

August 18, 2008

Financial Results for the Three Months Ended June 30, 2008

The Dai-ichi Mutual Life Insurance Company (the “Company” or the “Parent Company”; President: Katsutoshi Saito) announces financial results for the three months ended June 30, 2008.

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1. Business Highlights

(1) Sum Insured, Policies in Force and New Policies

Policies in Force

	As of June 30, 2008		As of March 31, 2008	
	Number of Policies (thousands)	Amount (100 millions of yen)	Number of Policies (thousands)	Amount (100 millions of yen)
Individual insurance	11,175	1,651,930	11,221	1,674,368
Individual annuities	1,202	70,377	1,201	70,257
Individual insurance and annuities	12,377	1,722,308	12,423	1,744,625
Group insurance	-	548,346	-	544,616
Group annuities	-	65,160	-	64,368

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)	Amount	
			New Business	Net increase by conversion
Three months ended June 30, 2008				
Individual insurance	238	13,799	13,938	(139)
Individual annuities	8	596	620	(23)
Individual insurance and annuities	246	14,395	14,559	(163)
Group insurance	-	1,362	1,362	
Group annuities	-	2	2	

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 lapse in individual insurance and annuities

(100 millions of yen except percentages)

	Three months ended June 30, 2008
Amount of surrender and lapse	25,342
Surrender and lapse rate (%)	1.45

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 for in-force contracts.

(2) Annualized Net Premium

Policies in Force		(100 millions of yen)
	As of June 30, 2008	As of March 31, 2008
Individual insurance	18,092	18,239
Individual annuities	2,794	2,772
Total	20,886	21,011
Medical and survival benefits	4,885	4,888

New Policies		(100 millions of yen)
	Three months ended June 30, 2008	
Individual insurance	234	
Individual annuities	31	
Total	266	
Medical and survival benefits	90	

- 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 the duration of the policy.
 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.

2. Investment of General Account Assets

(1) Asset Composition (General Account)

(millions of yen)

	As of June 30, 2008		As of March 31, 2008	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	377,499	1.2	338,541	1.1
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	41,784	0.1	47,273	0.2
Monetary claims bought	234,319	0.8	316,767	1.0
Trading account securities	29,723	0.1	46,663	0.2
Money held in trust	27,391	0.1	25,223	0.1
Securities	23,706,683	77.2	22,919,828	75.5
Domestic bonds	11,292,561	36.8	12,186,760	40.1
Domestic stocks	5,066,482	16.5	4,508,764	14.9
Foreign securities	7,038,231	22.9	5,925,778	19.5
Foreign bonds	5,632,343	18.4	4,540,667	15.0
Foreign stocks and other securities	1,405,887	4.6	1,385,111	4.6
Other securities	309,407	1.0	298,525	1.0
Loans	4,523,390	14.7	4,647,199	15.3
Policy loans	626,606	2.0	629,534	2.1
Ordinary loans	3,896,784	12.7	4,017,665	13.2
Real estate	1,227,493	4.0	1,233,982	4.1
Real estate for rent	777,527	2.5	780,267	2.6
Deferred tax assets	77,954	0.3	162,392	0.5
Others	453,083	1.5	636,254	2.1
Reserve for possible loan losses	(11,024)	(0.0)	(12,321)	(0.0)
Total	30,688,299	100.0	30,361,805	100.0
Foreign currency-denominated assets	5,830,333	19.0	4,940,802	16.3

