,844]	[274]	[90]	[4]	[67]	[0]	[6,002]	[279]
Injury benefits	[11,492]	-	[111]	-	[3,402]	-	[15,006]	-
Surgery benefits	[7,235]	-	[109]	-	-	-	[7,345]	-

	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	15,826	62,634	130	2,917	59	1,466	16,016	67,017

	Medical care insurance	
	Number (Thousands)	Amount (100 millions of yen)
Hospitalization benefits	650	10

	Group disability	
	Number (Thousands)	Amount (100 millions of yen)
Disability benefits	74	43

Note:

- Figures in [] 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 108 thousand and 68.5 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2006

(1) Investment Environment

Japanese economy overcame the temporal stalemate seen in the first half of the fiscal year, due to recovery in foreign demands and the end of production adjustments in the technology sector. Capital investment stimulated by strong corporate earnings, as well as steady consumer spending driven by improved personal income and labor environment, also resulted in high economic growth.

Although U.S. economy temporally suffered from adverse factors such as hurricanes and drop in automobile sales, improved employment and personal income conditions supported sound consumer spending and housing constructions. Growing trend in capital investment driven by increasing corporate earnings also contributed to continuously stable economic growth comparable to its potential.

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

[Domestic interest rate]

Yield on ten year government bonds showed an upward trend toward the end of the fiscal year, reflecting stronger expectation on lift of ultra-loose monetary policy along with continuous economic growth and positive consumer price index. After Bank of Japan lifted quantitative loosening policy in March, short- to medium-term interest rates led the upward shift of a yield curve, and yield on ten year JGB once rose to above 1.8% level.

Yield on ten-year government bonds:	March 31, 2005	1.320%
	March 31, 2006	1.765%

[Domestic Stocks]

Nikkei 225 surged strongly during and after summer, reflecting expectation on economic re-boost. Since January, supported by several factors including steady corporate earnings, the index overcame downward pressure caused by market sentiment against possible global tightening policy, and ended the year at the level beyond 17,000.

Nikkei 225 Stock Average:	March 31, 2005	¥ 11,668
	March 31, 2006	¥ 17,059
TOPIX:	March 31, 2005	1,182
	March 31, 2006	1,728

[Foreign Currency]

U.S. dollar strengthened in general, reflecting increasing interest rate differentials between U.S. and Japan. Euro, on the other hand, due to the political crisis, dropped temporally to ¥130 level against yen, but recovered toward the end of the year to ¥143 level, reflecting improved economic sentiment in the region.

yen/U.S. dollar:	March 31, 2005	¥107.39
	March 31, 2006	¥117.47
yen/euro:	March 31, 2005	¥138.87
	March 31, 2006	¥142.81

(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 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	The Company actively replaced low-yield bonds with policy-reserve matching bonds with longer duration, based on Asset Liability Management (ALM) strategy. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products including corporate bonds and asset backed securities, in accordance with the risk adjusted credit spread guidelines.
Loans	Total balance of loans decreased due to low demand from corporate borrowers. Under such environment, the Company maintained high profitability by setting adequate risk adjusted spreads, 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 book value of domestic stocks slightly declined since the Company sold part of its stock holdings in accordance with its investment policy to control stock-related risk. However, the market value increased due to rise in stock prices.
Foreign bonds	The Company reduced its investment in foreign currency-denominated bonds in total. While the Company increased exposure in such bonds with currency risk un-hedged during appreciation of yen against U.S. dollar, the Company reduced those with currency hedges due to increasing differentials between domestic and foreign interest rates.
Foreign Stocks	The Company increased its investment in foreign stocks, adopting independent investment advisors as well as in-house managers to enhance diversified geographic allocation and investment styles.
Real Estate	Taking into account recent trends in the real estate market including continuous polarization, the Company continued to replace low return real estate with one with high risk-return profiles.

[Investment income and expenses]

The Company's efforts, which include gradual replacement of low-yield domestic bonds with policy-reserve-matching bonds with longer duration and investment in foreign bonds without foreign currency hedges, as well as increase in dividends from domestic stocks, led the Company to enjoy increase in income from interest and dividends compared to the previous fiscal year ended March 31, 2005. Therefore, along with other factors, investment income increased by ¥66,764 million, or 8.6% to ¥840,571 million. On the other hand, investment losses increased by ¥19,190 million, or 8.1% to ¥257,195 million, mainly due to increase in foreign exchange losses. As a result, net investment income from general account increased by ¥47,574 million, or 8.9% to ¥583,376 million for the fiscal year ended March 31, 2006.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2007

Japanese economy is likely to show steady growth driven by both strong capital investment and personal income. Although growth rate might slow down due to weaker exports, steady private demands will support positive economic growth.

[Domestic interest rate]

Increasing expectation on lift of ultra-loose monetary policy by Bank of Japan, as well as continuous economic growth and possible inflation to be caused by rising commodity prices, are likely to put upward pressure on domestic interest rates. Strong investor demand will ease volatile movement, and ten-year government bond yield will likely to stay around 2.0% range.

[Domestic stocks]

Domestic stock market is likely to rise gradually throughout the year, reflecting steady capital investment, improved consumer spending, and healthy growth in corporate earnings.

[Foreign currency]

The U.S. dollar will likely face temporal downward pressure against yen due to off-year U.S. election and possible lift of ultra-loose policy in Japan. However, dramatic weakening of U.S. dollar is unlikely because of wide interest rate differentials between two countries. Euro will likely be steady against yen supported by factors including an expectation for additional tightening policy.

