

November 26, 2007

Financial Results for the Six Months Ended September 30, 2007

The Dai-ichi Mutual Life Insurance Company (President: Katsutoshi Saito) announces financial results for the six months ended September 30, 2007.

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Attached: Supplementary Materials for the Six Months Ended September 30, 2007

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1. Business Highlights

(1) Policies in Force and New Policies

Policies in Force

	As of September 30, 2006		As of September 30, 2007						As of March 31, 2007	
	Number of policies (Thousands)	Amount (100 millions of yen)	Number of policies			Amount			Number of policies (Thousands)	Amount (100 millions of yen)
			(Thousands)	Changes (%)	Changes (pre-FYE, %)	(100 millions of yen)	Changes (%)	Changes (pre-FYE, %)		
Individual insurance	11,453	1,793,244	11,286	98.5	99.1	1,711,751	95.5	97.6	11,391	1,753,922
Individual annuities	1,186	68,603	1,198	101.1	100.4	70,423	102.7	100.8	1,193	69,843
Individual insurance and annuities	12,639	1,861,847	12,484	98.8	99.2	1,782,174	95.7	97.7	12,585	1,823,765
Group insurance	-	552,217	-	-	-	542,949	98.3	100.5	-	540,130
Group annuities	-	63,771	-	-	-	66,092	103.6	100.8	-	65,592

Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.

2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.

3. 'Changes' for number and amount of policies in force are presented in comparison with the end of previous interim period (as of September 30, 2006).

4. 'Changes (pre-FYE)' for number and amount of policies in force are presented in comparison with the previous fiscal year end (as of March 31, 2007).

New Policies

	Number of policies (Thousands)	(100 millions of yen)	Amount		Changes (%)
			New Business	Net increase by conversion	
Six months ended September 30, 2006					
Individual insurance	531	49,854	44,199	5,655	80.8
Individual annuities	31	2,551	2,623	(72)	203.7
Individual insurance and annuities	562	52,405	46,823	5,582	83.2
Group insurance	-	1,778	1,778		62.2
Group annuities	-	2	2		27.9
Six months ended September 30, 2007					
Individual insurance	492	41,588	35,995	5,592	83.4
Individual annuities	22	1,792	1,861	(68)	70.3
Individual insurance and annuities	515	43,381	37,856	5,524	82.8
Group insurance	-	1,555	1,555		87.5
Group annuities	-	6	6		247.3

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.

4. Changes for amount of new policies are presented in comparison with the previous interim period (six months ended September 30, 2006).

(reference) Surrender and lapses in individual insurance and individual annuities

	Six months ended September 30, 2006	Six months ended September 30, 2007
Amount of surrender and lapses	64,456	56,547
Surrender and lapses rate (%)	3.39	3.10

(100 Millions of yen except percentages)

Year ended March 31, 2007
126,648
6.67

Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.

2. The table above excludes cases where the sum insured is decreased or riders are surrendered in in-force contracts.

3. Effective the interim period ended September 30, 2007, surrender of riders is excluded. On former basis, which included surrender of riders, the amounts of surrender and lapses for the six months ended September 30, 2006, 2007 and for the fiscal year ended March 31, 2007 were 69,143 million yen, 60,856 million yen and 136,146 million yen, respectively. The surrender and lapse rates for the six months ended September 30, 2006, 2007 and for the fiscal year ended March 31, 2007 were 3.64%, 3.34% and 7.17%, respectively.

(2) Annualized Net Premium

Policies in Force

(100 Millions of yen)

	As of September 30, 2006	As of September 30, 2007	Changes (%)	Changes (pre-FYE, %)	As of March 31, 2007
Individual insurance	18,869	18,445	97.8	98.7	18,695
Individual annuities	2,480	2,720	109.7	104.0	2,616
Total	21,349	21,165	99.1	99.3	21,311
Medical and survival benefits	4,763	4,852	101.9	100.5	4,826

New Policies

	Six months ended September 30, 2006	Six months ended September 30, 2007	Changes (%)	Year ended March 31, 2007
Individual insurance	673	542	80.5	1,331
Individual annuities	174	120	69.4	330
Total	847	663	78.2	1,661
Medical and survival benefits	251	211	84.2	513

- 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 benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. New policies include net increase by conversion.
4. 'Changes' for annualized net premium from policies in force and new policies are presented in comparison with the previous interim period (as of September 30, 2006 and for the six months ended September 30, 2006, respectively).
5. 'Changes (pre-FYE)' for annualized net premium from policies in force are presented in comparison with the previous fiscal year end (as of March 31, 2007).

(3) Profit and Loss Items

(Millions of yen except percentages)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Changes (%)	Year ended March 31, 2007
Premium and other income	1,671,753	1,558,994	93.3	3,293,707
Investment income	494,343	478,850	96.9	1,088,348
Benefits and claims	1,112,981	1,250,637	112.4	2,377,981
Investment expense	212,562	153,309	72.1	314,196
Net surplus from operations	101,756	88,706	87.2	236,857

Note: Changes for profit and loss items are presented in comparison with the previous interim period (six months ended September 30, 2006) .

(4) Total Assets

(Millions of yen except percentages)

	As of September 30, 2006	As of September 30, 2007	Changes (%)	Changes (pre-FYE, %)	As of March 31, 2007
Total Assets	32,716,012	33,307,692	101.8	99.2	33,578,200

- Note: 1. 'Changes' for total assets are presented in comparison with the end of previous interim period (as of September 30, 2006).
2. 'Changes (pre-FYE)' for total assets are presented in comparison with the previous fiscal year end (as of March 31, 2007).

2.Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007 (summarized)	
	Amount	(%)	Amount	(%)	Amount	(%)
(ASSETS)						
Cash and deposits	308,601	0.9	162,632	0.5	267,350	0.8
Call loans	216,200	0.7	194,400	0.6	272,000	0.8
Deposit paid for securities borrowing transactions			81,883	0.2		
Monetary claims bought	522,871	1.6	426,382	1.3	462,329	1.4
Trading account securities			149,285	0.4		
Money held in trust	31,282	0.1	31,391	0.1	32,564	0.1
Securities	24,621,432	75.3	25,778,134	77.4	25,902,665	77.1
[Government bonds]	[7,982,941]		[8,829,462]		[8,862,167]	
[Local government bonds]	[682,179]		[458,904]		[567,153]	
[Corporate bonds]	[2,910,004]		[2,764,288]		[2,886,726]	
[Stocks]	[6,231,617]		[6,307,322]		[6,674,631]	
[Foreign securities]	[6,217,993]		[6,830,787]		[6,277,996]	
Loans	5,439,788	16.6	4,836,458	14.5	5,062,571	15.1
Policy loans	683,358		653,108		659,269	
Ordinary loans	4,756,430		4,183,349		4,403,301	
Tangible fixed assets	1,181,286	3.6	1,165,777	3.5	1,173,227	3.5
Intangible fixed assets	96,178	0.3	100,904	0.3	98,923	0.3
Reinsurance receivables	61	0.0	80	0.0	124	0.0
Other assets	290,854	0.9	376,967	1.1	302,484	0.9
Customers' liabilities for acceptances and guarantees	16,877	0.1	15,832	0.0	15,581	0.0
Reserve for possible loan losses	(9,252)	(0.0)	(12,330)	(0.0)	(11,534)	(0.0)
Reserve for possible investment losses	(171)	(0.0)	(107)	(0.0)	(86)	(0.0)
Total assets	32,716,012	100.0	33,307,692	100.0	33,578,200	100.0

