

May 30, 2007

Financial Results for the Fiscal Year Ended March 31, 2007

The Dai-ichi Mutual Life Insurance Company (President: Katsutoshi Saito) announces financial results for the fiscal year ended March 31, 2007.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2007

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Financial Summary for the Fiscal Year Ended March 31, 2007

May 30, 2007

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, 2007 will be reported at the 106th annual representative policyholders' meeting to be held on July 3, 2007.

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, 2006				As of March 31, 2007			
	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	11,498	99.2	1,832,105	96.7	11,391	99.1	1,753,922	95.7
Individual annuities	1,173	100.7	67,247	102.9	1,193	101.7	69,843	103.9
Individual insurance and annuities	12,672	99.3	1,899,352	96.9	12,585	99.3	1,823,765	96.0
Group insurance	-	-	550,313	100.3	-	-	540,130	98.1
Group annuities	-	-	62,634	105.1	-	-	65,592	104.7

- 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, 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
Year ended March 31, 2007					
Individual insurance	1,056	100,156	89,166	10,990	79.5
Individual annuities	59	4,803	4,983	(180)	137.9
Individual insurance and annuities	1,116	104,959	94,149	10,810	81.0
Group insurance	-	3,665	3,665		88.6
Group annuities	-	6	6		47.1

- 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, 2006	Year ended March 31, 2007
Amount of surrender and lapses	146,980	136,146
Surrender and lapses rate (%)	7.50	7.17

(2) Annualized Net Premium

Policies in Force

(100 Millions of yen except percentages)

	As of March 31, 2006		As of March 31, 2007	
		Changes (% , YoY)		Changes (% , YoY)
Individual insurance	19,012	98.2	18,695	98.3
Individual annuities	2,323	108.8	2,616	112.6
Total	21,336	99.2	21,311	99.9
Medical and survival benefits	4,710	103.9	4,826	102.5

New Policies

(100 Millions of yen except percentages)

	Year ended March 31, 2006		Year ended March 31, 2007	
		Changes (% , YoY)		Changes (% , YoY)
Individual insurance	1,431	92.9	1,331	93.0
Individual annuities	220	117.7	330	149.7
Total	1,651	95.6	1,661	100.6
Medical and survival benefits	586	93.7	513	87.5

- 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, 2006		Year ended March 31, 2007	
		Changes (% , YoY)		Changes (% , YoY)
Premium and other income	3,400,393	96.3	3,293,707	96.9
Investment income	1,154,639	138.2	1,088,348	94.3
Benefits and claims	2,782,498	81.6	2,377,981	85.5
Investment expense	257,195	108.1	314,196	122.2
Net surplus from operations	221,542	93.8	236,857	106.9

(4) Statements of Surplus

(Millions of yen except percentages)

	Year ended March 31, 2006		Year ended March 31, 2007	
		Changes (% , YoY)		Changes (% , YoY)
Unappropriated net surplus	147,556	124.8	157,618	106.8
Reserve for policyholders dividends	112,247	136.6	114,169	101.7
Net surplus	35,484	87.7	43,612	122.9

(5) Total Assets

(Millions of yen except percentages)

	As of March 31, 2006		As of March 31, 2007	
		Changes (% , YoY)		Changes (% , YoY)
Total Assets	32,486,618	108.8	33,578,200	103.4

2. Policies in Force as of March 31, 2007 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	10,923	1,650,863		0	27,432	540,055	38,356	2,190,918
accidental	[6,953]	[285,270]	[296]	[3,844]	[3,497]	[24,904]	[10,747]	[314,019]
others	[0]	[1]	[-]	[-]	[85]	[1,116]	[85]	[1,118]
Survival benefits	467	103,058	1,193	69,843	10	74	1,672	172,976
Hospitalization benefits								
accidental	[9,213]	[427]	[104]	[5]	[1,885]	[13]	[11,203]	[446]
illness	[9,083]	[422]	[106]	[5]	[0]	[0]	[9,190]	[428]
others	[5,637]	[266]	[87]	[3]	[67]	[0]	[5,791]	[270]
Injury benefits	[10,974]	-	[107]	-	[3,277]	-	[14,360]	-
Surgery benefits	[7,026]	-	[106]	-	-	-	[7,132]	-

	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	15,294	65,592	123	2,897	57	1,431	15,475	69,920

	Medical care insurance	
	Number (Thousands)	Amount (100 millions of yen)
Hospitalization benefits	617	10

	Group disability	
	Number (Thousands)	Amount (100 millions of yen)
Disability benefits	65	40

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 90 thousand and 56.1 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2007

(1) Investment Environment

Japanese economy grew by approximately 2% for the fiscal year, driven by strong export, reflecting growing global economy and the effect of depreciation trend of yen. The economy was also supported by strong capital investment, which reflected corporate needs for larger production capacity driven by strong domestic and foreign demand. However, extension of improved corporate activities to households only showed a limited effect, and personal consumption stayed at a low level.

U.S. economy faced a stalemate at the beginning of the fiscal year, which was caused by weaker housing construction due to high interest rate. The growth rate proved 3.3%, which exceeded the potential growth rate, driven by sound consumer spending, strong investment and steady export.

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

[Domestic interest rate]

After the initial movement in a range of 1.8-2.0%, yield on ten year government bonds showed an downward trend in the latter half of the fiscal year, reflecting weaker expectation on an additional interest rate increase by Bank of Japan after it ended its zero interest rate policy in July.

Yield on ten-year government bonds:	March 31, 2006	1.765%
	March 31, 2007	1.650%

[Domestic Stocks]

After the sharp drop to a level of 14,000 in June, Nikkei 225 recovered to 18,000, mainly due to the turn around of global stock prices and healthy growth in corporate earnings. It ended the fiscal year at almost the same level as the beginning of the year, after a decline influenced by global stock market slide in February.

Nikkei 225 Stock Average:	March 31, 2006	¥ 17,059
	March 31, 2007	¥ 17,287
TOPIX:	March 31, 2006	1,728
	March 31, 2007	1,713

[Foreign Currency]

U.S. dollar temporally dropped to ¥109 level against yen after G7 discussion in April, but recovered to ¥122 level, reflecting interest rate differentials between U.S. and Japan. Euro strengthened toward the end of the year to ¥160 level, reflecting robust economy in the region and strong expectation on additional interest rate rise by European Central Bank.

yen/U.S. dollar:	March 31, 2006	¥117.47
	March 31, 2007	¥118.05
yen/euro:	March 31, 2006	¥142.81
	March 31, 2007	¥157.33

(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 carefully select and diversify 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 the maturity structure. 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 Company maintained its stock holdings, taking into account mid- and long-term risk control. The Company also made efforts to replace low return stock with one with high profitability based on in-house analyst research.
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. The Company also made efforts to control risk by diversifying sector and currency.
Foreign Stocks	The Company increased its investment in foreign stocks, adopting independent investment advisors as well as in-house managers to enhance diversified investment styles.
Real Estate	The Company made efforts to improve the quality and profitability of its portfolio, which include review of rents, promotion of efficient use of real estate by refurbishment and housing rehabilitation, and improvement of operation rates.

[Investment income and expenses]

Investment income increased by ¥152,791 million, or 18.2% to ¥993,362 million, driven by the Company's efforts to replace low-yield domestic bonds with policy-reserve-matching bonds with longer duration. Other factors, including increase in interest and dividends, mainly due to increase in dividends from domestic stocks and the depreciation of yen, and increase in gains on sale of domestic stocks and foreign bonds, also helped the increase in investment income. On the other hand, investment losses increased by ¥57,001 million, or 22.2% to ¥314,196 million, mainly due to increase in losses on sale of bonds caused by replacement. As a result, net investment income from general account increased by ¥95,790 million, or 16.4% to ¥679,166 million for the fiscal year ended March 31, 2007.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2008

Japanese economy is likely to show steady growth driven by both strong capital investment and personal consumption, reflecting high corporate earnings, positive economic outlook and improvements in employment and wage condition. Although the economy is likely to slowdown at the beginning of the fiscal year due to global economic stalemate and production adjustment in the technology sector, it is expected to recover during and after summer.