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

(2) 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 June 30, 2008					
Bonds held to maturity	177,302	175,057	(2,245)	808	3,053
Domestic bonds	123,279	120,724	(2,554)	372	2,927
Foreign bonds	54,023	54,332	309	436	126
Policy-reserve-matching bonds	5,158,190	5,225,765	67,575	77,992	10,417
Domestic bonds	5,158,190	5,225,765	67,575	77,992	10,417
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	15,474,328	17,291,513	1,817,184	2,115,488	298,303
Domestic bonds	5,934,559	6,011,091	76,532	94,183	17,651
Domestic stocks	3,067,481	4,834,131	1,766,649	1,832,019	65,369
Foreign securities	6,246,938	6,224,767	(22,171)	182,436	204,607
Foreign bonds	5,602,826	5,578,320	(24,505)	116,137	140,643
Foreign stocks and other securities	644,112	646,447	2,334	66,298	63,963
Other securities	199,348	195,521	(3,826)	6,849	10,675
Monetary claims bought	-	-	-	-	-
Certificates of deposit	26,000	26,000	-	-	-
Others	-	-	-	-	-
Total	20,809,821	22,692,336	1,882,515	2,194,289	311,774
Domestic bonds	11,216,029	11,357,582	141,553	172,549	30,995
Domestic stocks	3,067,481	4,834,131	1,766,649	1,832,019	65,369
Foreign securities	6,300,962	6,279,100	(21,861)	182,872	204,733
Foreign bonds	5,656,849	5,632,653	(24,196)	116,573	140,769
Foreign stocks and other securities	644,112	646,447	2,334	66,298	63,963
Other securities	199,348	195,521	(3,826)	6,849	10,675
Monetary claims bought	-	-	-	-	-
Certificates of deposit	26,000	26,000	-	-	-
Others	-	-	-	-	-
As of March 31, 2008					
Bonds held to maturity	174,034	176,400	2,365	4,011	1,645
Domestic bonds	123,140	123,084	(56)	1,589	1,645
Foreign bonds	50,894	53,316	2,421	2,421	-
Policy-reserve-matching bonds	4,927,142	5,078,369	151,227	155,763	4,535
Domestic bonds	4,927,142	5,078,369	151,227	155,763	4,535
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	15,323,877	16,821,851	1,497,973	1,854,028	356,054
Domestic bonds	6,910,185	7,136,478	226,292	235,085	8,792
Domestic stocks	2,988,492	4,276,199	1,287,706	1,408,762	121,056
Foreign securities	5,135,282	5,129,440	(5,842)	204,446	210,288
Foreign bonds	4,498,342	4,489,772	(8,570)	133,324	141,894
Foreign stocks and other securities	636,939	639,668	2,728	71,122	68,394
Other securities	204,933	194,749	(10,183)	5,733	15,916
Monetary claims bought	44,983	44,983	-	-	-
Certificates of deposit	40,000	40,000	-	-	-
Others	-	-	-	-	-
Total	20,425,054	22,076,621	1,651,566	2,013,802	362,236
Domestic bonds	11,960,467	12,337,931	377,464	392,438	14,973
Domestic stocks	2,988,492	4,276,199	1,287,706	1,408,762	121,056
Foreign securities	5,186,177	5,182,757	(3,420)	206,868	210,288
Foreign bonds	4,549,237	4,543,089	(6,148)	135,745	141,894
Foreign stocks and other securities	636,939	639,668	2,728	71,122	68,394
Other securities	204,933	194,749	(10,183)	5,733	15,916
Monetary claims bought	44,983	44,983	-	-	-
Certificates of deposit	40,000	40,000	-	-	-
Others	-	-	-	-	-

- 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 June 30, 2008 and as of March 31, 2008 amounted to 1.626 million yen and 1,543 million yen, respectively.

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

(millions of yen)

	As of June 30, 2008	As of March 31, 2008
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	82,615	82,634
Unlisted domestic stocks (except over-the-counter stocks)	66,325	66,325
Unlisted foreign stocks (except over-the-counter stocks)	6,879	6,879
Others	9,410	9,429
Other securities	1,257,561	1,271,109
Unlisted domestic stocks (except over-the-counter stocks)	166,025	166,239
Unlisted foreign stocks (except over-the-counter stocks)	745,095	731,095
Unlisted foreign bonds	0	0
Others	346,440	373,775
Total	1,340,176	1,353,744

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.

(3) 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 June 30, 2008	27,391	27,391	2,340	6,779	4,439
As of March 31, 2008	25,223	25,223	(6,117)	2,045	8,162

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 June 30, 2008		As of March 31, 2008	
	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	25,764	2,340	23,680	(6,117)

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)

	As of June 30, 2008				
	Book Value	Fair Value		Gains (Losses)	
				Gains	Losses
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,626	1,626	-	-	-

	As of March 31, 2008				
	Book Value	Fair Value		Gains (Losses)	
				Gains	Losses
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,543	1,543	-	-	-

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

3. Unaudited Quarterly Non-Consolidated Balance Sheets

(millions of yen)