(Millions of yen)

	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007 (summarized)	
	Amount	(%)	Amount	(%)	Amount	(%)
(LIABILITIES)						
Policy reserves and others	27,725,085	84.7	28,393,833	85.2	28,110,969	83.7
Reserve for outstanding claims	163,868		166,837		154,114	
Policy reserves	27,149,763		27,825,045		27,598,685	
Reserve for policyholder dividends	411,452		401,950		358,170	
Reinsurance payables	432	0.0	376	0.0	852	0.0
Subordinated bonds	58,931	0.2	57,698	0.2	59,007	0.2
Other liabilities	1,061,221	3.2	1,072,154	3.2	1,045,795	3.1
Reserve for possible claims payment					5,500	0.0
Reserve for employees' retirement benefits	461,554	1.4	479,038	1.4	466,632	1.4
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,862	0.0	1,327	0.0	1,645	0.0
Reserve for possible reimbursement of prescribed claims			800	0.0		
Reserve for price fluctuations	199,953	0.6	214,453	0.6	207,453	0.6
Deferred tax liabilities	542,882	1.7	431,261	1.3	657,857	2.0
Deferred tax liabilities for land revaluation	127,568	0.4	126,559	0.4	126,794	0.4
Acceptances and guarantees	16,877	0.1	15,832	0.0	15,581	0.0
Total liabilities	30,196,370	92.3	30,793,336	92.5	30,698,088	91.4
(NET ASSETS)						
Foundation funds	140,000	0.4	120,000	0.4	140,000	0.4
Accumulated redeemed foundation funds	280,000	0.9	300,000	0.9	280,000	0.8
Revaluation reserve	248	0.0	248	0.0	248	0.0
Surplus	185,945	0.6	200,413	0.6	265,871	0.8
Reserve for future losses	4,700		5,100		4,700	
Other surplus	181,245		195,313		261,171	
Reserve for redemption of foundation funds	36,400		42,600		36,400	
Fund for risk allowance	43,139		43,139		43,139	
Fund for price fluctuation allowance	10,000		20,000		10,000	
Reserve for tax basis adjustments of real estate	13,891		15,635		13,891	
Other reserves	179		169		122	
Unappropriated net surplus for the period	77,635		73,769		157,618	
Total of Foundation Funds and surplus	606,193	1.9	620,662	1.9	686,119	2.0
Net unrealized gains on securities, net of tax	1,989,183	6.1	1,954,211	5.9	2,253,999	6.7
Deferred hedge gains (losses)	(4)	(0.0)			(2)	(0.0)
Reserve for land revaluation	(75,730)	(0.2)	(60,517)	(0.2)	(60,005)	(0.2)
Total of valuation and translation adjustments	1,913,448	5.8	1,893,694	5.7	2,193,991	6.5
Total net assets	2,519,642	7.7	2,514,356	7.5	2,880,111	8.6
Total liabilities and net assets	32,716,012	100.0	33,307,692	100.0	33,578,200	100.0

3.Unaudited Non-Consolidated Statements of Earnings

(Millions of yen)

	Six months ended September 30, 2006		Six months ended September 30, 2007		Year ended March 31, 2007 (summarized)	
	Amount	(%)	Amount	(%)	Amount	(%)
ORDINARY REVENUES	2,285,399	100.0	2,165,299	100.0	4,689,556	100.0
Premium and other income	1,671,753		1,558,994		3,293,707	
[Premium income]	[1,671,566]		[1,558,625]		[3,293,036]	
Investment income	494,343		478,850		1,088,348	
[Interest and dividends]	[359,157]		[404,587]		[771,458]	
[Gains on sale of securities]	[132,393]		[58,430]		[202,434]	
[Gains on redemption of securities]	[2,684]		[3,881]		[18,508]	
[Gains on investment in separate accounts]	[-]		[11,861]		[94,986]	
Other ordinary revenues	119,302		127,454		307,500	
ORDINARY EXPENSES	2,183,642	95.5	2,076,592	95.9	4,452,698	94.9
Benefits and claims	1,112,981		1,250,637		2,377,981	
[Claims]	[382,509]		[434,715]		[785,051]	
[Annuities]	[135,943]		[149,986]		[352,993]	
[Benefits]	[231,452]		[259,795]		[468,612]	
[Surrender values]	[310,884]		[331,571]		[665,028]	
[Other refunds]	[51,660]		[73,972]		[105,158]	
Provision for policy reserves and others	432,583		244,777		882,945	
Provision for reserve for outstanding claims	4,265		12,723		-	
Provision for policy reserves	422,469		226,360		871,390	
Provision for interest on policyholder dividends	5,847		5,693		11,554	
Investment expenses	212,562		153,309		314,196	
[Interest expenses]	[4,135]		[5,558]		[8,844]	
[Losses on trading account securities]	[-]		[212]		[-]	
[Losses on money held in trust]	[2,569]		[1,112]		[1,276]	
[Losses on sale of securities]	[113,841]		[64,283]		[129,147]	
[Losses on valuation of securities]	[4,910]		[10,351]		[12,044]	
[Losses on redemption of securities]	[99]		[58]		[112]	
[Derivative transaction losses]	[22,219]		[9,991]		[39,861]	
[Losses on investment in separate accounts]	[8,623]		[-]		[-]	
Operating expenses	208,890		216,722		433,707	
Other ordinary expenses	216,625		211,147		443,867	
NET SURPLUS FROM OPERATIONS	101,756	4.5	88,706	4.1	236,857	5.1
Extraordinary gains	2,997	0.1	4,037	0.2	3,807	0.1
Extraordinary losses	14,366	0.6	11,381	0.5	33,660	0.7
Net surplus before adjustment for taxes, etc.	90,387	4.0	81,362	3.8	207,004	4.4
Corporate income tax-current	56,251	2.5	68,652	3.2	112,432	2.4
Corporate income tax-deferred	(45,081)	(2.0)	(58,203)	(2.7)	(80,296)	(1.7)
Net surplus for the period	79,217	3.5	70,913	3.3	174,867	3.7

I. Notes to the Unaudited Interim Non-Consolidated Balance Sheet as of September 30, 2007

1. Basis of Presentation of Interim Non-Consolidated Balance Sheet

(1) Valuation Methods of Securities

i) 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 interim period (for domestic stocks, the average value during September), with cost determined by the moving average method. With respect to available-for-sale securities for which there is no market value, government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment, are valued at the amortized cost, determined by the moving average method, and all others are valued at cost using the moving average method. Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statements of earnings.