[Domestic interest rate]

Increasing expectation on continuous economic growth and an additional lift of interest rate by Bank of Japan is likely to put upward pressure on domestic interest rates. However, ten-year government bond yield

will unlikely rise far beyond 2.0% due to potentially strong investor demand.

[Domestic stocks]

Domestic stock market is likely to rise gradually throughout the year, reflecting steady economic growth in Japan and the U.S., and healthy corporate earnings.

[Foreign currency]

The U.S. dollar will likely face downward pressure against yen gradually due to narrowing interest rate differentials between two countries. Euro's upward pressure against yen will likely be weaker, since further lift of interest rate by ECB is unexpected.

(4) Investment Policies for the Fiscal Year Ending March 31, 2008

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 invest in bonds with longer duration more actively.
Loans	<u>Flat</u> The Company will provide loans with attention to lending conditions and credit spread levels in the corporate bond market. However, the Company will maintain total balance of loans at the present level, taking into account 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 continuously selecting companies and sectors with high growth potential.
Foreign bonds	<u>Flat</u> Based on the outlook of stable interest and exchange rates, 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, 2006		As of March 31, 2007	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	460,777	1.5	506,784	1.6
Security repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	548,068	1.8	462,329	1.5
Trading account securities	-	-	-	-
Money held in trust	33,854	0.1	32,564	0.1
Securities	22,410,612	72.7	24,211,152	76.0
Domestic bonds	10,486,322	34.0	11,920,676	37.4
Domestic stocks	5,784,498	18.8	6,122,218	19.2
Foreign securities	5,828,533	18.9	5,799,318	18.2
Foreign bonds	4,958,780	16.1	4,483,135	14.1
Foreign stocks and other securities	869,753	2.8	1,316,183	4.1
Other securities	311,257	1.0	368,939	1.2
Loans	5,561,219	18.0	5,062,571	15.9
Policy loans	685,964	2.2	659,269	2.1
Ordinary loans	4,875,254	15.8	4,403,301	13.8
Real estate	1,205,626	3.9	1,167,249	3.7
Real estate for rent	755,358	2.4	740,199	2.3
Deferred tax assets	-	-	-	-
Others	625,103	2.0	405,519	1.3
Reserve for possible loan losses	(11,169)	(0.0)	(11,534)	(0.0)
Total	30,834,094	100.0	31,836,635	100.0
Foreign currency-denominated assets	4,818,419	15.6	4,732,750	14.9

Note: 'Real estate' represents total amount of land, buildings and construction in progress.

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

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Cash, deposits, and call loans	50,748	46,006
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	(20,298)	-
Monetary claims bought	27,945	(85,739)
Trading account securities	-	-
Money held in trust	27,746	(1,290)
Securities	2,258,850	1,800,539
Domestic bonds	789,162	1,434,354
Domestic stocks	1,497,483	337,719
Foreign securities	(79,756)	(29,215)
Foreign bonds	(390,873)	(475,645)
Foreign stocks and other securities	311,117	446,430
Other securities	51,960	57,681
Loans	(242,584)	(498,648)
Policy loans	(26,474)	(26,695)
Ordinary loans	(216,110)	(471,952)
Real estate	(35,966)	(38,377)
Real estate for rent	(26,252)	(15,159)
Deferred tax assets	-	-
Others	247,406	(219,584)
Reserve for possible loan losses	3,042	(365)
Total	2,316,889	1,002,541
Foreign currency-denominated assets	(212,260)	(85,668)

Note: 'Real estate' represents total amount of land, buildings and construction in progress.

(4) Investment Income (General Account)

(Millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2007	
	Amount	%	Amount	%
Interest and dividends	687,293	81.8	771,458	77.7
Interest from deposits	54	0.0	4,838	0.5
Interest and dividends from securities	516,872	61.5	598,916	60.3
Interest from loans	109,383	13.0	106,147	10.7
Rental income	53,467	6.4	52,320	5.3
Other interest and dividends	7,515	0.9	9,234	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	141,636	16.9	202,434	20.4
Gains on sale of domestic bonds	9,639	1.1	12,585	1.3
Gains on sale of domestic stocks	79,397	9.4	91,823	9.2
Gains on sale of foreign securities	52,600	6.3	98,025	9.9
Others	-	-	-	-
Gains on redemption of securities	8,406	1.0	18,508	1.9
Derivative transaction gains	-	-	-	-
Foreign exchange gains	-	-	-	-
Other investment income	651	0.1	961	0.1
Total	840,571	100.0	993,362	100.0

(5) Investment Expense (General Account)

(Millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2007	
	Amount	%	Amount	%
Interest expenses	7,599	3.0	8,844	2.8
Losses on trading account securities	-	-	-	-
Losses on money held in trust	-	-	1,276	0.4
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	113,292	44.0	129,147	41.1
Losses on sale of domestic bonds	49,747	19.3	84,295	26.8
Losses on sale of domestic stocks	30,854	12.0	2,062	0.7
Losses on sale of foreign securities	32,690	12.7	42,790	13.6
Others	-	-	-	-
Losses on valuation of securities	2,164	0.8	12,044	3.8
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	881	0.3	7,483	2.4
Losses on valuation of foreign securities	1,283	0.5	4,561	1.5
Others	-	-	-	-
Losses on redemption of securities	64	0.0	112	0.0
Derivative transaction losses	22,195	8.6	39,861	12.7
Foreign exchange losses	80,881	31.4	79,460	25.3
Provision for reserve for possible loan losses	-	-	946	0
Provision for reserve for possible investment losses	106	0.0	-	-
Write-down of loans	30	0.0	1,981	0.6
Depreciation of rental real estate and others	15,406	6.0	14,067	4.5
Other investment expenses	15,455	6.0	26,453	8.4
Total	257,195	100.0	314,196	100.0

(6) Net Investment Income (General Account)

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Net investment income	583,376	679,166

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2006	Year ended March 31, 2007
Cash, deposits, and call loans	0.03	0.27
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.02	-
Monetary claims bought	0.95	1.18
Trading account securities	-	-
Money held in trust	33.71	(3.73)
Securities	2.38	2.83
Domestic bonds	1.29	1.17
Domestic stocks	3.83	5.25
Foreign securities	3.29	4.35
Foreign bonds	2.99	3.99
Foreign stocks and other securities	5.79	6.17
Loans	1.91	1.69
Ordinary loans	1.50	1.26
Real estate	3.62	3.93
Total	2.11	2.40
Foreign investments	3.25	4.23

- 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, 2006	Year ended March 31, 2007
Cash, deposits, and call loans	2,781	4,255
Security repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	2	-
Monetary claims bought	4,916	5,294
Trading account securities	-	-
Money held in trust	80	340
Securities	189,305	197,529
Domestic bonds	99,781	108,572
Domestic stocks	30,001	30,368
Foreign securities	56,896	55,424
Foreign bonds	50,738	46,279
Foreign stocks and other securities	6,157	9,145
Loans	57,508	54,249
Ordinary loans	50,451	47,447
Real estate	7,822	7,515
Total	276,127	283,491
Foreign investments	59,949	58,790

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

(Millions of yen)

	As of March 31, 2006		As of March 31, 2007	
	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	32,207	1,889	30,803	(1,632)
Money held in trust	32,207	1,889	30,803	(1,632)