	As of June 30,2008		As of March 31,2008 (Summarized)	
	Amount	(%)	Amount	(%)
(ASSETS)				
Cash and deposits	242,996	0.8	177,816	0.6
Call loans	173,400	0.5	206,300	0.6
Deposit paid for securities borrowing transactions	41,784	0.1	47,273	0.1
Monetary claims bought	234,319	0.7	316,767	1.0
Trading account securities	29,723	0.1	46,663	0.1
Money held in trust	27,391	0.1	25,223	0.1
Securities	25,193,572	78.2	24,317,141	76.4
[Government bonds]	[8,657,370]		[9,260,744]	
[Local government bonds]	[444,457]		[452,300]	
[Corporate bonds]	[2,607,702]		[2,831,143]	
[Stocks]	[5,518,470]		[4,939,522]	
[Foreign securities]	[7,444,939]		[6,327,686]	
Loans	4,523,390	14.0	4,647,199	14.6
Policy loans	626,606		629,534	
Ordinary loans	3,896,784		4,017,665	
Tangible fixed assets	1,232,615	3.8	1,238,793	3.9
Intangible fixed assets	104,293	0.3	102,665	0.3
Reinsurance receivables	89	0.0	123	0.0
Other assets	348,386	1.1	542,986	1.7
Deferred tax assets	77,954	0.2	162,392	0.5
Customers' liabilities for acceptances and guarantees	18,144	0.1	18,835	0.1
Reserve for possible loan losses	(11,024)	(0.0)	(12,321)	(0.0)
Reserve for possible investment losses	(3,955)	(0.0)	(3,955)	(0.0)
Total assets	32,233,084	100.0	31,833,906	100.0

(millions of yen)

	As of June 30,2008		As of March 31,2008 (Summarized)	
	Amount	(%)	Amount	(%)
(LIABILITIES)				
Policy reserves and others	28,478,246	88.4	28,254,963	88.8
Reserves for outstanding claim	156,625		156,692	
Policy reserves	27,913,117		27,744,733	
Reserve for policyholder dividends	408,503		353,538	
Reinsurance payables	516	0.0	546	0.0
Subordinated bonds	53,195	0.2	50,080	0.2
Other liabilities	1,109,278	3.4	1,093,365	3.4
Reserve for employees' retirement benefits	486,401	1.5	480,475	1.5
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,132	0.0	1,138	0.0
Reserve for possible reimbursement of prescribed claims	1,000	0.0	1,000	0.0
Reserve for price fluctuations	224,953	0.7	221,453	0.7
Deferred tax liabilities for land revaluation	125,744	0.4	126,001	0.4
Acceptances and guarantees	18,144	0.1	18,835	0.1
Total liabilities	30,498,615	94.6	30,247,859	95.0
(NET ASSETS)				
Foundation funds	120,000	0.4	120,000	0.4
Accumulated redeemed foundation	300,000	0.9	300,000	0.9
Revaluation reserve	248	0.0	248	0.0
Surplus	214,749	0.7	269,913	0.8
Reserve for future losses	5,400		5,100	
Other surplus	209,349		264,813	
Reserve for redemption of foundation funds	81,300		42,600	
Reserve for risk allowance	43,139		43,139	
Fund for price fluctuation allowance	30,000		20,000	
Reserve for tax basis adjustments of real estate	15,961		15,635	
Other reserves	2,550		120	
Unappropriated net surplus for the period	36,397		143,318	
Total of foundation funds and surplus	634,997	2.0	690,162	2.2
Net unrealized gains on securities, net of tax	1,161,424	3.6	957,385	3.0
Reserve for land revaluation	(61,954)	(0.2)	(61,500)	(0.2)
Total of valuation and translation adjustments	1,099,470	3.4	895,884	2.8
Total net assets	1,734,468	5.4	1,586,046	5.0
Total liabilities and net assets	32,233,084	100.0	31,833,906	100.0

Notes to the Unaudited Quarterly Non-Consolidated Balance Sheet

1. Lease Transactions

Financial leases, other than those whose ownership transfers to the lessees, have previously been accounted for in the same manner applicable to ordinary operating leases, except small transactions. However, effective the three months ended June 30, 2008, they are accounted for in the same manner applicable to purchases and reported as leased assets by adopting the “Accounting Standard for Lease Transactions” issued on March 30, 2007 by the Accounting Standards Board of Japan (ASBJ) and the “Implementation Guidance on the Accounting Standard for Lease Transactions” issued on March 30, 2007 by the ASBJ.

Depreciation for leased assets is computed under the method over the lease term assuming zero salvage value.

Financial leases, other than those whose ownership transfers to the lessees and which commenced before April 1, 2008, are accounted for in the same manner applicable to ordinary operating leases.

As a result, leased assets increased by ¥202 million in tangible fixed assets and lease liabilities increased by ¥202 million in other liabilities. This change did not have any impact on net surplus from operations and net surplus for the period.