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

ii) Trading account securities

Trading account securities are reported at fair value.

(2) 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 September 30, 2007 amounted to ¥4,909,618 million. The market value of these bonds as of September 30, 2007 was ¥4,966,390 million.

(3) Valuation Methods of Derivative Transactions

Derivative transactions are reported at fair value.

(4) Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), 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 September 30, 2007 was ¥32,298 million.

(5) Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is calculated by the following method. Tangible fixed assets, excluding lands and buildings, acquired for ¥100,000 or more but less than ¥200,000 are depreciated by equal amounts over three years.

i) Buildings (excluding leasehold improvements and structures)

a. Acquired on or before March 31, 2007

Calculated by the previous straight-line method.

b. Acquired on or after April 1, 2007

Calculated by the straight-line method.

ii) Assets other than buildings

a. Acquired on or before March 31, 2007

Calculated by the previous declining balance method.

b. Acquired on or after April 1, 2007

Calculated by the declining balance method.

(6) 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.

(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 interim period. Stocks of subsidiaries and affiliated companies are translated to yen at the exchange rate on the date of acquisition.

(8) Reserves

i) 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 six months ended September 30, 2007 was ¥4,267 million.

ii) 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.

iii) 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, based on the estimation of projected benefit obligations and pension assets as of March 31, 2007.

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

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

iv) Reserve for retirement benefits of directors, executive officers and corporate auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment out of total amount of benefits for past service approved by the 105th general meeting of representative policyholders is provided.

v) Reserve for possible reimbursement of prescribed claims

In order to provide for future possible losses resulting from reimbursement of claims for which prescription periods ran out and the amounts were recognized as profit, a reserve for possible reimbursement of prescribed claims is established, which is estimated based on past reimbursement.

(9) Reserve for Price Fluctuations

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

(10) 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.

(11) 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 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 deposits; and the fair value hedge method is used for hedges by currency options and foreign currency forward contracts and other instruments against exchange rate fluctuations in the value of certain foreign currency-denominated securities. Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

(12) 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 other assets and amortized equally over 5 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.

(13) 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.

For the whole life insurance contracts acquired on or before March 31, 1996 and premium payments for which were already completed at the end of the interim period (including lump-sum payment), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Law and will be provided constantly in the following five years. As a result, provision for policy reserves increased by ¥89,693 million and net surplus from operations and net surplus before adjustment for taxes, etc. each decreased by ¥89,693 million.

(14) Corporate Income Taxes and Resident Taxes

Corporate income taxes and resident taxes, including taxes deferred, for the six months ended September 30, 2007 are calculated based on the estimated provision for or reversal of reserves for tax basis adjustments of real estate and reserve for policyholder dividends, and estimated interest payment for foundation funds, in the appropriation of net surplus at the fiscal year end.

(15) Yen Amounts

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

2. Changes in Presentation

(1) Depreciation of Tangible Fixed Assets

By the revision of corporate income tax law, depreciation of tangible fixed assets acquired on or after April 1, 2007 is computed by the straight-line method and declining balance method stipulated in the revised law. As a result, net surplus from operations and net surplus before adjustment for taxes, etc. each decreased by ¥65 million.

As for the tangible fixed assets acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the interim period ended September 30, 2007, the salvage values are depreciated in the following five years from the fiscal year end when such assets were depreciated to their final depreciable limit. As a result, net surplus from operations and net surplus before adjustment for taxes, etc. each decreased by ¥367 million.

(2) Reserve for Possible Reimbursement of Prescribed Claims

Until the fiscal year ended March 31, 2007, losses resulting from reimbursement of claims for which prescription periods had run out and the amounts had been recognized as profit were recognized as expenses when the reimbursement was made. Effective the interim period ended September 30, 2007, in accordance with Auditing and Assurance Practice Committee report No.42 “Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits” issued by the Japanese Institute of Certified Public Accountants(JICPA), a reserve for possible reimbursement of prescribed claims is established, which is estimated based on past reimbursement. As a result, net surplus from operations increased by ¥800 million and net surplus before adjustment for taxes, etc. decreased by ¥800 million.

(3) Fixed Asset Taxes and City Planning Taxes

Until the fiscal year ended March 31, 2007, as for fixed asset taxes and city planning taxes, total amount were recognized as expenses in the interim period when the date the charges were confirmed. In order to represent profits and losses more appropriately, taking into account quarterly disclosure which will be requested from the fiscal year ending March 31, 2009 in accordance with the Article 59-7 (which will be effective on April 1, 2008) of the Enforcement Regulation of Insurance Business Law, effective the interim period ended September 30, 2007, the Company recognizes the amount of those taxes relating to real estate for rent correspondent with the interim period. As a result, investment expenses decreased by ¥3,042 million and net surplus from operations and net surplus before adjustment for taxes, etc. each increased by ¥3,042 million.

3. 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 ¥25,918 million as of September 30, 2007 and are included as 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 September 30, 2007 was ¥79,371 million.

4. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent was ¥658,130 million.

5. 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 ¥30,501 million. The amount of credits to bankrupt borrowers was ¥6,155 million, the amount of delinquent loans was ¥21,001 million, the amount of loans past due for three months or more was ¥1,661 million, and the amount of restructured loans was ¥1,681 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-off of loans described in 1.(8) i) above, credits to bankrupt borrowers and delinquent loans decreased by ¥1,236 million and ¥3,030 million, respectively.

6. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2007 was ¥584,287 million.

7. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Law was ¥1,741,623 million. Separate account liabilities were the same amount as separate account assets.

8. Leased Computers

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

9. 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	¥ 358,170
Transfer from surplus in previous fiscal year	114,169
Dividends paid in the interim period	(76,083)
Interest accrual in the interim period	5,693
	<hr/>
Balance at the end of the interim period	¥ 401,950
	<hr/>

10. Stocks of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Company held was ¥78,735 million.

11. Assets Pledged as Collateral / Secured Liabilities

Amount of securities and cash/deposits pledged as collateral was ¥34,521 million and ¥86 million, respectively. Secured liabilities totaled ¥39 million.

12. Reinsurance

Reserve 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 reserve provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter “policy reserve reinsured”) was ¥0 million.

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

Due to the redemption of foundation funds of ¥20,000 million, the Company provided the same amount as accumulated redeemed foundation funds, in accordance with Article 56 of the Insurance Business Law.

14. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. The market value of the securities borrowed which are not sold or pledged was ¥7,823 million as of September 30, 2007. The market value of the securities borrowed which are pledged as collateral was ¥26,802 million as of September 30, 2007.

15. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥15,429 million.

16. Subordinated Debt

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

17. Subordinated Bonds

Subordinated bonds of ¥57,698 million shown in liabilities were foreign currency-denominated subordinated bonds of US\$499 million whose repayment is subordinated to other obligations.

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

The future obligations of the Company estimated as of September 30, 2007 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥63,675 million. These obligations will be recognized as operating expenses in the years in which they are paid.