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, 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	-	-	-	-	-
	Securities available for sale	14,755,042	17,854,410	3,099,367	3,208,542	109,174
	Domestic bonds	6,136,573	6,134,832	(1,740)	44,043	45,784
	Domestic stocks	2,865,209	5,695,211	2,830,002	2,840,359	10,356
	Foreign securities	5,205,085	5,451,941	246,856	299,733	52,877
	Foreign bonds	4,745,547	4,898,788	153,241	204,169	50,928
	Foreign stocks and other securities	459,538	553,153	93,614	95,564	1,949
	Other securities	248,182	272,431	24,249	24,405	155
	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	133,343
	Domestic bonds	10,488,062	10,525,987	37,924	103,662	65,737
	Domestic stocks	2,865,209	5,695,211	2,830,002	2,840,359	10,356
	Foreign securities	5,265,077	5,507,718	242,640	299,733	57,093
	Foreign bonds	4,805,539	4,954,565	149,025	204,169	55,144
	Foreign stocks and other securities	459,538	553,153	93,614	95,564	1,949
	Other securities	248,182	272,431	24,249	24,405	155
Monetary claims bought	169,992	169,992	-	-	-	
Certificates of deposit	130,000	130,000	-	-	-	
Others	-	-	-	-	-	
As of March 31, 2007						
	Bonds held to maturity	182,711	176,581	(6,129)	306	6,436
	Domestic bonds	122,583	119,278	(3,304)	306	3,611
	Foreign bonds	60,127	57,303	(2,824)	-	2,824
	Policy-reserve-matching bonds	4,796,242	4,888,316	92,074	96,378	4,304
	Domestic bonds	4,796,242	4,888,316	92,074	96,378	4,304
	Stocks of subsidiaries and affiliates	-	-	-	-	-
	Securities available for sale	15,132,601	18,658,322	3,525,721	3,587,064	61,343
	Domestic bonds	6,916,880	7,001,850	84,970	94,060	9,090
	Domestic stocks	2,973,562	6,037,300	3,063,738	3,091,770	28,032
	Foreign securities	4,779,847	5,127,119	347,271	371,050	23,778
	Foreign bonds	4,219,528	4,423,007	203,478	226,017	22,538
	Foreign stocks and other securities	560,319	704,112	143,792	145,032	1,240
	Other securities	242,347	272,089	29,741	30,183	442
	Monetary claims bought	119,962	119,962	-	-	-
	Certificates of deposit	100,000	100,000	-	-	-
	Others	-	-	-	-	-
	Total	20,111,554	23,723,221	3,611,666	3,683,750	72,083
	Domestic bonds	11,835,706	12,009,446	173,739	190,745	17,005
	Domestic stocks	2,973,562	6,037,300	3,063,738	3,091,770	28,032
	Foreign securities	4,839,975	5,184,422	344,447	371,050	26,603
	Foreign bonds	4,279,656	4,480,310	200,654	226,017	25,363
	Foreign stocks and other securities	560,319	704,112	143,792	145,032	1,240
	Other securities	242,347	272,089	29,741	30,183	442
Monetary claims bought	119,962	119,962	-	-	-	
Certificates of deposit	100,000	100,000	-	-	-	
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, 2006 and 2007 amounted to 1,647 million yen and 1,761 million yen, respectively.

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

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	26,154	33,466
Unlisted domestic stocks (except over-the-counter stocks)	19,334	21,315
Unlisted foreign stocks (except over-the-counter stocks)	6,820	6,820
Others	-	5,331
Other securities	661,661	1,026,866
Unlisted domestic stocks (except over-the-counter stocks)	69,953	63,602
Unlisted foreign stocks (except over-the-counter stocks)	309,779	603,622
Unlisted foreign bonds	0	0
Others	281,928	359,641
Total	687,815	1,060,332

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	Gains (losses)	
				Gains	Losses
As of March 31, 2006					
	Bonds held to maturity	182,018	173,223	(8,795)	8,875
	Domestic bonds	122,026	117,446	(4,580)	4,660
	Foreign bonds	59,992	55,776	(4,215)	4,215
	Policy-reserve-matching bonds	4,229,463	4,273,708	44,245	15,293
	Domestic bonds	4,229,463	4,273,708	44,245	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
	Other securities	-	-	-	-
	Securities available for sale	15,416,704	18,516,072	3,099,367	109,174
	Domestic bonds	6,136,573	6,134,832	(1,740)	45,784
	Domestic stocks	2,935,162	5,765,164	2,830,002	10,356
	Foreign securities	5,514,865	5,761,721	246,855	52,877
	Foreign bonds	4,745,547	4,898,788	153,241	50,928
	Foreign stocks and other securities	769,318	862,933	93,614	1,949
	Other securities	287,008	311,257	24,249	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	134,130
	Domestic bonds	10,488,062	10,525,987	37,924	65,737
	Domestic stocks	2,954,496	5,784,498	2,830,002	10,356
	Foreign securities	5,581,677	5,823,531	241,853	57,880
	Foreign bonds	4,805,539	4,954,565	149,025	55,144
	Foreign stocks and other securities	776,138	868,966	92,827	2,736
	Other securities	287,008	311,257	24,249	155
	Monetary claims bought	413,095	413,095	-	-
	Certificates of deposit	130,000	130,000	-	-
	Others	-	-	-	-
As of March 31, 2007					
	Bonds held to maturity	182,711	176,581	(6,129)	6,436
	Domestic bonds	122,583	119,278	(3,304)	3,611
	Foreign bonds	60,127	57,303	(2,824)	2,824
	Policy-reserve-matching bonds	4,796,242	4,888,316	92,074	4,304
	Domestic bonds	4,796,242	4,888,316	92,074	4,304
	Stocks of subsidiaries and affiliates	33,466	32,957	(508)	508
	Domestic stocks	21,315	21,315	-	-
	Foreign stocks	8,417	7,908	(508)	508
	Other securities	3,733	3,733	-	-
	Securities available for sale	16,159,467	19,685,199	3,525,732	61,343
	Domestic bonds	6,916,880	7,001,850	84,970	9,090
	Domestic stocks	3,037,164	6,100,903	3,063,738	28,032
	Foreign securities	5,383,490	5,730,773	347,282	23,778
	Foreign bonds	4,219,528	4,423,007	203,478	22,538
	Foreign stocks and other securities	1,163,962	1,307,765	143,803	1,240
	Other securities	335,463	365,205	29,741	442
	Monetary claims bought	386,467	386,467	-	-
	Certificates of deposit	100,000	100,000	-	-
	Others	-	-	-	-
	Total	21,171,887	24,783,056	3,611,169	72,591
	Domestic bonds	11,835,706	12,009,446	173,739	17,005
	Domestic stocks	3,058,479	6,122,218	3,063,738	28,032
	Foreign securities	5,452,036	5,795,985	343,949	27,112
	Foreign bonds	4,279,656	4,480,310	200,654	25,363
	Foreign stocks and other securities	1,172,379	1,315,674	143,294	1,748
	Other securities	339,197	368,939	29,741	442
	Monetary claims bought	386,467	386,467	-	-
	Certificates of deposit	100,000	100,000	-	-
	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, 2006 and 2007 amounted to 1,647 million yen and 1,761 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, 2006	33,854	33,854	1,889	2,114	224
As of March 31, 2007	32,564	32,564	(1,632)	2,142	3,775

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, 2006		As of March 31, 2007	
	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	32,207	1,889	30,803	(1,632)

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, 2006					As of March 31, 2007				
	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	1,647	1,647	-	-	-	1,761	1,761	-	-	-

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, 2006	As of March 31, 2007
Securities	3,134,030	3,611,169
Domestic bonds	37,924	173,739
Domestic stocks	2,830,002	3,063,738
Foreign securities	241,853	343,949
Foreign bonds	149,025	200,654
Foreign stocks and other securities	92,827	143,294
Other securities	24,249	29,741
Real estate	1,313	77,063
Total (including others not listed above)	3,131,662	3,687,214