(4) Investment Policies for the Fiscal Year Ending March 31, 2007

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

Assets	Investment policies
Domestic bonds	<u>Increase</u> The Company will increase its investment in domestic bonds, as a core asset under its ALM strategy, evenly throughout the year. When interest rate rises, the Company will accelerate its investment in bonds with longer duration.
Loans	<u>Slight 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 slightly due to low demand from corporate borrowers and maturity structure.
Domestic stocks	<u>Flat</u> The Company will maintain exposure in stock holdings at the present level, although domestic stock market is expected to show steady performance. The Company will also make effort to improve profitability by actively selecting companies and sectors with high growth potential.
Foreign bonds	<u>Flat</u> Since tightening policy in the United States is near a final stage, the Company will maintain foreign currency-denominated bond portfolio at the present level, which contributes to diversification and better risk-return profile of the overall asset portfolio. The Company will carefully monitor domestic and foreign interest rate differentials as well as foreign currency exchange rates.
Foreign Stocks	<u>Slight increase</u> Taking into account steady growth in global economy and corporate earnings, the Company will slightly increase its exposure in foreign stocks. The Company also continues 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, 2005		As of March 31, 2006	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	410,029	1.4	460,777	1.5
Security repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	20,298	0.1	-	-
Monetary claims bought	520,122	1.8	548,068	1.8
Trading account securities	-	-	-	-
Money held in trust	6,108	0.0	33,854	0.1
Securities	20,151,762	70.7	22,410,612	72.7
Domestic bonds	9,697,160	34.0	10,486,322	34.0
Domestic stocks	4,287,014	15.0	5,784,498	18.8
Foreign securities	5,908,290	20.7	5,828,533	18.9
Foreign bonds	5,349,653	18.8	4,958,780	16.1
Foreign stocks and other securities	558,636	2.0	869,753	2.8
Other securities	259,297	0.9	311,257	1.0
Loans	5,803,803	20.4	5,561,219	18.0
Policy loans	712,438	2.5	685,964	2.2
Ordinary loans	5,091,364	17.9	4,875,254	15.8
Real estate	1,241,592	4.4	1,205,626	3.9
Real estate for rent	781,610	2.7	755,358	2.4
Deferred tax assets	-	-	-	-
Others	377,697	1.3	625,103	2.0
Reserve for possible loan losses	(14,211)	(0.0)	(11,169)	(0.0)
Total	28,517,204	100.0	30,834,094	100.0
Foreign currency-denominated assets	5,030,680	17.6	4,818,419	15.6

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

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Cash, deposits, and call loans	(119,372)	50,748
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	20,298	(20,298)
Monetary claims bought	33,852	27,945
Trading account securities	-	-
Money held in trust	3,916	27,746
Securities	996,940	2,258,850
Domestic bonds	512,316	789,162
Domestic stocks	147,125	1,497,483
Foreign securities	300,442	(79,756)
Foreign bonds	235,920	(390,873)
Foreign stocks and other securities	64,522	311,117
Other securities	37,056	51,960
Loans	(564,429)	(242,584)
Policy loans	(25,524)	(26,474)
Ordinary loans	(538,905)	(216,110)
Real estate	(26,493)	(35,966)
Real estate for rent	(13,426)	(26,252)
Deferred tax assets	-	-
Others	(146,730)	247,406
Reserve for possible loan losses	12,720	3,042
Total	210,703	2,316,889
Foreign currency-denominated assets	208,655	(212,260)

(4) Investment Income (General Account)

(Millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2006	
	Amount	%	Amount	%
Interest and dividends	639,718	82.7	687,293	81.8
Interest from deposits	23	0.0	54	0.0
Interest and dividends from securities	456,256	59.0	516,872	61.5
Interest from loans	121,804	15.7	109,383	13.0
Rental income	55,639	7.2	53,467	6.4
Other interest and dividends	5,993	0.8	7,515	0.9
Gains on trading account securities	-	-	-	-
Gains on money held in trust	-	-	2,583	0.3
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	124,807	16.1	141,636	16.9
Gains on sale of domestic bonds	9,168	1.2	9,639	1.1
Gains on sale of domestic stocks	57,558	7.4	79,397	9.4
Gains on sale of foreign securities	58,080	7.5	52,600	6.3
Others	-	-	-	-
Gains on redemption of securities	3,932	0.5	8,406	1.0
Derivative transaction gains	-	-	-	-
Foreign exchange gains	-	-	-	-
Other investment income	5,349	0.7	651	0.1
Total	773,807	100.0	840,571	100.0

(5) Investment Expense (General Account)

(Millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2006	
	Amount	%	Amount	%
Interest expenses	7,185	3.0	7,599	3.0
Losses on trading account securities	-	-	-	-
Losses on money held in trust	134	0.1	-	-
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	111,707	46.9	113,292	44.0
Losses on sale of domestic bonds	40,758	17.1	49,747	19.3
Losses on sale of domestic stocks	15,715	6.6	30,854	12.0
Losses on sale of foreign securities	55,233	23.2	32,690	12.7
Others	-	-	-	-
Losses on valuation of securities	5,355	2.3	2,164	0.8
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	2,862	1.2	881	0.3
Losses on valuation of foreign securities	2,493	1.0	1,283	0.5
Others	-	-	-	-
Losses on redemption of securities	2,640	1.1	64	0.0
Derivative transaction losses	17,334	7.3	22,195	8.6
Foreign exchange losses	55,279	23.2	80,881	31.4
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	-	-	106	0.0
Write-down of loans	40	0.0	30	0.0
Depreciation of rental real estate and others	17,072	7.2	15,406	6.0
Other investment expenses	21,255	8.9	15,455	6.0
Total	238,005	100.0	257,195	100.0

(6) Net Investment Income (General Account)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Net investment income	535,802	583,376

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2005	Year ended March 31, 2006
Cash, deposits, and call loans	0.01	0.03
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.02	0.02
Monetary claims bought	0.72	0.95
Trading account securities	-	-
Money held in trust	(1.22)	33.71
Domestic bonds	1.29	1.29
Domestic stocks	3.03	3.83
Foreign securities	2.97	3.29
Foreign bonds	2.75	2.99
Foreign stocks and other securities	5.17	5.79
Loans	2.00	1.91
Ordinary loans	1.62	1.50
Real estate	3.31	3.62
Total	1.95	2.11
Foreign investments	2.95	3.25

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, 2005	Year ended March 31, 2006
Cash, deposits, and call loans	2,996	2,781
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	1	2
Monetary claims bought	5,051	4,916
Trading account securities	-	-
Money held in trust	47	80
Domestic bonds	94,184	99,781
Domestic stocks	30,395	30,001
Foreign securities	56,469	56,896
Foreign bonds	51,352	50,738
Foreign stocks and other securities	5,117	6,157
Loans	61,353	57,508
Ordinary loans	54,033	50,451
Real estate	8,142	7,822
Total	274,291	276,127
Foreign investments	59,761	59,949

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

(Millions of yen)

	As of March 31, 2005		As of March 31, 2006	
	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	4,666	100	32,207	1,889
Money held in trust	4,666	100	32,207	1,889