II. Notes to the Unaudited Interim Non-Consolidated Statement of Earnings for the six months ended September 30, 2007

1. Yen Amounts

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

2. Gains on Sale of Securities

Gains on sale of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥7,311 million, ¥15,835 million and ¥35,283 million, respectively.

3. Losses on Sale of Securities

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥29,812 million, ¥1,932 million and ¥32,539 million, respectively.

4. Losses on Valuation of Securities

Losses on valuation of securities included losses on valuation of domestic stocks, foreign securities and other securities of ¥6,101 million, ¥696 million and ¥3,553 million, respectively.

5. Reinsurance

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

6. Interest and Dividends

Major components of interest and dividends for the six months ended September 30, 2007 were as follows:

	(Millions of yen)
Interest from bank deposits	¥ 2,352
Interest and dividends from securities	314,980
Interest from loans	51,819
Rental income	26,651
Other interest and dividends	5,783
	<hr/>
Total	¥ 404,587

7. Losses on Trading Account Securities

Losses on trading account securities included interest and dividends, losses on sale of securities and gains on valuation of securities of ¥229 million, ¥548 million and ¥135 million, respectively.

8. Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥1,362 million.

9. Derivative Transaction Losses

Derivative transaction losses included valuation losses of ¥3,306 million.

10. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the six months ended September 30, 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		Buildings		Total
Real estate for rent	1	¥	47	¥	—	¥ 47
Real estate not in use	10	¥	723	¥	127	¥ 850
Total	11	¥	770	¥	127	¥ 897

(4) Calculation of Recoverable Value

Value in use or net sale 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 3.18% 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 fair value based on assessed value for fixed asset tax or inheritance tax is used as net sales value.

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

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
Fundamental revenues	2,153,006	2,106,869	4,487,121
Premium and other income	1,671,753	1,558,994	3,293,707
Investment income	361,949	420,420	885,914
[Interest and dividends]	[359,157]	[404,587]	[771,458]
Other ordinary revenues	119,302	127,454	307,500
[Transfer from policy reserves]	[-]	[-]	[-]
Fundamental expense	1,897,863	1,867,808	3,989,302
Benefits and claims	1,112,981	1,250,637	2,377,981
Provision for policy reserves and others	330,083	163,656	682,943
Investment iexpenses	29,283	25,645	50,801
Operating expenses	208,890	216,722	433,707
Other ordinary expenses	216,625	211,147	443,867
Fundamental profit A	255,142	239,061	497,819
Capital gains	132,393	58,430	202,434
Gains on money held in trust	-	-	-
Gains on investments in trading securities	-	-	-
Gains on sale of securities	132,393	58,430	202,434
Derivative transaction gains	-	-	-
Foreign exchange gains	-	-	-
Gains on trading account securities	-	-	-
Others	-	-	-
Capital losses	183,269	124,479	261,791
Losses on money held in trust	2,569	1,112	1,276
Losses on investments in trading securities	-	-	-
Losses on sale of securities	113,841	64,283	129,147
Losses on valuation of securities	4,910	10,351	12,044
Derivative transaction losses	22,219	9,991	39,861
Foreign exchange losses	39,728	38,528	79,460
Losses on trading account securities	-	212	-
Others	-	-	-
Net capital gains B	(50,876)	(66,049)	(59,356)
Fundamental profit plus net capital gains A+B	204,266	173,011	438,463
Other one-time gains	-	-	-
Reinsurance income	-	-	-
Reversal of contingency reserve	-	-	-
Others	-	-	-
Other one-time losses	102,509	84,304	201,605
Ceding reinsurance commissions	-	-	-
Provision for contingency reserve	102,500	41,000	200,002
Provision for specific reserve for possible loan losses	-	2,641	(378)
Provision for specific reserve for loans to refinancing countries	-	-	-
Write-down of loans	9	520	1,981
Others	-	40,142	-
Other one-time profits C	(102,509)	(84,304)	(201,605)
Net surplus from operations A+B+C	101,756	88,706	236,857

Note: 'Others' in other one-time losses represents the total of (i) provision for reserve for possible investment losses (21million yen), (ii) additional policy reserves provided in accordance with Articles 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Law (89,693 million yen) and (iii) positive effect of introduction of monthly policy reserve valuation (49,571 million yen).

5. Unaudited Non-Consolidated Statement of Changes in Net Assets for the Six Months Ended September 30, 2007

(Millions of yen)

	Foundation funds and surplus											
	Foundation funds	Accumulated redeemed foundation funds	Revaluation reserve	Surplus							Total of surplus	Total of foundation funds and surplus
				Reserve for future losses	Other surplus					Total of surplus		
Reserve for redemption of foundation funds	Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate		Other reserves	Unappropriated net surplus for the period						
Beginning balance as of March 31, 2007	140,000	280,000	248	4,700	36,400	43,139	10,000	13,891	122	157,618	265,871	686,119
Changes for the interim period												
Issuance of foundation funds											-	-
Transfer to reserve for policyholder dividends										(114,169)	(114,169)	(114,169)
Transfer to reserve for future losses				400						(400)	-	-
Transfer to accumulated redeemed foundation funds		20,000			(20,000)						(20,000)	-
Interest on foundation funds										(2,678)	(2,678)	(2,678)
Net surplus for the period										70,913	70,913	70,913
Redemption of foundation funds	(20,000)										-	(20,000)
Transfer to reserve for redemption of foundation funds					26,200					(26,200)	-	-
Transfer to fund for price fluctuation allowance							10,000			(10,000)	-	-
Transfer to reserve for tax basis adjustments of real estate								1,908		(1,980)	-	-
Transfer from reserve for tax basis adjustments of real estate								(163)		163	-	-
Transfer to other reserves									2,426	2,426	-	-
Transfer from other reserves									(2,379)	(2,379)	-	-
Transfer from reserve for land revaluation										476	476	476
Net changes of items other than foundation funds and surplus												
Total changes for the interim period	(20,000)	20,000	-	400	6,200	-	10,000	1,744	46	(83,849)	(65,457)	(65,457)
Ending balance as of September 30, 2007	120,000	300,000	248	5,100	42,600	43,139	20,000	15,635	169	73,769	200,413	620,662

	Valuation and translation adjustments				Total net assets
	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, 2007	2,253,999	(2)	(60,005)	2,193,991	2,880,111
Changes for the interim period					
Issuance of foundation funds					-
Transfer to reserve for policyholder dividends					(114,169)
Transfer to reserve for future losses					-
Transfer to accumulated redeemed foundation funds					-
Interest on foundation funds					(2,678)
Net surplus for the period					70,913
Redemption of foundation funds					(20,000)
Transfer to reserve for redemption of foundation funds					-
Transfer to fund for price fluctuation allowance					-
Transfer to reserve for tax basis adjustments of real estate					-
Transfer from reserve for tax basis adjustments of real estate					-
Transfer to other reserves					-
Transfer from other reserves					-
Transfer from reserve for land revaluation					476
Net changes of items other than foundation funds and surplus	(299,788)	2	(512)	(300,297)	(300,297)
Total changes for the interim period	(299,788)	2	(512)	(300,297)	(365,755)
Ending balance as of September 30, 2007	1,954,211	-	(60,517)	1,893,694	2,514,356

6. Investment of General Account Assets for the Six Months Ended September 30, 2007

(1) Investment Environment

Japanese economy sustained healthy recovery in the first half of the fiscal year, driven by the robust corporate sector. Although the recovery stagnated in spring due to factors including the inventory adjustment in the IT sector, the economy picked up in summer, reflecting steady exports especially to emerging markets. Meanwhile, rise in consumer spending was limited, impacted by unfavorable weather, tax raise and relatively weak improvement in personal income conditions compared with employment conditions.