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 , 2006	As of March 31 , 2007		As of March 31 , 2006	As of March 31 , 2007
(ASSETS)			(LIABILITIES)		
Cash and deposits	268,699	267,350	Policy reserves and others	27,259,079	28,110,969
Cash	1,244	1,255	Reserves for outstanding claims	159,603	154,114
Bank deposits	267,455	266,094	Policy reserves	26,727,294	27,598,685
Call loans	218,000	272,000	Reserve for policyholder dividends	372,182	358,170
Monetary claims bought	548,068	462,329	Reinsurance payables	471	852
Money held in trust	33,854	32,564	Subordinated bonds	58,735	59,007
Securities	24,011,864	25,902,665	Other liabilities	1,277,097	1,045,795
Government bonds	7,181,457	8,862,167	Collateral for securities lending transactions	601,400	616,766
Local government bonds	788,208	567,153	Long-term debt and other borrowings	130,056	130,046
Corporate bonds	2,892,673	2,886,726	Corporate income tax payable	45,245	56,849
Stocks	6,315,120	6,674,631	Accounts payable	322,020	75,734
Foreign securities	6,276,260	6,277,996	Accrued expenses	36,875	41,619
Other securities	558,144	633,989	Unearned revenue	5,895	2,794
Loans	5,561,219	5,062,571	Deposits received	58,555	56,706
Policy loans	685,964	659,269	Guarantee deposits received	33,887	35,336
Ordinary loans	4,875,254	4,403,301	Derivatives	39,791	28,129
Ordinary loans	4,848,811	4,377,426	Suspense receipt	3,369	1,263
Trust loans	26,443	25,874	Other liabilities	-	549
Real estate and movable assets	1,211,132	-	Reserve for possible claims payment	-	5,500
Land	734,047	-	Reserve for employees' retirement benefits	452,298	466,632
Buildings	458,538	-	Reserve for retirement benefits of directors and executive officer	-	1,645
Movable assets	5,505	-	Reserve for price fluctuations	193,453	207,453
Construction in progress	13,040	-	Deferred tax liabilities	582,810	657,857
Tangible fixed assets	-	1,173,227	Deferred tax liabilities for land revaluation	128,347	126,794
Land	-	721,616	Acceptances and guarantees	17,515	15,581
Buildings	-	440,596	Total liabilities	29,969,808	30,698,088
Construction in progress	-	5,036	(CAPITAL)		
Other tangible fixed assets	-	5,978	Foundation funds	110,000	-
Intangible fixed assets	-	98,923	Accumulated redeemed foundation funds	250,000	-
Software	-	64,270	Revaluation reserve	248	-
Other intangible fixed assets	-	34,653	Surplus	253,321	-
Reinsurance receivables	100	124	Reserve for future losses	4,300	-
Other assets	627,542	302,484	General reserve	101,464	-
Accounts receivable	270,131	46,403	Reserve for redemption of foundation funds	44,700	-
Prepaid expenses	15,391	15,473	Fund for risk allowance	43,139	-
Accrued revenue	160,817	164,327	Reserve for tax basis adjustments of real estate	13,497	-
Deposits	44,474	43,642	Other reserves	128	-
Margin money for futures trading	4,704	4,597	Unappropriated net surplus for the period	147,556	-
Differential account for futures trading	73	1	(Net surplus for the year)	(151,407)	-
Derivatives	7,448	4,505	Reserve for land revaluation	(78,186)	-
Deferred hedge losses	3	-	Net unrealized gains on securities, net of tax	1,981,425	-
Suspense payment	10,345	8,093	Total capital	2,516,809	-
Other assets	114,151	15,441	Total liabilities and capital	32,486,618	-
Customers' liabilities for acceptances and guarantees	17,515	15,581	(NET ASSETS)		
Reserve for possible loan losses	(11,169)	(11,534)	Foundation funds	-	140,000
Reserve for possible investment losses	(210)	(86)	Accumulated redeemed foundation funds	-	280,000
			Revaluation reserve	-	248
			Surplus	-	265,871
			Reserve for future losses	-	4,700
			Other surplus	-	261,171
			Reserve for redemption of foundation funds	-	36,400
			Fund for risk allowance	-	43,139
			Fund for price fluctuation allowance	-	10,000
			Reserve for tax basis adjustments of real estate	-	13,891
			Other reserves	-	122
			Unappropriated net surplus for the period	-	157,618
			Total of Foundation Funds and surplus	-	686,119
			Net unrealized gains on securities, net of tax	-	2,253,999
			Deffered hedge gains / losses	-	(2)
			Reserve for land revaluation	-	(60,005)
			Total of valuation and translation adjustments	-	2,193,991
			Total net assets	-	2,880,111
Total assets	32,486,618	33,578,200	Total liabilities and net assets	-	33,578,200

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 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).

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 net assets 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 (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 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, 2007 amounted to ¥4,796,242 million. The market value of these bonds as of March 31, 2007 was ¥4,888,316 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 net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.

The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2007 was ¥31,198 million.

6. Depreciation of Tangible Fixed 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. Assets in 'other tangible fixed assets' that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated by equal amounts over three years.

Accumulated depreciation of tangible fixed assets as of March 31, 2007 was ¥573,047 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, 2007 was ¥7,606 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 ¥25,874 million and are included as trust loans in the non-consolidated balance sheet. The reserve for possible loan losses for these 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, 2007 was ¥85,857million.

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, 2007 was as follows:

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

	(Millions of yen)
a. Projected benefit obligations	¥ (626,629)
b. Pension assets	107,256
c. Unfunded benefit obligations (a + b)	(519,372)
d. Unrecognized actuarial differences	74,245
e. Unrecognized gains on plan amendments	(21,505)
f. Net amount recognized on the non-consolidated balance sheet (c + d + e)	(466,632)
g. Prepaid pension expenses	—
h. Reserve for employees' retirement benefits (f – g)	¥ (466,632)

(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—7 years starting from the following fiscal year
- Amortization period for gains on plan amendments—7 years

11. Reserve for Possible Investment Losses

In order to provide for future 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. Lease Transactions

Financial leases, other than those whose ownership transfer to the lessee are accounted for in the same manner applicable to ordinary operating leases.

14. Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” issued on August 11, 2006 by the Accounting Standards Board of Japan. 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 foreign currency forward contracts against exchange rate fluctuations in certain foreign currency-denominated loans and term deposits, and the fair value hedge method is used for hedges by currency options and foreign currency forward contracts 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.

15. 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 Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

16. 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.

17. Amortization of Intangible Fixed Assets

The Company uses the straight-line method of amortization for intangible fixed assets. Amortization of software in own use is based on the estimated useful life of five years.

18. Reserve for Retirement Benefits of Directors and Executive Officers

Retirement benefits of directors and executive officers, formerly recognized as expenses when they are paid, were abolished, and payment of benefits for past service upon retirement was approved by the general meeting of representative policyholders held for the fiscal year ended March 31, 2006. As a result of such a change, the amount of benefits for past service was provided for a reserve. The amount of ¥141 million for the service for the fiscal year ended March 31, 2007 is reported as an operating expense, while the amount of ¥1,720 million for past service during and before the fiscal year ended March 31, 2006 is reported as an extraordinary expense. As a result, net surplus from operations and net surplus before adjustment for taxes, etc. decreased by ¥141 million and ¥1,862 million, respectively.

19. Reserve for Possible Claims Payment

In order to provide for future additional payment of claims and benefits as a result of guidance to policyholders, estimated amount of additional future payment of claims for specific disease and hospitalization benefits, based on experience on actual guidance, was reported as a reserve for possible claims payment.

20. Examinations and Guidance on Possible Claims Payment

Examinations and subsequent guidance by the Company for cases with possible additional claims payment are underway. With regard to claims for specific disease and hospitalization benefits, whose examinations are completed and subsequent guidance has been started, estimated amount of additional payment, based on experience on actual guidance, is reported as a reserve for possible claims payment. Examination of other claims and benefits, however, is in progress, and estimation of additional payment for such claims is not practical.

21. Compound Financial Instruments

Effective the fiscal year ended March 31, 2007, the Company applied “Guidance on Accounting for other Compound Financial Instruments (Compound Financial Instruments Other than Those with Option to Increase Paid-in Capital) (ASBJ Guidance No.12, March 30, 2006)”. As a result, net unrealized gains on securities, net of tax and deferred tax liabilities increased by ¥215 million and ¥121 million, respectively. In addition, net surplus from operations and net surplus before adjustment for taxes, etc. each decreased by ¥423 million.

22. Presentation of Net Assets

Effective the fiscal year ended March 31, 2007, the Company applied “Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No.5, December 9, 2005)” and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No.8, December 9, 2005)”. Amount of capital by the former accounting standard as of March 31, 2007 was ¥2,880,114 million.