2. Fixed Asset Taxes and City Planning Taxes

Until the fiscal year ended March 31, 2008, the total amount of fixed asset taxes and city planning taxes relating to real estate for business use and movable assets was recognized as expenses on the date the charges were confirmed. In order to represent profits and losses more appropriately, taking into account quarterly disclosure starting from the fiscal year ending March 31, 2009, effective the three months ended June 30, 2008, the Company recognizes the amount correspondent with the quarterly period. As a result, other ordinary expenses decreased by ¥2,511 million and net surplus from operations and net surplus before adjustment for taxes, etc. each increased by ¥2,511 million.

3. Corporate Income Taxes

Immaterial adjustment items and immaterial tax credits are not considered in calculating the payable tax.

The potential realization of deferred tax assets is determined based on the earnings forecasts etc. used in the previous fiscal year, as the Company recognizes no material changes in its business environment nor the occurrence of temporary differences during the three months ended June 30, 2008.

4. Reserve for Possible Loan Losses

For loans and claims other than loans to and claims on “bankrupt obligors”, “substantially bankrupt obligors” and obligors that have not yet suffered business failure but are considered highly likely to fail, reserve for possible loan losses is calculated by using the rate of losses from bad debts as of March 31, 2008, as the Company recognizes no material changes in the rate during the three months ended June 30, 2008.

5. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by proportionally allocating the estimated depreciation for the fiscal year. Accumulated depreciation of tangible fixed assets was ¥609,963 million.

6. Appropriation of Unappropriated Net Surplus for the Previous Fiscal Year

This non-consolidated balance sheet was created based on the assumption that the plan for the appropriation of unappropriated net surplus for the previous fiscal year approved by the general meeting of representative policyholders of the Company held on July 1, 2008 had been approved at the end of the three months ended June 30, 2008.

7. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent was ¥747,971 million.

8. 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	¥ 353,538
Transfer from surplus in previous fiscal year	89,227
Dividends paid in the quarterly period	(37,023)
Interest accrual in the quarterly period	2,761
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Balance at the end of the quarterly period	¥ 408,503
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9. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥661,321 million and ¥86 million, respectively. Secured liabilities totaled ¥623,741 million. Among the amounts above, securities and cash collateral for securities lending transactions were ¥626,964 million and ¥623,708 million, respectively.

4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Three months ended	
	June 30, 2008	
	Amount	(%)
ORDINARY REVENUES	1,148,031	100.0
Premium and other income	745,116	
[Premium income]	[744,960]	
Investment income	337,001	
[Interest and dividends]	[188,275]	
[Gains on money held in trust]	[2,087]	
[Gains on sale of securities]	[70,119]	
[Gains on investment in separate accounts]	[68,839]	
Other ordinary revenues	65,913	
ORDINARY EXPENSES	1,101,804	96.0
Benefits and claims	622,008	
[Claims]	[225,544]	
[Annuities]	[86,730]	
[Benefits]	[128,171]	
[Surrender values]	[156,623]	
[Other refunds]	[24,663]	
Provision for policy reserves and others	171,145	
Provision for policy reserves	168,384	
Provision for interest on policyholder dividends	2,761	
Investment expenses	98,383	
[Interest expenses]	[2,576]	
[Losses on trading account securities]	[28]	
[Losses on sale of securities]	[53,102]	
[Losses on valuation of securities]	[6,467]	
[Derivative transaction losses]	[9,588]	
Operating expenses	104,851	
Other ordinary expenses	105,416	
NET SURPLUS FROM OPERATIONS	46,226	4.0
EXTRAORDINARY GAINS	1,963	0.2
Gains on disposal of fixed assets	659	
Reversal of reserve for possible loan losses	1,295	
Gains on collection of loans and claims written off	8	
EXTRAORDINARY LOSSES	4,437	0.4
Losses on disposal of fixed assets	217	
Impairment losses on fixed assets	714	
Provision for reserve for price fluctuations	3,500	
Other extraordinary losses	5	
Net surplus before adjustment for taxes, etc.	43,752	3.8
Corporate income taxes-current	38,801	3.4
Corporate income tax-deferred	(30,987)	(2.7)
Net surplus for the period	35,938	3.1

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

(millions of yen)