U.S. economy showed a growth exceeding its potential growth rate, despite the subprime loan problem, which had a limited impact during the period. The gradual increase in consumer spending, supported by the improvement in employment and personal income conditions, contributed to its growth, in addition to the significant contribution of net export.

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

[Domestic interest rate]

Yield on ten year government bonds once rose close to 2.0%, supported by factors such as an expectation for additional tightening policy by Bank of Japan, which was based on the recovery of Japanese economy and worldwide upward trend of interest rate caused by concern for inflation. Since July, however, the yield turned to decline to 1.5% level driven by the global trend of “flight to quality”, originated from the U.S. subprime loan problem.

Yield on ten-year government bonds:	March 31, 2007	1.650%
	September 30, 2007	1.675%

[Domestic Stocks]

After picking up to ¥18,000 level supported by steady movement of global stock prices and depreciation of yen, Nikkei 225 dropped sharply to ¥15,000 level following the global decline caused by the subprime loan problem. The global stock prices recovered after the interest rate cut by the FRB, but the recovery of Nikkei 225 was moderate, affected by the concerns for the expected negative corporate results due to appreciation of yen.

Nikkei 225 Stock Average:	March 31, 2007	¥ 17,287
	September 30, 2007	¥ 16,785
TOPIX:	March 31, 2007	1,713
	September 30, 2007	1,616

[Foreign Currency]

U.S. dollar once picked up to ¥124 level against yen, reflecting the interest rate differential between two countries. However, investors' strong risk averse approach derived from the subprime loan problem resulted in eliminating the position of selling yen, and U.S. dollar dropped to ¥111 level against yen. Euro strengthened, compared to the level at the beginning of the fiscal year, after hitting the record high against U.S. dollars, reflecting the expectation for more stable economic outlook in Europe than U.S..

yen/U.S. dollar:	March 31, 2007	¥118.05
	September 30, 2007	¥115.43
yen/euro:	March 31, 2007	¥157.33
	September 30, 2007	¥163.38

(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	Although total balance of domestic bonds decreased, the Company actively replaced low-yield bonds with longer duration high-yield bonds and also increased investment in policy-reserve-matching bonds, based on ALM strategy. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products including corporate bonds and asset backed securities, in accordance with the risk adjusted credit spread guidelines.
Loans	Although total balance of loans decreased due to contractual maturities and other factors, the Company provided loans by setting adequate risk adjusted spreads, while also paying attention to the credit spread changes in the bond market.
Domestic stocks	The Company slightly increased its total exposure on domestic stocks, with an outlook that stock prices will gradually rise. The Company replaced some companies and sectors to those with high competitiveness and growth potential, taking into account the analysis by in-house analysts.
Foreign bonds	The Company increased its investment in foreign currency-denominated bonds by increasing exposure in such bonds with currency hedges to enhance investment efficiency. The Company cautiously controlled related risks by diversifying portfolio by sector and currency.
Foreign Stocks	The Company maintained its investment in foreign stocks, adopting independent investment advisors as well as in-house managers to enhance diversified geographic allocation and investment styles.
Real Estate	By renegotiating rent and improving vacancy rate of existing real estate portfolio, the Company pursued for high profitability. While the total balance remained unchanged, the Company increased the value of existing real estate by refurbishment and housing rehabilitation.

Note: Changes in assets are described in book value basis.

[Investment income and expenses]

Timely replacement of low-yield domestic bonds with policy-reserve-matching bonds with longer duration and increase in dividends from domestic and foreign stocks, led the Company to enjoy increase in income from interest and dividends compared to the previous interim period ended September 30, 2006. Meanwhile, along with other factors, including decreased gains on sale of domestic stocks and foreign bonds, investment income decreased by ¥27,353 million, or 5.5% to ¥466,989 million. On the other hand, investment losses decreased by ¥50,629 million, or 24.8% to ¥153,309 million, mainly due to decrease in losses on sale of domestic bonds. As a result, net investment income increased by ¥23,275 million, or 8.0% to ¥313,680 million for the six months ended September 30, 2007.

(3) Investment Environment Outlook for the Six Months Ending March 31, 2008

Japanese economy in the second half of the fiscal year is likely to show steady growth. While possible risk of slow down in the U.S. economy due to the subprime loan problem might have adverse impact

on recovery, exports and production is expected to recover, supported by capital investment based on abundant cash balance in corporate sector, and by consumer spending based on the improvement in employment and personal income conditions.

[Domestic interest rate]

Healthy growth in Japanese economy, as well as expectation on possible tightening policy by Bank of Japan, is likely to put upward pressure on domestic interest rates. However, a room for interest rate to rise is limited, because inflation pressure is not expected to be strong enough to accelerate further tightening.

[Domestic stocks]

Domestic stock market is likely to rise gradually throughout the year, reflecting healthy growth in corporate earnings based on steady capital investment and recovery of exports and production, although concerns remain for the U.S. economy to slow down.

[Foreign currency]

Although U.S. dollar will likely face temporal downward pressure against yen due to factors including concerns for the slowdown of U.S. economy and the U.S. presidential election, the exchange rate is expected to remain in a certain range, reflecting the wide interest rate differential between the two countries. Euro will likely be steady against yen, supported by more positive economic outlook in Europe than in U.S..

(4) Investment Policies for the Six Months 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>Slight increase</u> The Company will keep its investment in domestic bonds at the present level, as a core asset under its ALM strategy, throughout the year. When interest rate rises, the Company will accelerate its investment in bonds with longer duration.
Loans	<u>Flat</u> The Company will provide new loans with attention to lending conditions and credit spread levels in the corporate bond market. Due to the maturity structure, however, the total balance of loans will be maintained at the present level.
Domestic stocks	<u>Flat</u> The Company will maintain exposure in stock holdings at the present level, although the market is expected to show steady performance. The Company will also make effort to improve profitability by actively selecting companies and sectors with growth potential.
Foreign bonds	<u>Flat</u> Under a perspective that foreign interest rates and exchange rates will remain stable, 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, 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.