23. Presentations of Fixed Assets

Effective the fiscal year ended March 31, 2007, in accordance with the revised format attached to the Enforcement Regulations of the Insurance Business Law (Article 59 of the Cabinet Office Ordinance, April 27, 2006), presentations in the non-consolidated balance sheet were revised as follows:

- ‘Real estate and movable assets’ was revised to ‘tangible fixed assets’.
- ‘Intangible fixed assets’ included in ‘other assets’ was independently reported as ‘intangible fixed assets’. The amount of intangible fixed assets included in other assets as of March 31, 2006 was ¥99,454 million.

24. Presentation of Bonds

Effective the fiscal year ended March 31, 2007, ‘subordinated bonds’ in liabilities, formerly reported in face value, was presented in net amount after deducting discount on bonds, in accordance with “Tentative Solution on Accounting for Deferred Assets” issued on August 11, 2006 by the Accounting Standards Board of Japan. The amount of discount on bonds deducted from bonds was ¥17 million.

25. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent was ¥708,016 million.

26. 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 ¥18,883 million. The amount of credits to bankrupt borrowers was ¥4,022 million, the amount of delinquent loans was ¥11,725 million, the amount of loans past due for three months or more was ¥1,539 million, and the amount of restructured loans was ¥1,595 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 ¥4,494 million and ¥3,111 million, respectively.

27. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Law was ¥1,766,012 million. Separate account liabilities were the same amount as separate account assets.

28. Receivables and Payables to Subsidiaries

The total amounts of receivables and payables to subsidiaries and affiliated companies were ¥865 million and ¥5,178 million, respectively.

29. Application of Deferred Tax Accounting

Total deferred tax assets were ¥647,382 million. Total deferred tax liabilities were ¥1,290,902 million. Valuation allowance for deferred tax assets was ¥14,336 million.

Major components of deferred tax assets were as follows:

	(Millions of yen)
Insurance policy reserve	¥ 368,515
Reserve for employees' retirement benefits	168,314
Reserve for price fluctuations	74,828
Reserve for possible loan losses	5,695

Major components of deferred tax liabilities were as follows:

	(Millions of yen)
Net unrealized gains on securities	¥ 1,268,814

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, 2007 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 19.89%.

30. Leased Computers

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

31. 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	¥ 372,182
Transfer from surplus in previous fiscal year	112,247
Dividends paid in fiscal year	(137,814)
Interest accrual in fiscal year	11,554
	<hr/>
Balance at the end of fiscal year	¥ 358,170

32. Stocks of Subsidiaries

The amount of stocks and equities of subsidiaries and affiliated companies the Company held was ¥33,466 million.

33. Assets Pledged as Collateral / Secured Liabilities

Amount of securities and cash/deposits pledged as collateral was ¥46,079 million and ¥86 million, respectively. Secured liabilities totaled ¥46 million.

34. Reinsurance

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

35. Adjustment Items for Redemption of Foundation Funds and Appropriation of Net Surplus

The total amount of adjustment items for redemption of foundation funds and appropriation of net surplus, defined in Article 30, Paragraph 2 of the Enforcement Regulations of the Insurance Business Law, was ¥2,254,245 million.

36. Additional Foundation Funds

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

37. 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.

38. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥20,538 million.

39. Subordinated Debt

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

40. Subordinated Bonds

Subordinated bonds of ¥59,007 million shown in liabilities were foreign currency-denominated subordinated bonds of US\$499 million whose repayment is subordinated to other obligations.

41. Assets Denominated in Foreign Currencies

Assets of the Company denominated in foreign currencies totaled ¥5,211,905 million. The principal foreign currency asset amounts were US\$23,200 million and 10,809 million euros.

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

The future obligations of the Company estimated as of March 31, 2007, 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 ¥1,658 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, 2007 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥65,285 million. These obligations will be recognized as operating expenses in the years in which they are paid.

5. Non-Consolidated Statements of Earnings

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
ORDINARY REVENUES	5,016,821	4,689,556
Premium and other income	3,400,393	3,293,707
Premium income	3,399,526	3,293,036
Reinsurance income	867	670
Investment income	1,154,639	1,088,348
Interest and dividends	687,293	771,458
Interest from bank deposits	54	4,838
Interest and dividends from securities	516,872	598,916
Interest from loans	109,383	106,147
Rental income	53,467	52,320
Other interest and dividends	7,515	9,234
Gains on money held in trust	2,583	-
Gains on sale of securities	141,636	202,434
Gains on redemption of securities	8,406	18,508
Other investment income	651	961
Gains on investment in separate accounts	314,067	94,986
Other ordinary revenues	461,788	307,500
Fund receipt for annuity rider of group insurance	1,163	1,299
Fund receipt for claim deposit payment	328,142	281,513
Transfer from reserves for outstanding claims	114,666	5,488
Other ordinary revenues	17,815	19,198
ORDINARY EXPENSES	4,795,278	4,452,698
Benefits and claims	2,782,498	2,377,981
Claims	901,807	785,051
Annuities	314,024	352,993
Benefits	485,939	468,612
Surrender values	880,832	665,028
Other refunds	198,612	105,158
Ceding reinsurance commissions	1,282	1,136
Provision for policy reserves and others	917,492	882,945
Provision for policy reserves	905,505	871,390
Provision for interest on policyholder dividends	11,987	11,554
Investment expenses	257,195	314,196
Interest expenses	7,599	8,844
Losses on money held in trust	-	1,276
Losses on sale of securities	113,292	129,147
Losses on valuation of securities	2,164	12,044
Losses on redemption of securities	64	112
Derivative transaction losses	22,195	39,861
Foreign exchange losses	80,881	79,460
Provision for reserve for possible loan losses	-	946
Provision for reserve for possible investment losses	106	-
Write-down of loans	30	1,981
Depreciation of rented real estate and others	15,406	14,067
Other investment expenses	15,455	26,453
Operating expenses	419,539	433,707
Other ordinary expenses	418,551	443,867
Claim deposit payments	346,747	359,664
National and local taxes	24,694	25,002
Depreciation	29,830	29,803
Provision for reserve for possible claims payment	-	5,500
Provision for reserve for employees' retirement benefi	8,493	14,333
Other ordinary expenses	8,784	9,564
NET SURPLUS FROM OPERATIONS	221,542	236,857
EXTRAORDINARY GAINS	3,628	3,807
Gains on disposal of fixed assets	1,384	3,036
Reversal of reserve for possible loan losses	2,244	-
Reversal of reserve for possible investment losses	-	123
Other extraordinary gains	-	647
EXTRAORDINARY LOSSES	38,740	33,660
Losses on disposal of fixed assets	12,545	7,187
Impairment losses on fixed assets	12,261	9,820
Provision for reserve for price fluctuations	13,000	14,000
Other extraordinary losses	932	2,652
Net surplus before adjustment for taxes, etc.	186,431	207,004
Corporate income taxes-current	89,616	112,432
Corporate income tax-deferred	(54,592)	(80,296)
Net surplus for the year	151,407	174,867
Transfer from subsidy for social public enterprise	826	-
Transfer from fund for Public Health Awards	52	-
Transfer from fund for Green Design Award	54	-
Transfer from reserve for land revaluation	(4,783)	-
Unappropriated net surplus for the year	147,556	-

Notes to the Non-Consolidated Statement of Earnings

1. Yen Amounts

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

2. Presentations of Non-Consolidated Statement of Earnings

Effective the fiscal year ended March 31, 2007, in accordance with the revised format attached to the Enforcement Regulations of the Insurance Business Law (Article 59 of the Cabinet Office Ordinance, April 27, 2006), presentations in the non-consolidated statement of earnings were revised as follows:

- “Gains/losses on disposal of real estate and movable assets” was revised to “gains/losses on disposal of fixed assets”.
- The last item in the bottom of the statement of earnings was revised to end by “net surplus for the year”.

3. Revenues and Expenses from Transactions with Subsidiaries

Total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥4,218 million and ¥25,864 million, respectively.

4. 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 ¥12,585 million, ¥91,823 million and ¥98,025 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥84,295 million, ¥2,062 million and ¥42,790 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥7,483 million and ¥4,561 million, respectively.