	Three months ended June 30, 2008
Fundamental revenues	1,075,824
Premium and other income	745,116
Investment income	264,794
[Interest and dividends]	188,275
Other ordinary revenues	65,913
Fundamental expense	970,991
Benefits and claims	622,008
Provision for policy reserves and others	126,356
Investment expenses	12,358
Operating expenses	104,851
Other ordinary expenses	105,416
Fundamental profit	A 104,832
Capital gains	72,207
Gains on money held in trust	2,087
Gains on investments in trading securities	-
Gains on sale of securities	70,119
Derivative transaction gains	-
Foreign exchange gains	-
Gains on trading account securities	-
Others	-
Capital losses	86,018
Losses on money held in trust	-
Losses on investments in trading securities	-
Losses on sale of securities	53,102
Losses on valuation of securities	6,467
Derivative transaction losses	9,588
Foreign exchange losses	16,832
Losses on trading account securities	28
Others	-
Net capital gains	B (13,811)
Fundamental profit plus net capital gains	A + B 91,021
Other one-time gains	-
Reinsurance income	-
Reversal of contingency reserve	-
Others	-
Other one-time losses	44,794
Ceding reinsurance commissions	-
Provision for contingency reserve	16,000
Provision for specific reserve for possible loan losses	-
Provision for specific reserve for loans to refinancing countries	-
Write-down of loans	6
Others	28,788
Other one-time profits	C (44,794)
Net surplus from operations	A + B + C 46,226

Note 'Others' in other one-time losses represents additional policy reserves provided in accordance with Articles 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Law (28,788 million yen).

6. Solvency Margin Ratio

(millions of yen)

	As of June 30, 2008	As of March 31, 2008
Total solvency margin (A)	4,947,316	4,588,750
Foundation funds and surplus ^{*1}	611,460	596,170
Reserve for price fluctuations	224,953	221,453
Contingency reserve	1,003,112	987,112
General reserve for possible loan losses	5,081	5,543
Net unrealized gains on securities (before tax) x 90% ^{*2}	1,635,304	1,348,016
Net unrealized gains (losses) on real estate x 85% ^{*2}	173,075	172,897
Policy reserves in excess of surrender values	1,045,677	1,015,148
Qualifying subordinated debt	183,195	180,080
Excluded items	(52,681)	(52,681)
Others	118,136	115,009
Total Risk $\sqrt{(R_1 + R_8)^2} + (R_2 + R_3 + R_7)^2 + R_4$ (B)	933,992	908,044
Insurance risk R_1	109,600	110,780
Assumed investment yield risk R_2	143,223	144,732
Investment risk R_3	727,297	698,666
Business risk R_4	22,552	22,033
Guaranteed minimum benefit risk R_7 ^{*3}	5,509	5,909
3rd sector insurance risk R_8	141,980	141,589
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,059.3%	1,010.6%

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

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures as of March 31, 2008 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996. The figures as of June 30, 2008 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Accounts

(1) Separate Account Assets by Product

(millions of yen)

	As of June 30, 2008	As of March 31, 2008
Individual variable insurance	60,403	58,424
Individual variable annuities	233,683	229,768
Group annuities	1,267,437	1,212,817
Separate account total	1,561,524	1,501,010

(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 June 30, 2008		As of March 31, 2008	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	262	1,268	267	1,291
Variable insurance (whole life)	49,417	309,595	49,609	311,037
Total	49,679	310,863	49,876	312,329

Note: Policies in force include term life riders.

B. Individual Variable Annuities

(millions of yen except number of policies)

	As of June 30, 2008		As of March 31, 2008	
	Number of policies	Amount	Number of policies	Amount
Total	52,506	220,443	53,367	217,052

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Three months ended June 30, 2008
Ordinary revenues	1,232,922
Net surplus from operations	39,658
Net surplus for the three months ended June 30, 2008	29,317
Total assets	32,415,062

(2) Scope of Consolidation and Application of Equity Method

	Three months ended June 30, 2008
Number of consolidated subsidiaries	3
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	11

For information regarding changes in subsidiaries and affiliates, please refer to "Notes to the Unaudited Quarterly Consolidated Financial Statements."

(3) Unaudited Quarterly Consolidated Balance Sheets

(millions of yen)