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	Gains (losses)	
					Gains	Losses
As of March 31, 2005						
Bonds held to maturity			176,460	172,761	(3,699)	1,329
	Domestic bonds		121,469	120,582	(886)	1,329
	Foreign bonds		54,990	52,178	(2,812)	-
Policy-reserve-matching bonds			3,648,697	3,778,289	129,592	137,344
	Domestic bonds		3,648,697	3,778,289	129,592	137,344
Stocks of subsidiaries and affiliates			-	-	-	-
Securities available for sale			14,659,063	16,246,810	1,587,747	1,757,575
	Domestic bonds		5,792,130	5,926,807	134,677	136,606
	Domestic stocks		2,923,025	4,196,548	1,273,523	1,387,462
	Foreign securities		5,541,707	5,718,540	176,832	225,206
	Foreign bonds		5,141,797	5,294,663	152,865	194,431
	Foreign stocks and other securities		399,909	423,876	23,967	30,774
	Other securities		219,202	221,917	2,714	8,299
	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
Domestic bonds			9,562,297	9,825,680	263,382	275,280
Domestic stocks			2,923,025	4,196,548	1,273,523	1,387,462
Foreign securities			5,596,697	5,770,718	174,020	225,206
	Foreign bonds		5,196,788	5,346,841	150,053	194,431
	Foreign stocks and other securities		399,909	423,876	23,967	30,774
Other securities			219,202	221,917	2,714	8,299
Monetary claims bought			122,997	122,997	-	-
Certificates of deposit			60,000	60,000	-	-
Others			-	-	-	-
As of March 31, 2006						
Bonds held to maturity			182,018	173,223	(8,795)	79
	Domestic bonds		122,026	117,446	(4,580)	79
	Foreign bonds		59,992	55,776	(4,215)	-
Policy-reserve-matching bonds			4,229,463	4,273,708	44,245	59,538
	Domestic bonds		4,229,463	4,273,708	44,245	59,538
Stocks of subsidiaries and affiliates			-	-	-	-
Securities available for sale			14,755,042	17,854,410	3,099,367	3,208,542
	Domestic bonds		6,136,573	6,134,832	(1,740)	44,043
	Domestic stocks		2,865,209	5,695,211	2,830,002	2,840,359
	Foreign securities		5,205,085	5,451,941	246,856	299,733
	Foreign bonds		4,745,547	4,898,788	153,241	204,169
	Foreign stocks and other securities		459,538	553,153	93,614	95,564
	Other securities		248,182	272,431	24,249	24,405
	Monetary claims bought		169,992	169,992	-	-
	Certificates of deposit		130,000	130,000	-	-
	Others		-	-	-	-
Total			19,166,524	22,301,342	3,134,817	3,268,161
Domestic bonds			10,488,062	10,525,987	37,924	103,662
Domestic stocks			2,865,209	5,695,211	2,830,002	2,840,359
Foreign securities			5,265,077	5,507,718	242,640	299,733
	Foreign bonds		4,805,539	4,954,565	149,025	204,169
	Foreign stocks and other securities		459,538	553,153	93,614	95,564
Other securities			248,182	272,431	24,249	24,405
Monetary claims bought			169,992	169,992	-	-
Certificates of deposit			130,000	130,000	-	-
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, 2005 and 2006 amounted to 1,441 million yen and 1,647 million yen, respectively.

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

(Millions of yen)

	As of March 31, 2005	As of March 31, 2006
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	28,929	26,154
Unlisted domestic stocks (except over-the-counter stocks)	20,715	19,334
Unlisted foreign stocks (except over-the-counter stocks)	8,214	6,820
Other securities	380,932	661,661
Unlisted domestic stocks (except over-the-counter stocks)	69,751	69,953
Unlisted foreign stocks (except over-the-counter stocks)	126,555	309,779
Unlisted foreign bonds	0	0
Others	184,626	281,928
Total	409,862	687,815

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, 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	-	-	-	-	-	
As of March 31, 2006						
	Bonds held to maturity	182,018	173,223	(8,795)	79	8,875
	Domestic bonds	122,026	117,446	(4,580)	79	4,660
	Foreign bonds	59,992	55,776	(4,215)	-	4,215
	Policy-reserve-matching bonds	4,229,463	4,273,708	44,245	59,538	15,293
	Domestic bonds	4,229,463	4,273,708	44,245	59,538	15,293
	Stocks of subsidiaries and affiliates	26,154	25,367	(786)	-	786
	Domestic stocks	19,334	19,334	-	-	-
	Foreign stocks	6,820	6,033	(786)	-	786
	Securities available for sale	15,416,704	18,516,072	3,099,367	3,208,542	109,174
	Domestic bonds	6,136,573	6,134,832	(1,740)	44,043	45,784
	Domestic stocks	2,935,162	5,765,164	2,830,002	2,840,359	10,356
	Foreign securities	5,514,865	5,761,721	246,855	299,733	52,877
	Foreign bonds	4,745,547	4,898,788	153,241	204,169	50,928
	Foreign stocks and other securities	769,318	862,933	93,614	95,564	1,949
	Other securities	287,008	311,257	24,249	24,405	155
	Monetary claims bought	413,095	413,095	-	-	-
	Certificates of deposit	130,000	130,000	-	-	-
	Others	-	-	-	-	-
	Total	19,854,340	22,988,370	3,134,030	3,268,161	134,130
	Domestic bonds	10,488,062	10,525,987	37,924	103,662	65,737
	Domestic stocks	2,954,496	5,784,498	2,830,002	2,840,359	10,356
	Foreign securities	5,581,677	5,823,531	241,853	299,733	57,880
	Foreign bonds	4,805,539	4,954,565	149,025	204,169	55,144
Foreign stocks and other securities	776,138	868,966	92,827	95,564	2,736	
Other securities	287,008	311,257	24,249	24,405	155	
Monetary claims bought	413,095	413,095	-	-	-	
Certificates of deposit	130,000	130,000	-	-	-	
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, 2005 and 2006 amounted to 1,441 million yen and 1,647 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, 2005	6,108	6,108	100	173	73
As of March 31, 2006	33,854	33,854	1,889	2,114	224

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, 2005		As of March 31, 2006	
	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	4,666	100	32,207	1,889

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, 2005					As of March 31, 2006				
	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	1,441	1,441	-	-	-	1,647	1,647	-	-	-

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, 2005	As of March 31, 2006
Securities	1,712,179	3,134,030
Domestic bonds	263,382	37,924
Domestic stocks	1,273,523	2,830,002
Foreign securities	172,559	241,853
Foreign bonds	150,053	149,025
Foreign stocks and other securities	22,506	92,827
Other securities	2,714	24,249
Real estate	(69,578)	1,313
Total (including others not listed above)	1,644,622	3,131,662