5. Reinsurance

In calculating reversal of reserves for outstanding claims, there was no adjustment of reversal of reserve for outstanding claims reinsured. In calculating provision for policy reserves, reversal of policy reserve reinsured of ¥0 million was added back.

6. Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥1,632 million.

7. Derivative Transaction Losses

Derivative transaction losses included valuation gains of ¥2,093 million.

8. Retirement Benefit Expenses

Retirement benefit expenses were ¥48,150 million, comprised of the following:

		(Millions of yen)
Service cost	¥	24,750
Interest cost		10,391
Estimated investment income		(1,734)
Amortization of unrecognized actuarial differences		20,119
Amortization of unrecognized gains on plan amendments		(5,376)
Retirement benefit expenses	¥	48,150

9. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2007 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each 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 was as follows:

Asset Group	Number	Impairment Losses				(Millions of yen)
		Lands	Land Leasing Rights	Buildings	Total	
Real estate for rent	1	¥ 1,367	¥ —	¥ 6,650	¥ 8,017	
Real estate not in use	32	1,396	1	405	1,803	
Total	33	¥ 2,763	¥ 1	¥ 7,055	¥ 9,820	

(4) Calculation of Recoverable Value

Value in use or net sales value is used as recoverable value of real estate for rent, and net sale value is used as recoverable value of real estate not in use. Discount rate of 3.24% 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 used as net sale value.

10. Other Extraordinary Gains

Other extraordinary gains were gains on collection of loans and claims written off of ¥647 million.

11. Other Extraordinary Losses

Other extraordinary losses were the cost for past service during and before the fiscal year ended March 31, 2006 of ¥1,720 million, as a result of the introduction of a reserve for retirement benefits of directors and executive officers, as described in note 18. of the non-consolidated balance sheet.

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

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Fundamental revenues	4,872,600	4,487,121
Premium and other income	3,400,393	3,293,707
Investment income	1,010,418	885,914
[Interest and dividends]	687,293	771,458
Other ordinary revenues	461,788	307,500
[Transfer from policy reserves]	-	-
Fundamental expense	4,403,105	3,989,302
Benefits and claims	2,782,498	2,377,981
Provision for policy reserves and others	743,990	682,943
Investment expenses	38,525	50,801
Operating expenses	419,539	433,707
Other ordinary expenses	418,551	443,867
Fundamental profit A	469,495	497,819
Capital gains	144,220	202,434
Gains on money held in trust	2,583	-
Gains on investments in trading securities	-	-
Gains on sale of securities	141,636	202,434
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Gains on trading account securities	-	-
Others	-	-
Capital losses	218,533	261,791
Losses on money held in trust	-	1,276
Losses on investments in trading securities	-	-
Losses on sale of securities	113,292	129,147
Losses on valuation of securities	2,164	12,044
Derivative transaction losses	22,195	39,861
Foreign exchange losses	80,881	79,460
Losses on trading account securities	-	-
Others	-	-
Net capital gains B	(74,313)	(59,356)
Fundamental profit plus net capital gains A+B	395,182	438,463
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Others	-	-
Other one-time losses	173,639	201,605
Ceding reinsurance commissions	-	-
Provision for contingency reserve	173,502	200,002
Provision for specific reserve for possible loan losses	-	(378)
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	30	1,981
Others	106	-
Other one-time profits C	(173,639)	(201,605)
Net surplus from operations A+B+C	221,542	236,857

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

7. Non-Consolidated Statement of Changes in Net Assets

(Millions of yen)

(Millions of yen)															
	Foundation funds and surplus														Total of foundation funds and surplus
	Foundation funds	Accumulated redeemed foundation funds	Revaluation reserve	Reserve for future losses	Surplus									Total of surplus	
					Reserve for redemption of foundation funds	Fund for risk allowance	Fund for price fluctuation allowance	Subsidy for social public enterprise	Fund for Public Health Awards	Fund for Green Design Award	Reserve for tax basis adjustments of real estate	Other reserves	Unappropriated net surplus for the year		
Beginning balance as of March 31, 2006	110,000	250,000	248	4,300	44,700	43,139	-	9	10	8	13,497	100	147,556	253,321	613,570
Changes for the year															
Finaicing of additional foundation funds	60,000													-	60,000
Transfer to reserve for policyholder dividends													(112,247)	(112,247)	(112,247)
Transfer to reserve for future losses				400									(400)	-	-
Transfer to accumulated redeemed foundation funds		30,000			(30,000)									(30,000)	-
Interest payment for foundation funds													(1,889)	(1,889)	(1,889)
Net surplus for the year													174,867	174,867	174,867
Redemption of foundation funds	(30,000)													-	(30,000)
Transfer to reserve for redemption of foundation funds					21,700								(21,700)	-	-
Transfer to fund for price fluctuation allowance							10,000						(10,000)	-	-
Transfer to subsidy for social public enterprise								826					(826)	-	-
Transfer from subsidy for social public enterprise								(826)					826	-	-
Transfer to fund for Public Health Awards									50				(50)	-	-
Transfer from fund for Public Health Awards									(53)				53	-	-
Transfer to fund for Green Design Award										50			(50)	-	-
Transfer from fund for Green Design Award										(52)			52	-	-
Transfer to reserve for tax basis adjustments of real estate											569		(569)	-	-
Transfer from reserve for tax basis adjustments of real estate											(176)		176	-	-
Transfer from reserve for land revaluation													(18,181)	(18,181)	(18,181)
Net changes of items other than foundation funds and surplus															
Changes for the year	30,000	30,000	-	400	(8,300)	-	10,000	-	(3)	(2)	393	-	10,061	12,549	72,549
Ending balance as of March 31, 2007	140,000	280,000	248	4,700	36,400	43,139	10,000	9	6	6	13,891	100	157,618	265,871	686,119

	Valuation and translation adjustments				Total
	Net unrealized gains on securities, net of tax	Deferred hedge gains/losses	Reserve for land revaluation	Total of valuation and translation adjustments	
Beginning balance as of March 31, 2006	1,981,425	-	(78,186)	1,903,239	2,516,809
Changes for the year					
Finaicing of additional foundation funds					60,000
Transfer to reserve for policyholder dividends					(112,247)
Transfer to reserve for future losses					-
Transfer to accumulated redeemed foundation funds					-
Interest payment for foundation funds					(1,889)
Net surplus for the year					174,867
Redemption of foundation funds					(30,000)
Transfer to reserve for redemption of foundation funds					-
Transfer to fund for price fluctuation allowance					-
Transfer to subsidy for social public enterprise					-
Transfer from subsidy for social public enterprise					-
Transfer to fund for Public Health Awards					-
Transfer from fund for Public Health Awards					-
Transfer to fund for Green Design Award					-
Transfer from fund for Green Design Award					-
Transfer to reserve for tax basis adjustments of real estate					-
Transfer from reserve for tax basis adjustments of real estate					-
Transfer from reserve for land revaluation					(18,181)
Net changes of items other than foundation funds and surplus	272,573	(2)	18,181	290,752	290,752
Changes for the year	272,573	(2)	18,181	290,752	363,302
Ending balance as of March 31, 2007	2,253,999	(2)	(60,005)	2,193,991	2,880,111

8. Non-Consolidated Statements of Surplus

(Thousands of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Unappropriated net surplus for the year	147,556,703	157,618,169
Transfer from general reserve	176,249	163,650
Transfer from reserve for tax basis adjustments of real estate	176,249	163,650
Total	147,732,953	157,781,819
Appropriation of unappropriated net surplus	147,732,953	157,781,819
Reserve for policyholder dividends	112,247,967	114,169,449
Net surplus	35,484,986	43,612,369
Reserve for future losses	400,000	400,000
Interest payment for foundation funds	1,889,000	2,678,120
General reserve	33,195,986	40,534,249
Reserve for redemption of foundation funds	21,700,000	26,200,000
Fund for price fluctuation allowance	10,000,000	10,000,000
Subsidy for social public enterprise	826,000	2,326,000
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	569,986	1,908,249

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

9. Disclosed Claims Based on Categories of Obligors

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Claims against bankrupt and quasi-bankrupt obligors	4,895	4,791
Claims with collection risk	14,741	10,985
Claims for special attention	3,265	3,135
Subtotal (I)	22,901	18,912
[Percentage (I)/(II)]	[0.37]	[0.33]
Claims against normal obligors	6,182,171	5,792,650
Total (II)	6,205,073	5,811,562

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.