7. Investment Results of General Account

(1) Asset Composition (General Account)

(Millions of yen)

	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Carrying value	%	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	488,675	1.6	304,241	1.0	506,784	1.6
Security repurchased under resale agreements	-	-	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	81,883	0.3	-	-
Monetary claims bought	522,871	1.7	426,382	1.3	462,329	1.5
Trading account securities	-	-	149,285	0.5	-	-
Money held in trust	31,282	0.1	31,391	0.1	32,564	0.1
Securities	23,030,480	74.1	24,143,338	76.4	24,211,152	76.0
Domestic bonds	11,191,882	36.0	11,695,343	37.0	11,920,676	37.4
Domestic stocks	5,727,436	18.4	5,776,601	18.3	6,122,218	19.2
Foreign securities	5,761,478	18.5	6,341,614	20.1	5,799,318	18.2
Foreign bonds	4,769,909	15.4	4,889,260	15.5	4,483,135	14.1
Foreign stocks and other securities	991,568	3.2	1,452,353	4.6	1,316,183	4.1
Other securities	349,684	1.1	329,778	1.0	368,939	1.2
Loans	5,439,788	17.5	4,836,458	15.3	5,062,571	15.9
Policy loans	683,358	2.2	653,108	2.1	659,269	2.1
Ordinary loans	4,756,430	15.3	4,183,349	13.2	4,403,301	13.8
Real estate	1,175,910	3.8	1,160,173	3.7	1,167,249	3.7
Real estate for rent	735,710	2.4	739,299	2.3	740,199	2.3
Deferred tax assets	-	-	-	-	-	-
Others	394,036	1.3	479,709	1.5	405,519	1.3
Reserve for possible loan losses	(9,252)	(0.0)	(12,330)	(0.0)	(11,534)	(0.0)
Total	31,073,794	100.0	31,600,534	100.0	31,836,635	100.0
Foreign currency-denominated assets	4,983,407	16.0	5,263,722	16.7	4,732,750	14.9

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

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

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
Cash, deposits, and call loans	27,897	(202,542)	46,006
Security repurchased under resale agreements	-	-	-
Deposit paid for securities borrowing transactions	-	81,883	-
Monetary claims bought	(25,196)	(35,946)	(85,739)
Trading account securities	-	149,285	-
Money held in trust	(2,571)	(1,172)	(1,290)
Securities	619,867	(67,814)	1,800,539
Domestic bonds	705,559	(225,332)	1,434,354
Domestic stocks	(57,062)	(345,616)	337,719
Foreign securities	(67,055)	542,295	(29,215)
Foreign bonds	(188,871)	406,125	(475,645)
Foreign stocks and other securities	121,815	136,170	446,430
Other securities	38,426	(39,160)	57,681
Loans	(121,430)	(226,112)	(498,648)
Policy loans	(2,606)	(6,160)	(26,695)
Ordinary loans	(118,824)	(219,952)	(471,952)
Real estate	(29,715)	(7,075)	(38,377)
Real estate for rent	(19,648)	(899)	(15,159)
Deferred tax assets	-	-	-
Others	(231,067)	74,190	(219,584)
Reserve for possible loan losses	1,916	(795)	(365)
Total	239,699	(236,101)	1,002,541
Foreign currency-denominated assets	164,988	530,972	(85,668)

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

(3) Investment Income (General Account)

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
Interest and dividends	359,157	404,587	771,458
Interest from deposits	2,323	2,352	4,838
Interest and dividends from securities	272,833	314,980	598,916
Interest from loans	53,226	51,819	106,147
Rental income	26,205	29,651	52,320
Other interest and dividends	4,569	5,783	9,234
Gains on trading account securities	-	-	-
Gains on money held in trust	-	-	-
Gains on investments in trading securities	-	-	-
Gains on sale of securities	132,393	58,430	202,434
Gains on sale of domestic bonds	2,818	7,311	12,585
Gains on sale of domestic stocks	77,453	15,835	91,823
Gains on sale of foreign securities	52,121	35,283	98,025
Others	-	-	-
Gains on redemption of securities	2,684	3,881	18,508
Derivative transaction gains	-	-	-
Foreign exchange gains	-	-	-
Other investment income	107	89	961
Total	494,343	466,989	993,362

(4) Investment Expense (General Account)

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
Interest expenses	4,135	5,558	8,844
Losses on trading account securities	-	212	-
Losses on money held in trust	2,569	1,112	1,276
Losses on investments in trading securities	-	-	-
Losses on sale of securities	113,841	64,283	129,147
Losses on sale of domestic bonds	79,635	29,812	84,295
Losses on sale of domestic stocks	76	1,932	2,062
Losses on sale of foreign securities	34,128	32,539	42,790
Others	-	-	-
Losses on valuation of securities	4,910	10,351	12,044
Losses on valuation of domestic bonds	-	-	-
Losses on valuation of domestic stocks	4,206	6,101	7,483
Losses on valuation of foreign securities	704	696	4,561
Others	-	3,553	-
Losses on redemption of securities	99	58	112
Derivative transaction losses	22,219	9,991	39,861
Foreign exchange losses	39,728	38,528	79,460
Provision for reserve for possible loan losses	-	849	946
Provision for reserve for possible investment losses	-	21	-
Write-down of loans	9	520	1,981
Depreciation of rental real estate and others	7,091	7,473	14,067
Other investment expenses	9,333	14,347	26,453
Total	203,938	153,309	314,196

(5) Net Investment Income (General Account)

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
Net investment income	290,404	313,680	679,166

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

(Millions of yen)

	As of September 30, 2006		As of September 30, 2007		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	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	29,593	(2,429)	178,926	(1,511)	30,803	(1,632)
Trading account securities	-	-	149,285	(149)	-	-
Money held in trust	29,593	(2,429)	29,640	(1,362)	30,803	(1,632)

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

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

(Millions of yen)