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, 2005	As of March 31, 2006		As of March 31, 2005	As of March 31, 2006
(ASSETS)			(LIABILITIES)		
Cash and deposits	188,229	268,699	Policy reserves and others	26,486,069	27,259,079
Cash	1,298	1,244	Reserves for outstanding claims	274,269	159,603
Bank deposits	186,930	267,455	Policy reserves	25,821,788	26,727,294
Call loans	254,000	218,000	Reserve for policyholder dividends	390,010	372,182
Deposit paid for securities borrowing transactions	20,298	-	Reinsurance payables	434	471
Monetary claims bought	520,122	548,068	Subordinated bonds	53,695	58,735
Money held in trust	6,108	33,854	Other liabilities	948,285	1,277,097
Securities	21,411,692	24,011,864	Collateral for securities lending transactions	475,056	601,400
Government bonds	5,989,456	7,181,457	Long-term debt and other borrowings	130,070	130,056
Local government bonds	994,112	788,208	Corporate income tax payable	55,049	45,245
Corporate bonds	3,094,283	2,892,673	Accounts payable	54,878	322,020
Stocks	4,666,697	6,315,120	Accrued expenses	36,513	36,875
Foreign securities	6,237,635	6,276,260	Unearned revenue	7,039	5,895
Other securities	429,504	558,144	Deposits received	60,975	58,555
Loans	5,805,303	5,561,219	Guarantee deposits received	34,602	33,887
Policy loans	712,438	685,964	Differential account for futures trading	29	-
Ordinary loans	5,092,864	4,875,254	Derivatives	89,378	39,791
Ordinary loans	5,065,789	4,848,811	Profit from deferred hedging	390	-
Trust loans	27,074	26,443	Suspense receipt	4,273	3,369
Real estate and movable assets	1,247,909	1,211,132	Other liabilities	27	-
Land	745,752	734,047	Reserve for employees' retirement benefits	443,804	452,298
Buildings	486,546	458,538	Reserve for price fluctuations	180,453	193,453
Movable assets	6,316	5,505	Deferred tax liabilities	94,856	582,810
Construction in progress	9,293	13,040	Deferred tax liabilities for land revaluation	15,373	128,347
Reinsurance receivables	107	100	Acceptances and guarantees	1,110	17,515
Other assets	407,140	627,542	Total liabilities	28,224,083	29,969,808
Accounts receivable	60,689	270,131	(CAPITAL)		
Prepaid expenses	6,828	15,391	Foundation funds	140,000	110,000
Accrued revenue	152,055	160,817	Accumulated redeemed foundation funds	220,000	250,000
Deposits	44,469	44,474	Revaluation reserve	248	248
Margin money for futures trading	3,501	4,704	Surplus	221,086	253,321
Differential account for futures trading	-	73	Reserve for future losses	4,000	4,300
Derivatives	3,746	7,448	General reserve	98,814	101,464
Deferred hedge losses	0	3	Reserve for redemption of foundation funds	43,000	44,700
Suspense payment	12,377	10,345	Fund for risk allowance	43,139	43,139
Other assets	123,472	114,151	Reserve for tax basis adjustments of real estate	12,539	13,497
Customers' liabilities for acceptances and guarantees	1,110	17,515	Other reserves	134	128
Reserve for possible loan losses	(14,212)	(11,169)	Unappropriated retained earnings	118,271	147,556
Reserve for possible investment losses	(103)	(210)	(Net surplus for the year)	138,925	151,407
			Reserve for land revaluation	27,248	(78,186)
			Net unrealized gains on securities, net of tax	1,015,040	1,981,425
			Total capital	1,623,623	2,516,809
Total assets	29,847,706	32,486,618	Total liabilities and capital	29,847,706	32,486,618

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 non-consolidated statement 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 (i) individual life insurance and annuities with the maturity of 10 years or less, (ii) individual life insurance and annuities with the maturity of more than 10 years and within 40 years, (iii) financial insurance and annuities, and (iv) employee-funded corporate pension contracts, with the exception of some insurance types, as policy-reserve-matching bonds 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).

The total of policy-reserve-matching bonds as of March 31, 2006 amounted to ¥4,229,463 million. The market value of these bonds as of March 31, 2006 was ¥4,273,708 million.

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, 2006 was ¥57,222 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 as of March 31, 2006 was ¥584,694 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

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

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

For loans and claims to obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, “obligors at risk of bankruptcy”), the reserve is calculated 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, 2006 was ¥9,029 million.

9. Accounting for Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Company in August 2000, amounted to ¥26,443 million and are included as trust loans in the non-consolidated 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, 2006 was ¥101,056 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 Council) is provided.

The funding status of employees' retirement benefits of the Company as of March 31, 2006 was as follows:

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

	(Millions of yen)
a. Projected benefit obligations	¥ (611,250)
b. Pension assets	102,017
	<hr/>
c. Unfunded benefit obligations (a + b)	(509,233)
d. Unrecognized actuarial differences	83,816
e. Unrecognized gains on plan amendments	(26,881)
	<hr/>
f. Net amount recognized on the non-consolidated balance sheet (c + d + e)	(452,298)
g. Prepaid pension expenses	—
	<hr/>
h. Reserve for employees' retirement benefits (f – g)	¥ (452,298)
	<hr/>

(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 —1.7% per annum
- 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 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 cash flow hedges by foreign

currency swaps and other instruments against exchange rate fluctuations in certain foreign currency-denominated loans, and the fair value hedge method is used for hedges by foreign currency forward contracts and other instruments 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 five 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. Impairment Accounting on Fixed Assets

Effective from the fiscal year ended March 31, 2006, impairment accounting on fixed assets is adopted in accordance with “Opinions on Accounting Standards for Impairment of Fixed Assets” by the Business Accounting Council (August 9, 2002) and “Guidance for the Application of Accounting Standards for Impairment of Fixed Assets” (Guidance for the Application of Accounting Standards No.6, October 31, 2003). The effect of this change was to decrease net surplus before adjustment for taxes, etc. by ¥12,261 million for the fiscal year ended March 31, 2006.

19. 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 ¥22,899 million. The amount of credits to bankrupt borrowers was ¥1,067 million, the amount of delinquent loans was ¥18,566 million, the amount of loans past due for three months or more was ¥1,131 million, and the amount of restructured loans was ¥2,134 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 ¥1,854 million and ¥7,175 million, respectively.