10. Risk-Monitored Loans

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Credits to bankrupt borrowers (I)	1,067	4,022
Delinquent loans (II)	18,566	11,725
Loans past due for three months or more (III)	1,131	1,539
Restructured loans (IV)	2,134	1,595
Total ((I)+(II)+(III)+(IV))	22,899	18,883
[Percentage of total loans]	[0.41]	[0.37]

- 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, 2006 and 2007 were ¥1,854 million and ¥4,494 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2006 and 2007 were ¥7,175 million and ¥3,111 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.

11. Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Total solvency margin (A)	5,239,967	6,031,846
Net assets (less certain items) ^{*1}	420,759	571,015
Reserve for price fluctuations	193,453	207,453
Contingency reserve	758,110	958,112
General reserve for possible loan losses	5,152	6,477
Net unrealized gains on securities (before tax) x 90% ^{*2}	2,789,431	3,173,159
Net unrealized gains (losses) on real estate x 85% ^{*2}	(48,847)	65,503
Qualifying subordinated debt	188,735	189,007
Excluded items	(5,750)	(5,750)
Others	938,922	866,866
Total risk $\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	956,568	1,038,295
Insurance risk R_1	206,836	204,946
Assumed investment yield risk R_2	164,769	163,656
Investment risk R_3	742,873	825,908
Business risk R_4	22,357	23,967
Guaranteed minimum benefit risk R_7 ^{*3}	3,383	3,842
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1095.5%	1,161.8%

*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: 1. The above figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996.
2. In accordance with the revision of the Enforcement Regulations of the Insurance Business Law, the calculation basis of total solvency margin as of March 31, 2007 is partly changed from that as of March 31, 2006. Figures above as of March 31, 2006 are based on former basis.
3. "Net assets" as of March 31, 2006 shows the amount of "capital" as of March 31, 2006.

12. Status of Separate Account for the Fiscal Year Ended March 31, 2007

(1) Separate Account Assets by Product

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Individual variable insurance	69,305	70,722
Individual variable annuities	272,971	291,197
Group annuities	1,331,818	1,404,092
Separate account total	1,674,095	1,766,012

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(Millions of yen except number of policies)

	As of March 31, 2006		As of March 31, 2007	
	Number	Amount	Number	Amount
Variable insurance (term life)	366	1,759	327	1,581
Variable insurance (whole life)	51,594	325,805	50,574	319,017
Total	51,960	327,564	50,901	320,598

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, 2006		As of March 31, 2007	
	Amount	%	Amount	%
Cash, deposits, and call loans	2	0.0	2	0.0
Securities	65,752	94.9	66,036	93.4
Domestic bonds	18,523	26.7	17,738	25.1
Domestic stocks	25,810	37.2	26,745	37.8
Foreign securities	21,417	30.9	21,552	30.5
Foreign bonds	8,385	12.1	8,205	11.6
Foreign stocks and other securities	13,032	18.8	13,347	18.9
Other securities	-	-	-	-
Loans	-	-	-	-
Others	3,551	5.1	4,683	6.6
Reserve for possible loan losses	-	-	-	-
Total	69,305	100.0	70,722	100.0

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

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Interest and dividends	1,143	1,226
Gains on sales of securities	6,068	5,973
Gains on redemption of securities	-	-
Gains on valuation of securities	13,707	10,209
Foreign exchange gains	151	187
Derivative transaction gains	46	63
Other investment income	0	0
Losses on sales of securities	1,819	1,626
Losses on redemption of securities	-	-
Losses on valuation of securities	5,086	11,492
Foreign exchange losses	112	192
Derivative transaction losses	43	59
Other investment expenses	2	2
Net investment income	14,052	4,286

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, 2006		As of March 31, 2007	
	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	65,752	8,621	66,036	(1,283)

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, 2006 or 2007.

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

(Millions of yen except number of policies)

	As of March 31, 2006		As of March 31, 2007	
	Number	Amount	Number	Amount
Individual variable annuities	52,226	258,406	54,906	276,891

B. Breakdown of separate account assets for individual variable annuities

(Millions of yen)

	As of March 31, 2006		As of March 31, 2007	
	Amount	%	Amount	%
Cash, deposits, and call loans	4,772	1.7	4,250	1.5
Securities	264,950	97.1	284,555	97.7
Domestic bonds	5,052	1.9	5,407	1.9
Domestic stocks	4,384	1.6	4,439	1.5
Foreign securities	8,626	3.2	9,657	3.3
Foreign bonds	4,255	1.6	3,917	1.3
Foreign stocks and other securities	4,371	1.6	5,740	2.0
Other securities	246,886	90.4	265,050	91.0
Loans	-	-	-	-
Others	3,248	1.2	2,391	0.8
Reserve for possible loan losses	-	-	-	-
Total	272,971	100.0	291,197	100.0

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

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Interest and dividends	4,728	7,485
Gains on sales of securities	1,021	895
Gains on redemption of securities	-	-
Gains on valuation of securities	66,417	71,122
Foreign exchange gains	4	4
Derivative transaction gains	0	0
Other investment income	0	0
Losses on sales of securities	212	246
Losses on redemption of securities	-	-
Losses on valuation of securities	17,612	65,890
Foreign exchange losses	3	5
Derivative transaction losses	0	0
Other investment expenses	30	13
Net investment income	54,311	13,352

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, 2006		As of March 31, 2007	
	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	264,950	48,804	284,555	5,232

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, 2006 or 2007.

13.Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

	Fiscal year ended March 31,2006	Fiscal year ended March 31,2007
Ordinary revenues	5,049,373	4,695,605
Net surplus from operations	223,682	239,447
Net surplus for the year	151,806	176,846
Total assets	32,504,637	33,600,059

(2) Scope of Consolidation and Application of Equity Method

	Fiscal year ended March 31,2006	Fiscal year ended March 31,2007
Number of consolidated subsidiaries	8	10
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	10	10

(3) Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2006	As of March 31,2007		As of March 31,2006	As of March 31,2007
(ASSETS)			(LIABILITIES)		
Cash and deposits	281,763	281,409	Policy reserves and others	27,259,079	28,115,690
Call Loans	218,000	272,000	Reserves for outstanding claims	159,603	154,119
Monetary claims bought	548,068	462,329	Policy reserves	26,727,294	27,603,400
Money held in trust	33,854	32,564	Reserve for policyholder dividends	372,182	358,170
Securities	24,011,618	25,904,324	Reinsurance payables	471	852
Loans	5,561,682	5,063,247	Subordinated bonds	58,735	59,007
Real estate and movable assets	1,211,316	-	Other liabilities	1,287,739	1,052,716
Tangible fixed assets	-	1,173,778	Reserve for possible claims payment	-	5,500
Intangible fixed assets	-	98,326	Reserve for employees' retirement benefits	453,688	468,312
Reinsurance receivables	100	124	Reserve for retirement benefits of directors and executives	-	1,652
Other assets	630,592	306,583	Reserve for price fluctuations	193,453	207,453
Deferred tax assets	1,519	1,444	Deferred tax liabilities	582,838	657,928
Customers' liabilities for acceptances and guarantees	17,515	15,581	Deferred tax liabilities for land revaluation	128,347	126,794
Reserve for possible loan losses	(11,181)	(11,568)	Acceptances and guarantees	17,515	15,581
Reserve for possible investment losses	(212)	(87)	Total liabilities	29,981,868	30,711,489
			(MINORITY INTERESTS)		
			Minority interests	916	-
			(CAPITAL)		
			Foundation funds	110,000	-
			Accumulated redeemed foundation funds	250,000	-
			Revaluation reserve	248	-
			Consolidated surplus	258,955	-
			Reserve for land revaluation	(78,186)	-
			Net unrealized gains on securities, net of tax	1,981,440	-
			Foreign currency translation adjustments	(605)	-
			Total capital	2,521,852	-
			Total liabilities, minority interests and capital	32,504,637	-
			(NET ASSETS)		
			Foundation funds	-	140,000
			Accumulated redeemed foundation funds	-	280,000
			Revaluation reserve	-	248
			Consolidated surplus	-	273,483
			Total of Foundation Funds and surplus	-	693,732
			Net unrealized gains on securities, net of tax	-	2,253,984
			Deferred hedge gains / losses	-	(2)
			Reserve for land revaluation	-	(60,005)
			Foreign currency translation adjustments	-	(141)
			Total of Valuation and translation adjustments	-	2,193,835
			Minority interests	-	1,001
			Total net assets	-	2,888,569
Total assets	32,504,637	33,600,059	Total liabilities and net assets	-	33,600,059