			Book value	Fair value	Gains (losses)	
					Gains	Losses
As of September 30, 2006						
Bonds held to maturity			182,436	175,291	(7,145)	7,502
Domestic bonds			122,304	118,274	(4,030)	4,387
Foreign bonds			60,131	57,016	(3,115)	3,115
Policy-reserve-matching bonds			4,707,447	4,757,090	49,643	11,315
Domestic bonds			4,707,447	4,757,090	49,643	11,315
Stocks of subsidiaries and affiliates			-	-	-	-
Securities available for sale			14,835,807	17,947,310	3,111,503	58,799
Domestic bonds			6,304,486	6,362,129	57,643	15,465
Domestic stocks			2,959,906	5,638,719	2,678,813	25,172
Foreign securities			5,002,609	5,355,632	353,022	18,097
Foreign bonds			4,469,940	4,709,777	239,837	16,435
Foreign stocks and other securities			532,669	645,855	113,185	1,661
Other securities			230,843	252,866	22,023	64
Monetary claims bought			172,962	172,962	-	-
Certificates of deposit			165,000	165,000	-	-
Others			-	-	-	-
Total			19,725,691	22,879,693	3,154,001	77,617
Domestic bonds			11,134,238	11,237,495	103,256	31,168
Domestic stocks			2,959,906	5,638,719	2,678,813	25,172
Foreign securities			5,062,741	5,412,649	349,907	21,212
Foreign bonds			4,530,072	4,766,794	236,722	19,551
Foreign stocks and other securities			532,669	645,855	113,185	1,661
Other securities			230,843	252,866	22,023	64
Monetary claims bought			172,962	172,962	-	-
Certificates of deposit			165,000	165,000	-	-
Others			-	-	-	-
As of September 30, 2007						
Bonds held to maturity			181,576	176,411	(5,165)	5,485
Domestic bonds			122,861	119,643	(3,218)	3,538
Foreign bonds			58,714	56,767	(1,947)	1,947
Policy-reserve-matching bonds			4,909,618	4,966,390	56,772	14,159
Domestic bonds			4,909,618	4,966,390	56,772	14,159
Stocks of subsidiaries and affiliates			-	-	-	-
Securities available for sale			15,239,107	18,296,382	3,057,275	126,549
Domestic bonds			6,573,473	6,662,863	89,390	9,377
Domestic stocks			2,992,494	5,549,798	2,557,303	62,030
Foreign securities			5,283,633	5,670,797	387,163	54,015
Foreign bonds			4,675,217	4,830,545	155,328	50,883
Foreign stocks and other securities			608,416	840,251	231,835	3,132
Other securities			203,571	226,989	23,417	1,126
Monetary claims bought			155,933	155,933	-	-
Certificates of deposit			30,000	30,000	-	-
Others			-	-	-	-
Total			20,330,301	23,439,183	3,108,882	146,195
Domestic bonds			11,605,953	11,748,897	142,944	27,075
Domestic stocks			2,992,494	5,549,798	2,557,303	62,030
Foreign securities			5,342,348	5,727,565	385,216	55,962
Foreign bonds			4,733,932	4,887,313	153,381	52,830
Foreign stocks and other securities			608,416	840,251	231,835	3,132
Other securities			203,571	226,989	23,417	1,126
Monetary claims bought			155,933	155,933	-	-
Certificates of deposit			30,000	30,000	-	-
Others			-	-	-	-

(Millions of yen)

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Note: 1. The table above includes assets, such as certificates of deposit, which are considered appropriate to handle as securities, as defined in the Financial Instruments and Exchange Law.

2. Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above.

Book value, equivalent of fair value, of the trust as of September 30, 2006, 2007 and as of March 31, 2007 amounted to 1,689 million yen, 1,750 million yen and 1,761 million yen, respectively.

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

(Millions of yen)			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Bonds held to maturity	-	-	-
Unlisted foreign bonds	-	-	-
Others	-	-	-
Policy-reserve-matching bonds	-	-	-
Stocks of subsidiaries and affiliates	30,152	78,735	33,466
Unlisted domestic stocks (except over-the-counter stocks)	19,384	66,315	21,315
Unlisted foreign stocks (except over-the-counter stocks)	6,820	6,820	6,820
Others	3,948	5,600	5,331
Other securities	761,234	1,133,401	1,026,866
Unlisted domestic stocks (except over-the-counter stocks)	69,332	160,487	63,602
Unlisted foreign stocks (except over-the-counter stocks)	338,893	603,678	603,622
Unlisted foreign bonds	0	0	0
Others	353,008	369,235	359,641
Total	791,387	1,212,137	1,060,332

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

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

(Millions of yen)

		Book value	Fair value	(millions of yen)		
				Gains (losses)		
				Gains	Losses	
As of September 30, 2006						
	Bonds held to maturity	182,436	175,291	(7,145)	357	7,502
	Domestic bonds	122,304	118,274	(4,030)	357	4,387
	Foreign bonds	60,131	57,016	(3,115)	-	3,115
	Policy-reserve-matching bonds	4,707,447	4,757,090	49,643	60,958	11,315
	Domestic bonds	4,707,447	4,757,090	49,643	60,958	11,315
	Stocks of subsidiaries and affiliates	30,152	29,535	(617)	-	617
	Domestic stocks	19,384	19,384	-	-	-
	Foreign stocks	6,820	6,203	(617)	-	617
	Other securities	3,948	3,948	-	-	-
	Securities available for sale	15,597,041	18,708,544	3,111,503	3,170,302	58,799
	Domestic bonds	6,304,486	6,362,129	57,643	73,108	15,465
	Domestic stocks	3,029,238	5,708,052	2,678,813	2,703,985	25,172
	Foreign securities	5,341,503	5,694,526	353,022	371,119	18,097
	Foreign bonds	4,469,940	4,709,777	239,837	256,273	16,435
	Foreign stocks and other securities	871,563	984,748	113,185	114,846	1,661
	Other securities	323,712	345,735	22,023	22,088	64
	Monetary claims bought	433,101	433,101	-	-	-
	Certificates of deposit	165,000	165,000	-	-	-
	Others	-	-	-	-	-
	Total	20,517,078	23,670,463	3,153,384	3,231,618	78,234
	Domestic bonds	11,134,238	11,237,495	103,256	134,425	31,168
	Domestic stocks	3,048,623	5,727,436	2,678,813	2,703,985	25,172
	Foreign securities	5,408,455	5,757,746	349,290	371,119	21,829
	Foreign bonds	4,530,072	4,766,794	236,722	256,273	19,551
	Foreign stocks and other securities	878,383	990,951	112,568	114,846	2,278
	Other securities	327,660	349,684	22,023	22,088	64
	Monetary claims bought	433,101	433,101	-	-	-
Certificates of deposit	165,000	165,000	-	-	-	
Others	-	-	-	-	-	
As of September 30, 2007						
	Bonds held to maturity	181,576	176,411	(5,165)	320	5,485
	Domestic bonds	122,861	119,643	(3,218)	320	3,538
	Foreign bonds	58,714	56,767	(1,947)	-	1,947
	Policy-reserve-matching bonds	4,909,618	4,966,390	56,772	70,931	14,159
	Domestic bonds	4,909,618	4,966,390	56,772	70,931	14,159
	Stocks of subsidiaries and affiliates	78,735	78,128	(607)	-	607
	Domestic stocks	66,315	66,315	-	-	-
	Foreign stocks	8,417	7,809	(607)	-	607
	Other securities	4,003	4,003	-	-	-
	Securities available for sale	16,372,508	19,429,790	3,057,281	3,183,830	126,549
	Domestic bonds	6,573,473	6,662,863	89,390	98,767	9,377
	Domestic stocks	3,152,982	5,710,286	2,557,303	2,619,333	62,030
	Foreign securities	5,887,312	6,274,481	387,169	441,184	54,015
	Foreign bonds	4,675,217	4,830,545	155,328	206,211	50,883
	Foreign stocks and other securities	1,212,095	1,443,936	231,840	234,973	3,132
	Other securities	302,357	325,775	23,417	24,543	1,126
	Monetary claims bought	426,382	426,382	-	-	-
	Certificates of deposit	30,000	30,000	-	-	-
	Others	-	-	-	-	-
	Total	21,542,439	24,650,719	3,108,280	3,255,082	146,802
	Domestic bonds	11,605,953	11,748,897	142,944	170,019	27,075
	Domestic stocks	3,219,297	5,776,601	2,557,303	2,619,333	62,030
	Foreign securities	5,954,445	6,339,059	384,614	441,184	56,570
	Foreign bonds	4,733,932	4,887,313	153,381	206,211	52,830
	Foreign stocks and other securities	1,220,512	1,451,745	231,233	234,973	3,739
	Other securities	306,360	329,778	23,417	24,543	1,126
	Monetary claims bought	426,382	426,382	-	-	-
Certificates of deposit	30,000	30,000	-	-	-	
Others	-	-	-	-	-	

(Millions of yen)

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- Note:
1. The table above includes assets, such as certificates of deposit, which are considered appropriate to handle as securities, as defined in the Financial Instruments and Exchange Law.
 2. Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above.
Book value, equivalent of fair value, of the trust as of September 30, 2006, 2007 and as of March 31, 2007 amounted to 1,689 million yen, 1,750 million yen and 1,761 million yen, respectively.