	As of June 30,2008		As of March 31,2008 (summarized)	
	Amount	(%)	Amount	(%)
(ASSETS)				
Cash and deposits	269,375	0.8	208,107	0.7
Call loans	189,060	0.6	226,860	0.7
Deposit paid for securities borrowing transactions	41,784	0.1	47,273	0.1
Monetary claims bought	234,319	0.7	316,767	1.0
Trading account securities	29,723	0.1	46,663	0.1
Money held in trust	27,391	0.1	25,223	0.1
Securities	25,328,112	78.1	24,368,043	76.3
Loans	4,523,672	14.0	4,647,912	14.6
Tangible fixed assets	1,233,008	3.8	1,239,249	3.9
Intangible fixed assets	103,667	0.3	102,029	0.3
Reinsurance receivables	629	0.0	123	0.0
Other assets	351,557	1.1	546,964	1.7
Deferred tax assets	79,596	0.2	163,962	0.5
Customers' liabilities for acceptances and guarantees	18,144	0.1	18,835	0.1
Reserve for possible loan losses	(11,025)	(0.0)	(12,351)	(0.0)
Reserve for possible investment losses	(3,955)	(0.0)	(3,955)	(0.0)
Total assets	32,415,062	100.0	31,941,710	100.0
(LIABILITIES)				
Policy reserves and others	28,657,175	88.4	28,350,278	88.8
Reserves for outstanding claims	156,678		156,722	
Policy reserves	28,091,994		27,840,017	
Reserve for policyholder dividends	408,503		353,538	
Reinsurance payables	516	0.0	546	0.0
Subordinated bonds	53,195	0.2	50,080	0.2
Other liabilities	1,119,123	3.5	1,103,766	3.5
Reserve for employees' retirement benefits	488,276	1.5	482,321	1.5
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,152	0.0	1,200	0.0
Reserve for possible reimbursement of prescribed claims	1,000	0.0	1,000	0.0
Reserve for price fluctuations	224,960	0.7	221,458	0.7
Deferred tax liabilities	4	0.0	204	0.0
Deferred tax liabilities for land revaluation	125,744	0.4	126,001	0.4
Acceptances and guarantees	18,144	0.1	18,835	0.1
Total liabilities	30,689,295	94.7	30,355,694	95.0
(NET ASSETS)				
Foundation funds	120,000	0.4	120,000	0.4
Accumulated redeemed foundation funds	300,000	0.9	300,000	0.9
Revaluation reserve	248	0.0	248	0.0
Consolidated surplus	206,650	0.6	269,339	0.8
Total of foundation funds and surplus	626,899	1.9	689,587	2.2
Net unrealized gains on securities, net of tax	1,161,409	3.6	957,565	3.0
Reserve for land revaluation	(61,954)	(0.2)	(61,500)	(0.2)
Foreign currency translation adjustments	(634)	(0.0)	(553)	(0.0)
Total of valuation and translation adjustments	1,098,821	3.4	895,510	2.8
Minority interests	46	0.0	917	0.0
Total net assets	1,725,766	5.3	1,586,016	5.0
Total liabilities and net assets	32,415,062	100.0	31,941,710	100.0

(4) Unaudited Quarterly Consolidated Statement of Earnings

(millions of yen)

	Three months ended	
	June 30, 2008	
	Amount	(%)
ORDINARY REVENUES	1,232,922	100.0
Premium and other income	831,231	
Investment income	334,514	
[Interest and dividends]	[186,820]	
[Gains on money held in trust]	[2,087]	
[Gains on sale of securities]	[70,122]	
[Gains on investment in separate accounts]	[67,805]	
Other ordinary revenues	67,175	
ORDINARY EXPENSES	1,193,264	96.8
Benefits and claims	622,722	
[Claims]	[225,593]	
[Annuities]	[86,746]	
[Benefits]	[128,344]	
[Surrender values]	[156,859]	
[Other refunds]	[25,178]	
Provision for policy reserves and others	255,569	
Provision for policy reserves	252,808	
Provision for interest on policyholder dividends	2,761	
Investment expenses	98,394	
[Interest expenses]	[2,576]	
[Losses on trading account securities]	[28]	
[Losses on sale of securities]	[53,103]	
[Losses on valuation of securities]	[6,467]	
[Derivative transaction losses]	[9,588]	
Operating expenses	109,420	
Other ordinary expenses	107,157	
NET SURPLUS FROM OPERATIONS	39,658	3.2
EXTRAORDINARY GAINS	1,963	0.2
Gains on disposal of fixed assets	659	
Gains on collection of loans and claims written off	8	
Reversal of reserve for possible loan losses	1,294	
Other extraordinary gains	0	
EXTRAORDINARY LOSSES	4,440	0.4
Losses on disposal of fixed assets	217	
Impairment losses on fixed assets	714	
Provision for reserve for price fluctuations	3,502	
Other extraordinary losses	6	
Net surplus before adjustment for taxes, etc.	37,180	3.0
Corporate income taxes-current	38,986	3.2
Corporate income tax-deferred	(31,125)	(2.5)
Minority interests in profit of subsidiaries	1	0.0
Net surplus for the period	29,317	2.4

(5) Unaudited Quarterly Consolidated Statement of Cash Flows

(millions of yen)