20. 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 ¥1,674,095 million. Separate account liabilities were the same amount as separate account assets.

21. Net Assets

Net assets defined in Article 24-2, Paragraph 2, Item 2 of the Enforcement Regulations of the Insurance Business Law were ¥1,980,536 million.

22. Receivables and Payables to Subsidiaries

The total amounts of receivables and payables to subsidiaries were ¥159 million and ¥3,308 million, respectively.

23. Leased Computers

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

24. 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	¥ 390,010
Transfer from surplus in previous fiscal year	82,164
Dividends paid in fiscal year	(111,980)
Interest accrual in fiscal year	11,987
	<hr/>
Balance at the end of fiscal year	¥ 372,182
	<hr/>

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

Due to the redemption of foundation funds of ¥30,000 million, the Company provided the same amount as accumulated redeemed foundation funds, in accordance with Article 56 of the Insurance Business Law.

26. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥30,385 million.

27. Subordinated Debt

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

28. Subordinated Bonds

Subordinated bonds of ¥58,735 million shown in liabilities were foreign currency-denominated subordinated bonds of US\$500 million whose repayment is subordinated to other obligations.

29. Assets Denominated in Foreign Currencies

Assets of the Company denominated in foreign currencies totaled ¥5,268,612 million. The principal foreign currency asset amounts were US\$23,798 million and 12,410 million euros.

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

The future obligations of the Company estimated as of March 31, 2006, 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 ¥5,139 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, 2006 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥69,497 million. These obligations will be recognized as operating expenses in the years in which they are paid.

31. Application of Deferred Tax Accounting

Total deferred tax assets were ¥565,903 million. Total deferred tax liabilities were ¥1,137,388 million. Valuation allowance for deferred tax assets was ¥11,326 million.

Major components of deferred tax assets were as follows:

	(Millions of yen)
Insurance policy reserve	¥ 294,139
Reserve for employees' retirement benefits	163,143
Reserve for price fluctuations	69,778
Reserve for possible loan losses	6,137

Major components of deferred tax liabilities were as follows:

	(Millions of yen)
Net unrealized gains on securities	¥ 1,117,941

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, 2006 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 21.72%.

32. Stocks of Subsidiaries

The amount of stocks of subsidiaries the Company held was ¥8,042 million.

33. Assets Pledged as Collateral / Secured Liabilities

Assets pledged as collateral totaled ¥123,933 million. Secured liabilities totaled ¥2,228 million.

34. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent was ¥600,561 million.

35. Reinsurance

Reserves for outstanding claims 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 (hereinafter “reserves for outstanding claims reinsured”) are not provided. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Ordinance of the Law (hereinafter “policy reserves reinsured”) was ¥0 million.

5. Non-Consolidated Statements of Earnings

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
ORDINARY REVENUES	4,746,767	5,016,821
Premium and other income	3,530,451	3,400,393
Premium income	3,529,690	3,399,526
Reinsurance income	761	867
Investment income	835,774	1,154,639
Interest and dividends	639,718	687,293
Interest from bank deposits	23	54
Interest and dividends from securities	456,256	516,872
Interest from loans	121,804	109,383
Rental income	55,639	53,467
Other interest and dividends	5,993	7,515
Gains on money held in trust	-	2,583
Gains on sale of securities	124,807	141,636
Gains on redemption of securities	3,932	8,406
Other investment income	5,349	651
Gains on investment in separate accounts	61,966	314,067
Other ordinary revenues	380,541	461,788
Fund receipt for annuity rider of group insurance	1,155	1,163
Fund receipt for claim deposit payment	322,186	328,142
Transfer from reserves for outstanding claims	38,918	114,666
Reversal of reserve for employees' retirement benefits	1,991	-
Other ordinary revenues	16,288	17,815
ORDINARY EXPENSES	4,510,534	4,795,278
Benefits and claims	3,411,184	2,782,498
Claims	846,083	901,807
Annuities	287,787	314,024
Benefits	525,233	485,939
Surrender values	1,396,106	880,832
Other refunds	354,909	198,612
Ceding reinsurance commissions	1,064	1,282
Provision for policy reserves and others	37,935	917,492
Provision for policy reserves	25,478	905,505
Provision for interest on policyholder dividends	12,456	11,987
Investment expenses	238,005	257,195
Interest expenses	7,185	7,599
Losses on money held in trust	134	-
Losses on sale of securities	111,707	113,292
Losses on valuation of securities	5,355	2,164
Losses on redemption of securities	2,640	64
Derivative transaction losses	17,334	22,195
Foreign exchange losses	55,279	80,881
Provision for reserve for possible investment losses	-	106
Write-down of loans	40	30
Depreciation of rented real estate and others	17,072	15,406
Other investment expenses	21,255	15,455
Operating expenses	425,415	419,539
Other ordinary expenses	397,993	418,551
Claim deposit payments	333,728	346,747
National and local taxes	25,013	24,694
Depreciation	30,800	29,830
Provision for reserve for employees' retirement benefits	-	8,493
Other ordinary expenses	8,451	8,784
NET SURPLUS FROM OPERATIONS	236,232	221,542
EXTRAORDINARY GAINS	16,028	3,628
Gains on disposal of real estate and movable assets	7,739	1,384
Reversal of reserve for possible loan losses	8,115	2,244
Reversal of reserve for possible investment losses	173	-
EXTRAORDINARY LOSSES	80,977	38,740
Losses on disposal of real estate and movable assets	42,123	12,545
Impairment losses on fixed assets	-	12,261
Provision for reserve for price fluctuations	13,000	13,000
Other extraordinary losses	25,854	932
Net surplus before adjustment for taxes, etc.	171,283	186,431
Corporate income taxes-current	76,485	89,616
Corporate income tax-deferred	(44,127)	(54,592)
Net surplus for the year	138,925	151,407
Transfer from subsidy for social public enterprise	826	826
Transfer from fund for Public Health Awards	69	52
Transfer from fund for Green Design Award	51	54
Transfer from reserve for land revaluation	(21,601)	(4,783)
Unappropriated net surplus for the year	118,271	147,556

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 ¥1,129 million and ¥18,520 million, respectively.

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 ¥9,639 million, ¥79,397 million and ¥52,600 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥49,747 million, ¥30,854 million and ¥32,690 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥881 million and ¥1,283 million, respectively.