(8) Fair Value Information on Money Held in Trust (General Account)

(Millions of yen)

	Carrying value on the balance sheet	Fair value		Gains (losses)	
				Gains	Losses
As of September 30, 2006	31,282	31,282	(2,429)	1,152	3,582
As of September 30, 2007	31,391	31,391	(1,362)	2,973	4,336
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 investment purpose is as follows:

(Millions of yen)

	As of September 30, 2006		As of September 30, 2007		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	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	29,593	(2,429)	29,640	(1,362)	30,383	(1,632)

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

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

(Millions of yen)

	Book value	Fair value		Gains (losses)	
				Gains	Losses
As of September 30, 2006					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,689	1,689	-	-	-
As of September 30, 2007					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,750	1,750	-	-	-
As of March 31, 2007					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,761	1,761	-	-	-

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

(9) Total Net Unrealized Gains (Losses) of General Account Assets

(Millions of yen)

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Securities	3,153,384	3,108,280	3,611,169
Domestic bonds	103,256	142,944	173,739
Domestic stocks	2,678,813	2,557,303	3,063,738
Foreign securities	349,290	384,614	343,949
Foreign bonds	236,722	153,381	200,654
Foreign stocks and other securities	112,568	231,233	143,294
Other securities	22,023	23,417	29,741
Real estate	13,005	90,354	77,063
Total (including others not listed above)	3,165,327	3,197,407	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.

8. Disclosed Claims Based on Categories of Obligors

(Millions of yen)			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Claims against bankrupt and quasi-bankrupt obligors	5,277	6,856	4,791
Claims with collection risk	12,142	20,330	10,985
Claims for special attention	3,124	3,343	3,135
Subtotal (I)	20,544	30,530	18,912
[Percentage (I)/(II)]	[0.34]	[0.55]	[0.33]
Claims against normal obligors	6,107,287	5,505,785	5,792,650
Total (II)	6,127,831	5,536,316	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.

9. Risk-Monitored Loans

(Millions of yen)			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Credits to bankrupt borrowers (I)	4,278	6,155	4,022
Delinquent loans (II)	13,140	21,001	11,725
Loans past due for three months or more (III)	1,378	1,661	1,539
Restructured loans (IV)	1,746	1,681	1,595
Total ((I)+(II)+(III)+(IV))	20,543	30,501	18,883
[Percentage of total loans]	[0.38]	[0.63]	[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 and delinquent loans for the six month ended September 30, 2006 were ¥6,015 million and ¥3,064 million, respectively. The write-offs of those loans for the six months ended September 30, 2007 were ¥1,236 million and ¥3,030 million, respectively. The write-offs of those loans for the fiscal year ended March 31, 2007 were ¥4,494 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.

10. Solvency Margin Ratio

(Millions of yen)

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Total solvency margin (A)	5,423,916	5,715,563	6,031,846
Total net assets (less certain items) ^{*1}	547,411	563,285	571,015
Reserve for price fluctuations	199,953	214,453	207,453
Contingency reserve	860,610	999,112	958,112
General reserve for possible loan losses	4,804	4,685	6,477
Net unrealized gains on securities (before tax) x 90% ^{*2}	2,800,352	2,751,552	3,173,159
Net unrealized gains (losses) on real estate x 85% ^{*2}	11,054	76,801	65,503
Qualifying subordinated debt	188,931	187,698	189,007
Excluded items	(5,750)	(52,681)	(5,750)
Others	816,548	970,654	866,866
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	987,615	1,020,936	1,038,295
Insurance risk R_1	206,121	113,137	204,946
Assumed investment yield risk R_2	164,653	155,117	163,656
Investment risk R_3	773,732	805,094	825,908
Business risk R_4	22,969	24,306	23,967
Guaranteed minimum benefit risk R_7 ^{*3}	3,980	4,349	3,842
3rd sector insurance risk R_8	-	137,645	-
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,098.3%	1,119.6%	1,161.8%

*1: Expected disbursements from net assets outside the Company, valuation and translation adjustments and deferred assets are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: 1. The above figures are calculated based on Articles 86, 87 of the Enforcement Regulations of the Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996.

2. Effective the interim period ended September 30, 2007, 3rd sector insurance risk is included in calculating the ratio.
(The ratios as of September 30, 2006 and March 31, 2007 are based on the former method).

11. Status of Separate Accounts

(1) Separate Account Assets by Product

(Millions of yen)

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Individual variable insurance	67,931	69,922	70,722
Individual variable annuities	271,351	284,160	291,197
Group annuities	1,332,381	1,387,541	1,404,092
Separate account total	1,671,664	1,741,623	1,766,012

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

A. Individual Variable Insurance

(Millions of yen except number of policies)

	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Number of policies	Amount	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	358	1,715	292	1,430	327	1,581
Variable insurance (whole life)	51,117	322,692	50,077	315,480	50,574	319,017
Total	51,475	324,407	50,369	316,911	50,901	320,598

Note: Policies in force include term life riders.

B. Individual Variable Annuities

(Millions of yen except number of policies)

	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Number of policies	Amount	Number of policies	Amount	Number of policies	Amount
Total	54,434	257,648	54,761	271,401	54,906	276,891

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

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Changes
Fundamental profit (i)	255,142	239,061	(16,081)
Negative spread	(49,351)	(10,022)	39,328
Mortality and morbidity gains	246,525	217,956	(28,568)
Expense margins	57,968	31,127	(26,840)
Net Capital gains (ii)	(50,876)	(66,049)	(15,173)
Other one-time profits (iii)	(102,509)	(84,304)	18,204
Provision for contingency reserves	(102,500)	(41,000)	61,500
Net surplus from operations (iv) (= (i)+(ii)+(iii))	101,756	88,706	(13,049)
Extraordinary gains and losses (v)	(11,369)	(7,344)	4,025
Provision for reserve for price fluctuations	(6,500)	(7,000)	(500)
Corporate income taxes and others (vi)	(12,751)	(7,593)	5,158
Unappropriated net surplus for the period (vii) (= (iv)+(v)+(vi))	77,635	73,769	(3,866)

Note: 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