	Three months ended June 30,2008
I CASH FLOWS FROM OPERATING ACTIVITIES	
Net surplus before adjustment for taxes, etc.	37,180
Depreciation	7,347
Impairment losses on fixed assets	714
Increase (decrease) in reserves for outstanding claims	(42)
Increase (decrease) in policy reserves	252,808
Provision for interest on policyholder dividends	2,761
Increase (decrease) in reserve for possible loan losses	(1,295)
Gains on collection of loans and claims written off	(8)
Write-down of loans	6
Increase (decrease) in reserve for employees' retirement benefits	5,981
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(27)
Increase (decrease) in reserve for price fluctuations	3,502
Interest and dividends	(186,820)
Securities related losses (gains)	(85,617)
Interest expenses	2,576
Losses (gains) on disposal of fixed assets	(441)
Decrease (increase) in trading account securities	16,939
Others, net	(16,239)
Subtotal	39,325
Interest and dividends received	202,104
Interest paid	(868)
Policyholder dividends paid	(37,023)
Others, net	(30,951)
Corporate income taxes paid (received)	(62,664)
Net cash flows provided by operating activities	109,921
II CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of monetary claims bought	(6,100)
Proceeds from sale and redemption of monetary claims bought	43,563
Purchases of securities	(4,922,816)
Proceeds from sale and redemption of securities	4,540,777
Origination of loans	(115,678)
Proceeds from collection of loans	239,283
Others, net	106,295
II (1). Subtotal	(114,675)
(I + II(1))	(4,753)
Acquisition of tangible fixed assets	(985)
Proceeds from sale of tangible fixed assets	1,432
Others, net	(6,903)
Net cash flows used in investing activities	(121,131)
III CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of financial lease obligations	(10)
Others, net	(3)
Net cash flows provided by (used in) financing activities	(13)
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(289)
V NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,513)
VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	479,951
VII DECREASE IN CASH AND CASH EQUIVALENTS DUE TO CHANGES IN THE SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION	(6,799)
VIII CASH AND CASH EQUIVALENTS AT END OF PERIOD	461,638

Notes to the Unaudited Quarterly Consolidated Financial Statements

I. GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of main subsidiaries that are excluded from the scope of consolidation for the purposes of financial reporting: 6

(2) Names of the subsidiaries and the reason for exclusion are as follows:

Dai-ichi Life International (U.K.) Ltd.

Dai-ichi Seimei Card Service Ltd.

Dai-ichi Life International (H.K.) Ltd.

Dai-ichi Life International (U.S.A.), Inc.

Dai-ichi Life Research Institute Inc.

The Dai-ichi Well Life Support Co., Ltd.

Each of the subsidiaries is excluded in the financial reporting for the three months ended June 30, 2008 due to its immateriality in terms of quality and quantity.

2. Application of the Equity Method

(1) Number of new affiliated companies accounted for under the equity method for the three months ended June 30, 2008: 1

(2) Name of the affiliated company and the reason for being accounted for under the equity method are as follows:

DIAM SINGAPORE PTE. LTD.

DIAM SINGAPORE PTE. LTD became an affiliated company and accounted for under the equity method, effective the three months ended June 30, 2008, due to its establishment in April 2008 by DIAM Co., Ltd., an affiliated company of the Parent Company.

II. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEETS

1. Lease Transactions

Financial leases, other than those whose ownership transfers to the lessees, have previously been accounted for in the same manner applicable to ordinary operating leases, except small transactions. However, effective the three months ended June 30, 2008, they are accounted for in the same manner applicable to purchases and reported as leased assets by adopting the "Accounting Standard for Lease Transactions" issued on March 30, 2007 by the Accounting Standards Board of Japan (ASBJ) and the "Implementation Guidance on the Accounting Standard for Lease Transactions" issued on March 30, 2007 by the ASBJ.

Depreciation for leased assets is computed under the method over the lease term assuming zero salvage value.

Financial leases, other than those whose ownership transfers to the lessees and which commenced before April 1, 2008, are accounted for in the same manner applicable to ordinary operating leases.

As a result, leased assets increased by ¥202 million in tangible fixed assets and lease liabilities increased by ¥202 million in other liabilities. This change did not have any impact on net surplus from operations and net surplus for the period.

2. Fixed Asset Taxes and City Planning Taxes

Until the fiscal year ended March 31, 2008, the total amount of fixed asset taxes and city planning taxes relating to real estate for business use and movable assets was recognized as expenses on the date the charges were confirmed. In order to represent profits and losses more appropriately, taking into account quarterly disclosure starting from the fiscal year ending March 31, 2009, effective the three months ended June 30, 2008, the Company recognizes the amount correspondent with the quarterly period. As a result, other ordinary expenses decreased by ¥2,511 million and net surplus from operations and net surplus before adjustment for taxes, etc. each increased by ¥2,511 million.