4. Reinsurance

In calculating transfer from reserves for outstanding claims, there was no adjustment of provision for reserves for outstanding claims reinsured. In calculating provision for policy reserves, provision for policy reserves reinsured of ¥0 million was deducted.

5. Gains on Money Held in Trust

Gains on money held in trust included gains on valuation of securities of ¥1,888 million.

6. Derivative Transaction Losses

Derivative transaction losses included valuation losses of ¥2,686 million.

7. Retirement Benefit Expenses

Retirement benefit expenses were ¥41,706 million, comprised of the following:

		(Millions of yen)
Service cost	¥	25,312
Interest cost		10,149
Estimated investment income		(1,520)
Amortization of unrecognized actuarial differences		11,124
Amortization of unrecognized gains on plan amendments		(3,360)
Retirement benefit expenses	¥	41,706

8. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2006 were as follows:

(1) Method of Grouping Assets

Real estate and other assets held for insurance business purposes are recognized as one asset group. Each real estate for rent and real estate not in use, which is not used for insurance business purposes, is deemed as an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant decline in profitability or market value in some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such reduced amount as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Amount of impairment losses by asset group is as follows:

Asset Group	Number	Impairment Losses				(Millions of yen)
		Lands	Land Leasing Rights	Buildings	Total	
Real estate for rent	4	¥ 1,113	¥ 7,018	¥ 1,903	¥ 10,034	
Real estate not in use	19	1,983	—	242	2,226	
Total	23	¥ 3,097	¥ 7,018	¥ 2,146	¥ 12,261	

(4) Calculation of Recoverable Value

Value in use or net sales value is applied for recoverable value of real estate for rent, and net sales value is applied for recoverable value of real estate not in use. Discount rate of 3.27% is applied for discounting future cash flows in calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is applied for net sales value.

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

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Fundamental revenues	4,718,505	4,872,600
Premium and other income	3,530,451	3,400,393
Investment income	710,966	1,010,418
[Interest and dividends]	639,718	687,293
Other ordinary revenues	477,087	461,788
[Transfer from policy reserves]	96,546	-
Fundamental expense	4,295,203	4,403,105
Benefits and claims	3,411,184	2,782,498
Provision for policy reserves and others	12,456	743,990
Investment expenses	48,153	38,525
Operating expenses	425,415	419,539
Other ordinary expenses	397,993	418,551
Fundamental profit A	423,301	469,495
Capital gains	124,807	144,220
Gains on money held in trust	-	2,583
Gains on investments in trading securities	-	-
Gains on sale of securities	124,807	141,636
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Gains on trading account securities	-	-
Others	-	-
Capital losses	189,811	218,533
Losses on money held in trust	134	-
Losses on investments in trading securities	-	-
Losses on sale of securities	111,707	113,292
Losses on valuation of securities	5,355	2,164
Derivative transaction losses	17,334	22,195
Foreign exchange losses	55,279	80,881
Losses on trading account securities	-	-
Others	-	-
Net capital gains B	(65,003)	(74,313)
Fundamental profit plus net capital gains A+B	358,298	395,182
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Others	-	-
Other one-time losses	122,066	173,639
Ceding reinsurance commissions	-	-
Provision for contingency reserve	122,025	173,502
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	40	30
Others	-	106
Other one-time profits C	(122,066)	(173,639)
Net surplus from operations A+B+C	236,232	221,542

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

7. Non-Consolidated Statements of Surplus

(Thousands of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Unappropriated net surplus for the year	118,271,908	147,556,703
Transfer from general reserve	4,342,778	176,249
Transfer from reserve for tax basis adjustments of real estate	4,342,778	176,249
Total	122,614,687	147,732,953
Appropriation of unappropriated net surplus	122,614,687	147,732,953
Reserve for policyholder dividends	82,164,501	112,247,967
Net surplus	40,450,185	35,484,986
Reserve for future losses	300,000	400,000
Interest payment for foundation funds	2,224,000	1,889,000
General reserve	37,926,185	33,195,986
Reserve for redemption of foundation funds	31,700,000	21,700,000
Fund for price fluctuation allowance	-	10,000,000
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	5,300,185	569,986

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, 2005	As of March 31, 2006
Claims against bankrupt and quasi-bankrupt obligors	7,218	4,895
Claims with collection risk	16,043	14,741
Claims for special attention	5,196	3,265
Subtotal (I)	28,458	22,901
[Percentage (I)/(II)]	[0.45]	[0.37]
Claims against normal obligors	6,268,424	6,182,171
Total (II)	6,296,882	6,205,073

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.
5. Securities lent under repo and other transactions are included in claims from as of March 31, 2006. Accordingly, figures above as of March 31, 2005 are also revised to include the relevant amount of claims (claims against normal obligors of 464,994 million yen).

9. Risk-Monitored Loans

(Millions of yen)

	As of March 31, 2005	As of March 31, 2006
Credits to bankrupt borrowers (I)	1,363	1,067
Delinquent loans (II)	21,896	18,566
Loans past due for three months or more (III)	849	1,131
Restructured loans (IV)	4,346	2,134
Total ((I)+(II)+(III)+(IV))	28,456	22,899
[Percentage of total loans]	[0.49]	[0.41]

- 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, 2005 and 2006 were ¥2,291 million and ¥1,854 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2005 and 2006 were ¥10,911 million and ¥7,175 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, 2005	As of March 31, 2006
Total solvency margin (A)	3,552,464	5,239,967
Capital (less certain items) ^{*1}	525,772	420,759
Reserve for price fluctuations	180,453	193,453
Contingency reserve	584,608	758,110
General reserve for possible loan losses	6,450	5,152
Net unrealized gains on securities (before tax) x 90% ^{*2}	1,428,963	2,789,431
Net unrealized gains (losses) on real estate x 85% ^{*2}	(112,200)	(48,847)
Qualifying subordinated debt	183,695	188,735
Excluded items	(5,750)	(5,750)
Others	760,472	938,922
Total risk $\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	796,896	956,568
Insurance risk R_1	204,997	206,836
Assumed investment yield risk R_2	166,101	164,769
Investment risk R_3	584,188	742,873
Business risk R_4	19,105	22,357
Guaranteed minimum benefit risk R_7 ^{*3}	-	3,383
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	891.6%	1,095.5%

*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.

*3: Calculated by standard method.