(4) Consolidated Statements of Earnings

(Millions of yen)

	Year ended March 31,2006	Year ended March 31,2007
ORDINARY REVENUES	5,049,373	4,695,605
Premium and other income	3,400,393	3,293,707
Investment income	1,180,170	1,086,870
Interest and dividends	686,193	769,707
Gains on money held in trust	2,583	-
Gains on sale of securities	140,986	202,434
Gains on redemption of securities	8,406	18,519
Other investment income	27,932	1,223
Gains on investment in separate accounts	314,067	94,986
Other ordinary revenues	468,809	315,027
ORDINARY EXPENSES	4,825,690	4,456,158
Benefits and claims	2,782,498	2,377,981
Claims	901,807	785,051
Annuities	314,024	352,993
Benefits	485,939	468,612
Surrender values	880,832	665,028
Other refunds	199,894	106,294
Provision for policy reserves and others	917,492	882,945
Provision for policy reserves	905,505	871,390
Provision for interest on policyholder dividends	11,987	11,554
Investment expenses	262,071	308,331
Interest expenses	8,032	8,850
Losses on money held in trust	-	1,276
Losses on sale of securities	113,322	129,153
Losses on valuation of securities	2,413	6,206
Losses on redemption of securities	64	112
Derivative transaction losses	22,195	39,861
Foreign exchange losses	80,777	79,383
Provision for reserve for possible loan losses	-	971
Provision for reserve for possible investment losses	108	-
Write-down of loans	33	1,985
Depreciation of rented real estate and others	15,406	14,067
Other investment expenses	19,716	26,463
Operating expenses	415,803	436,947
Other ordinary expenses	447,824	449,952
NET SURPLUS FROM OPERATIONS	223,682	239,447
EXTRAORDINARY GAINS	3,475	3,852
Gains on disposal of fixed assets	1,477	3,036
Reversal of reserve for possible loan losses	1,975	-
Reversal of reserve for possible investment losses	-	125
Other extraordinary gains	22	691
EXTRAORDINARY LOSSES	40,010	33,671
Losses on disposal of fixed assets	12,573	7,197
Impairment losses on fixed assets	12,261	9,820
Provision for reserve for price fluctuations	13,000	14,000
Other extraordinary losses	2,175	2,653
Net surplus before adjustment for taxes, etc.	187,147	209,628
Corporate income taxes-current	89,937	112,847
Corporate income tax-deferred	(54,835)	(80,164)
Minority interests in profit of subsidiaries	239	98
Net surplus for the year	151,806	176,846

(5) Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Foundation funds and surplus					Valuation and translation adjustments					Minority interests	Total net assets
	Foundation funds	Accumulated redeemed foundation funds	Revaluation reserve	Consolidated surplus	Total of foundation funds and surplus	Net unrealized gains on securities, net of tax	Deferred hedge gains/losses	Reserve for land revaluation	Foreign currency translation adjustments	Total of Valuation and translation adjustments		
Beginning balance as of March 31, 2006	110,000	250,000	248	258,955	619,204	1,981,440	-	(78,186)	(605)	1,902,647	916	2,522,788
Changes for the year												
Financing of additional foundation funds	60,000				60,000							60,000
Transfer to reserve for policyholder dividends				(112,247)	(112,247)							(112,247)
Transfer to accumulated redeemed foundation funds		30,000		(30,000)	-							-
Interest payment for foundation funds				(1,889)	(1,889)							(1,889)
Net surplus for the year				176,846	176,846							176,846
Redemption of foundation funds	(30,000)				(30,000)							(30,000)
Transfer from reserve for land revaluation				(18,181)	(18,181)							(18,181)
Net changes of items other than foundation funds and surplus						272,543	(2)	18,181	464	291,187	85	291,272
Changes for the year	30,000	30,000	-	14,528	74,528	272,543	(2)	18,181	464	291,187	85	365,801
Ending balance as of March 31, 2007	140,000	280,000	248	273,483	693,732	2,253,984	(2)	(60,005)	(141)	2,193,835	1,001	2,888,569

(6) Risk-Monitored Loans

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Credits to bankrupt borrowers (I)	1,067	4,022
Delinquent loans (II)	18,567	11,726
Loans past due for three months or more (III)	1,131	1,539
Restructured loans (IV)	2,139	1,599
Total ((I)+(II)+(III)+(IV))	22,905	18,888
[Percentage of total loans]	[0.41]	[0.37]

- Note:
- For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2006 and 2007 were ¥1,854 million and ¥4,494 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2006 and 2007 were ¥7,181 million and ¥3,120 million, respectively.
 - Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
 - Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
 - Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
 - Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(reference) Disclosed claims based on categories of obligors

(Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Claims against bankrupt and quasi-bankrupt obligors	4,895	4,791
Claims with collection risk	14,742	10,986
Claims for special attention	3,270	3,139
Subtotal	22,907	18,916
Claims against normal obligors	6,182,628	5,793,322
Total	6,205,536	5,812,239

- Note:
- Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
 - Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
 - Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
 - Claims against normal obligors are all other loans.

(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.

14. 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	189,935,248	55,031,383	6,263,405	-	-
Policies in force at the end of the year	182,376,565	54,013,000	6,559,246	-	-
Net increase in policies in force	(7,558,682)	(1,018,383)	295,840	-	-
Ordinary revenues	-	-	-	-	4,689,556
a. Premium and other income	2,184,195	179,506	879,961	50,043	3,293,707
Premium	2,184,133	178,898	879,961	50,042	3,293,036
b. Ordinary revenues other than a. above	-	-	-	-	1,395,849
Ordinary expenses	-	-	-	-	4,452,698
c. Benefits and claims	1,523,261	96,575	703,111	55,032	2,377,981
Claims	681,019	94,115	8,329	1,587	785,051
Annuities	153,509	907	191,684	6,892	352,993
Benefits	182,562	249	280,204	5,595	468,612
Surrender values	469,881	331	154,373	40,442	665,028
d. Ordinary expenses other than c. above	-	-	-	-	2,074,717
Provision for policy reserves	381,189	(101)	295,840	(5,539)	871,390
Net surplus from operations	-	-	-	-	236,857

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, 2006	Year ended March 31, 2007	Changes
Fundamental profit (i)	469,495	497,819	28,324
Negative spread	(122,026)	(42,644)	79,382
Mortality and morbidity gains	435,614	423,158	(12,455)
Expense margins	155,906	117,304	(38,601)
Net Capital gains (ii)	(74,313)	(59,356)	14,956
Other one-time profits (iii)	(173,639)	(201,605)	(27,966)
Provision for contingency reserves	(173,502)	(200,002)	(26,499)
Net surplus from operations (iv) (= (i)+(ii)+(iii))	221,542	236,857	15,314
Extraordinary gains and losses (v)	(35,111)	(29,853)	5,258
Provision for reserve for price fluctuations	(13,000)	(14,000)	(1,000)
Corporate income taxes and others (vi)	(38,874)	(49,386)	(10,511)
Unappropriated net surplus for the year (vii) (= (iv)+(v)+(vi))	147,556	157,618	10,061

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, 2007, ¥114,169 million is provided for reserve for policyholder dividends out of unappropriated net surplus of ¥157,618 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.