3. Corporate Income Taxes

Immaterial adjustment items and immaterial tax credits are not considered in calculating the payable tax.

The potential realization of deferred tax assets is determined based on the earnings forecasts etc. used in the previous fiscal year, as the Company recognizes no material changes in its business environment and the occurrence of temporary differences during three months ended June 30, 2008.

4. Reserve for Possible Loan Losses

For loans and claims other than loans to and claims on “bankrupt obligors”, “substantially bankrupt obligors” and obligors that have not yet suffered business failure but are considered highly likely to fail, reserve for possible loan losses is calculated by using the rate of losses from bad debts as of March 31, 2008, as the Company recognizes no material changes in the rate during three months ended June 30, 2008.

5. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by proportionally allocating the estimated depreciation for the fiscal year. Accumulated depreciation of tangible fixed assets was ¥610,529 million.

6. Appropriation of Unappropriated Net Surplus for the Previous Fiscal Year

This consolidated balance sheet was created based on the assumption that the plan for the appropriation of unappropriated net surplus for the previous fiscal year approved by the general meeting of representative policyholders of the Company held on July 1, 2008 had been approved at the end of the three months ended June 30, 2008.

7. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent was ¥747,971 million.

8. 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	¥ 353,538
Transfer from surplus in previous fiscal year	89,227
Dividends paid in the quarterly period	(37,023)
Interest accrual in the quarterly period	2,761
	<hr/>
Balance at the end of the quarterly period	¥ 408,503
	<hr/>

9. Assets Pledged as Collateral / Secured Liabilities

The amount of securities and cash/deposits pledged as collateral were ¥661,321 million and ¥86 million, respectively. Secured liabilities totaled ¥623,741 million. Among the amounts above, securities and cash collateral for securities lending transactions were ¥626,964 million and ¥623,708 million, respectively.

10. Change in Scope of Consolidation

The Company changed its scope of consolidation for the three months ended June 30, 2008. As a result, consolidated surplus for the three months ended June 30, 2008 decreased by ¥904 million.

III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNING

1. Taxes

At some consolidated subsidiaries, income taxes are calculated by applying a reasonably estimated effective tax rate to net surplus before adjustment for taxes, etc. for the three months ended June 30, 2008. The estimated effective tax rate is determined by estimating the effective tax rate after taking into account the effect of deferred tax accounting for the full fiscal year, including the three months ended June 30, 2008.

IV. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following items contained in the consolidated balance sheets: cash and deposits, call loans, commercial paper included in monetary claims bought, money market fund included in securities, and overdrafts included in other liabilities.

2. Reconciliation of Cash and Cash Equivalents

Reconciliation of cash and cash equivalents to balance sheet accounts as of June 30, 2008 was as follows:

	As of June 30, 2008 (millions of yen)	
Cash and cash deposits (a)	¥	269,375
Call loans (b)		189,060
Money market fund (c)		3,203
Cash and cash equivalents (a+b+c)	¥	461,638

(6) Status of Insurance Claims Paying Ability of Insurance Subsidiaries
(Solvency Margin Ratio)

The Dai-ichi Frontier Life Insurance Company

(millions of yen)

	As of June 30, 2008	As of March 31, 2008
Total solvency margin (A)	40,211	41,036
Common stock, etc.	29,780	35,701
Reserve for price fluctuations	7	5
Contingency reserve	1,712	879
General reserve for possible loan losses	0	0
Net unrealized gains on securities (before tax) x 90% ^{*2}	11	226
Net unrealized gains (losses) on real estate x 85% ^{*2}	-	-
Policy reserves in excess of surrender values	8,699	4,223
Qualifying subordinated debt	-	-
Excluded items	-	-
Others	-	-
Total Risk $\sqrt{(R_1 + R_8)^2} + (R_2 + R_3 + R_7)^2 + R_4$ (B)	6,398	3,978
Insurance risk R_1	-	-
Assumed investment yield risk R_2	0	0
Investment risk R_3	339	302
Business risk R^4	186	115
Guaranteed minimum benefit risk R_7 ^{*3}	5,872	3,559
3rd sector insurance risk R_8	-	-
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,256.8%	2,063.0%

Note 1. The figures as of March 31, 2008 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of June 30, 2008 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

2. Guaranteed minimum benefit risk is calculated by standard method.

(7) Segment Information

The Company and its consolidated subsidiaries are engaged in businesses other than life insurance business, such as computer system and software development. Those businesses have a minimal impact on overall consolidated financial condition, and segment information on those businesses is omitted.