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, 2006**

(1) Separate Account Assets by Product

(Millions of yen)

	As of March 31, 2005	As of March 31, 2006
Individual variable insurance	59,390	69,305
Individual variable annuities	190,925	272,971
Group annuities	1,100,072	1,331,818
Separate account total	1,350,388	1,674,095

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(Millions of yen except number of policies)

	As of March 31, 2005		As of March 31, 2006	
	Number	Amount	Number	Amount
Variable insurance (term life)	400	1,907	366	1,759
Variable insurance (whole life)	52,517	334,166	51,594	325,805
Total	52,917	336,074	51,960	327,564

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, 2005		As of March 31, 2006	
	Amount	%	Amount	%
Cash, deposits, and call loans	1	0.0	2	0.0
Securities	55,353	93.2	65,752	94.9
Domestic bonds	18,957	31.9	18,523	26.7
Domestic stocks	20,040	33.7	25,810	37.2
Foreign securities	16,355	27.5	21,417	30.9
Foreign bonds	6,997	11.8	8,385	12.1
Foreign stocks and other securities	9,358	15.8	13,032	18.8
Other securities	-	-	-	-
Loans	-	-	-	-
Others	4,036	6.8	3,551	5.1
Reserve for possible loan losses	-	-	-	-
Total	59,390	100.0	69,305	100.0

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

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Interest and dividends	1,066	1,143
Gains on sales of securities	3,268	6,068
Gains on redemption of securities	-	-
Gains on valuation of securities	7,327	13,707
Foreign exchange gains	48	151
Derivative transaction gains	1	46
Other investment income	0	0
Losses on sales of securities	2,129	1,819
Losses on redemption of securities	1	-
Losses on valuation of securities	7,079	5,086
Foreign exchange losses	62	112
Derivative transaction losses	0	43
Other investment expenses	1	2
Net investment income	2,438	14,052

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, 2005		As of March 31, 2006	
	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	55,353	248	65,752	8,621

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, 2005 or 2006.

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

(Millions of yen except number of policies)

	As of March 31, 2005		As of March 31, 2006	
	Number	Amount	Number	Amount
Individual variable annuities	39,717	179,055	52,226	258,406

B. Breakdown of separate account assets for individual variable annuities

(Millions of yen)

	As of March 31, 2005		As of March 31, 2006	
	Amount	%	Amount	%
Cash, deposits, and call loans	2,974	1.6	4,772	1.7
Securities	185,444	97.1	264,950	97.1
Domestic bonds	4,647	2.4	5,052	1.9
Domestic stocks	3,399	1.8	4,384	1.6
Foreign securities	7,191	3.8	8,626	3.2
Foreign bonds	4,081	2.1	4,255	1.6
Foreign stocks and other securities	3,109	1.6	4,371	1.6
Other securities	170,207	89.1	246,886	90.4
Loans	-	-	-	-
Others	2,506	1.3	3,248	1.2
Reserve for possible loan losses	-	-	-	-
Total	190,925	100.0	272,971	100.0

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

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Interest and dividends	1,948	4,728
Gains on sales of securities	508	1,021
Gains on redemption of securities	-	-
Gains on valuation of securities	18,558	66,417
Foreign exchange gains	4	4
Derivative transaction gains	0	0
Other investment income	0	0
Losses on sales of securities	251	212
Losses on redemption of securities	-	-
Losses on valuation of securities	14,858	17,612
Foreign exchange losses	5	3
Derivative transaction losses	0	0
Other investment expenses	49	30
Net investment income	5,854	54,311

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, 2005		As of March 31, 2006	
	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	185,444	3,699	264,950	48,804

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, 2005 or 2006.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2006
Ordinary revenues	4,779,180	5,049,373
Net surplus from operations	239,115	223,682
Net surplus for the year	139,896	151,806
Total assets	29,915,699	32,504,637

(2) Scope of Consolidation and Application of Equity Method

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2006
Number of consolidated subsidiaries	9	8
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	8	10

(3) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2005	As of March 31, 2006		As of March 31, 2005	As of March 31, 2006
(ASSETS)			(LIABILITIES)		
Cash and deposits	198,267	281,763	Policy reserves and others	26,486,069	27,259,079
Call Loans	254,000	218,000	Reserves for outstanding claims	274,269	159,603
Deposit paid for securities borrowing transactions	20,298	-	Policy reserves	25,821,788	26,727,294
Monetary claims bought	520,122	548,068	Reserve for policyholder dividends	390,010	372,182
Money held in trust	6,108	33,854	Reinsurance payables	434	471
Securities	21,409,726	24,011,618	Subordinated bonds	53,695	58,735
Loans	5,782,954	5,561,682	Other liabilities	1,008,453	1,287,739
Real estate and movable assets	1,303,844	1,211,316	Reserve for employees' retirement benefits	445,009	453,688
Reinsurance receivables	107	100	Reserve for price fluctuations	180,453	193,453
Other assets	431,325	630,592	Deferred tax liabilities	95,172	582,838
Deferred tax assets	3,332	1,519	Deferred tax liabilities for land revaluation	15,373	128,347
Customers' liabilities for acceptances and guarantees	1,110	17,515	Acceptances and guarantees	1,110	17,515
Reserve for possible loan losses	(15,396)	(11,181)	Total liabilities	28,285,772	29,981,868
Reserve for possible investment losses	(103)	(212)	(MINORITY INTERESTS)		
			Minority interests	2,045	916
			(CAPITAL)		
			Foundation funds	140,000	110,000
			Accumulated redeemed foundation funds	220,000	250,000
			Revaluation reserve	248	248
			Consolidated surplus	226,423	258,955
			Reserve for land revaluation	27,248	(78,186)
			Net unrealized gains on securities, net of tax	1,015,229	1,981,440
			Foreign currency translation adjustments	(1,267)	(605)
			Total capital	1,627,881	2,521,852
Total assets	29,915,699	32,504,637	Total liabilities, minority interests and capital	29,915,699	32,504,637

(4) Consolidated Statements of Earnings

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
ORDINARY REVENUES	4,779,180	5,049,373
Premium and other income	3,530,344	3,400,393
Investment income	862,074	1,180,170
Interest and dividends	638,840	686,193
Gains on money held in trust	-	2,583
Gains on sale of securities	124,809	140,986
Gains on redemption of securities	3,932	8,406
Other investment income	32,525	27,932
Gains on investment in separate accounts	61,966	314,067
Other ordinary revenues	386,760	468,809
ORDINARY EXPENSES	4,540,065	4,825,690
Benefits and claims	3,411,184	2,782,498
Claims	846,083	901,807
Annuities	287,787	314,024
Benefits	525,233	485,939
Surrender values	1,396,106	880,832
Other refunds	355,973	199,894
Provision for policy reserves and others	37,935	917,492
Provision for policy reserves	25,478	905,505
Provision for interest on policyholder dividends	12,456	11,987
Investment expenses	242,497	262,071
Interest expenses	7,743	8,032
Losses on money held in trust	134	-
Losses on sale of securities	111,719	113,322
Losses on valuation of securities	5,355	2,413
Losses on redemption of securities	2,640	64
Derivative transaction losses	17,334	22,195
Foreign exchange losses	55,293	80,777
Provision for reserve for possible investment losses	-	108
Write-down of loans	57	33
Depreciation of rented real estate and others	17,072	15,406
Other investment expenses	25,146	19,716
Operating expenses	420,421	415,803
Other ordinary expenses	428,027	447,824
NET SURPLUS FROM OPERATIONS	239,115	223,682
EXTRAORDINARY GAINS	16,015	3,475
Gains on disposal of real estate and movable assets	8,072	1,477
Reversal of reserve for possible loan losses	7,767	1,975
Reversal of reserve for possible investment losses	173	-
Other extraordinary gains	2	22
EXTRAORDINARY LOSSES	80,987	40,010
Losses on disposal of real estate and movable assets	42,133	12,573
Impairment losses on fixed assets	-	12,261
Provision for reserve for price fluctuations	13,000	13,000
Other extraordinary losses	25,854	2,175
Net surplus before adjustment for taxes, etc.	174,143	187,147
Corporate income taxes-current	77,178	89,937
Corporate income tax-deferred	(43,359)	(54,835)
Minority interests in profit of subsidiaries	427	239
Net surplus for the year	139,896	151,806

(5) Consolidated Statements of Surplus

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Consolidated surplus at beginning of year	332,161	226,423
Increase in consolidated surplus	140,059	151,806
Net surplus for the year	139,896	151,806
Increase of other surplus	162	-
Decrease in consolidated surplus	245,797	119,273
Reserve for policyholder dividends	70,076	82,164
Accumulated redeemed foundation funds	150,000	30,000
Interest on foundation funds	4,120	2,224
Decrease in surplus due to changes in the subsidiaries included in the scope of consolidation	-	101
Transfer from reserve for land revaluation	21,601	4,783
Consolidated surplus at end of year	226,423	258,955

(6) Risk-Monitored Loans

(Millions of yen)

	As of March 31, 2005	As of March 31, 2006
Credits to bankrupt borrowers (I)	1,385	1,067
Delinquent loans (II)	24,200	18,567
Loans past due for three months or more (III)	849	1,131
Restructured loans (IV)	6,052	2,139
Total ((I)+(II)+(III)+(IV))	32,487	22,905
[Percentage of total loans]	[0.56]	[0.41]

- 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, 2005 and 2006 were ¥2,309 million and ¥1,854 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2005 and 2006 were ¥13,095 million and ¥7,181 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, 2005	As of March 31, 2006
Claims against bankrupt and quasi-bankrupt obligors	7,578	4,895
Claims with collection risk	18,009	14,742
Claims for special attention	6,901	3,270
Subtotal	32,490	22,907
Claims against normal obligors	6,242,077	6,182,628
Total	6,274,567	6,205,536

- 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.
 5. Securities lent under repo and other transactions are included in claims from as of March 31, 2006. Accordingly, figures above as of March 31, 2005 are also revised to include the relevant amount of claims (claims against normal obligors of 464,994 million yen).

(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	196,003,384	54,856,083	5,961,515	-	-
Policies in force at the end of the year	189,935,248	55,031,383	6,263,405	-	-
Net increase in policies in force	(6,068,135)	175,299	301,890	-	-
Ordinary revenues	-	-	-	-	5,016,821
a. Premium and other income	2,222,387	180,118	945,417	52,470	3,400,393
Premium	2,222,307	179,345	945,417	52,455	3,399,526
b. Ordinary revenues other than a. above	-	-	-	-	1,616,427
Ordinary expenses	-	-	-	-	4,795,278
c. Benefits and claims	1,592,167	101,244	1,032,174	56,912	2,782,498
Claims	791,564	98,305	9,627	2,310	901,807
Annuities	128,967	870	177,427	6,758	314,024
Benefits	184,397	346	294,591	6,604	485,939
Surrender values	451,412	590	387,880	40,949	880,832
d. Ordinary expenses other than c. above	-	-	-	-	2,012,779
Provision for policy reserves	435,370	(395)	301,890	(4,862)	905,505
Net surplus from operations	-	-	-	-	221,542

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.

Reference: Breakdown of Fundamental Profit (Major Sources of Profit and Loss)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006	Changes
Fundamental profit (i)	423,301	469,495	46,193
Negative spread	(181,045)	(122,026)	59,018
Mortality and morbidity gains	429,062	435,614	6,552
Expense margins	175,284	155,906	(19,377)
Net Capital gains (ii)	(65,003)	(74,313)	(9,309)
Other one-time profits (iii)	(122,066)	(173,639)	(51,572)
Provision for contingency reserves	(122,025)	(173,502)	(51,477)
Net surplus from operations (iv) (= (i)+(ii)+(iii))	236,232	221,542	(14,689)
Extraordinary gains and losses (v)	(64,949)	(35,111)	29,837
Provision for reserve for price fluctuations	(13,000)	(13,000)	-
Corporate income taxes and others (vi)	(53,011)	(38,874)	14,136
Unappropriated net surplus for the year (vii) (= (iv)+(v)+(vi))	118,271	147,556	29,284

Note: 1. Description of major sources of profit and loss:

- Negative spread: difference between expected investment yield (guaranteed investment yield) and actual investment yield
- Mortality and morbidity gains: difference between expected and actual payment of claims and benefits
- Expense margins: difference between expected and actual operating expenses

2. Fundamental Profit as well as major sources of profit and loss are more easily understood by taking into account other figures and items including capital gains/losses and retained earnings. For example, for the fiscal year ended March 31, 2006, ¥112,247 million is provided for reserve for policyholder dividends out of unappropriated net surplus of ¥147,556 million, after deducting items such as capital losses and taxes. On the other hand, in order to strengthen financial soundness, certain amount is provided for reserves including contingency reserve and reserve for price fluctuations, which are shown in lines (iii) and (v) above.