

May 20, 2009

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## Exposure to Securitized Products

### Including Subprime-Related Investments

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The Dai-ichi Mutual Life Insurance Company (the “Company”; President: Katsutoshi Saito) discloses its exposure to securitized products, including subprime-related investments, based on the “Leading-Practice Disclosures for Selected Exposures” included in the Financial Stability Forum (FSF) report announced in April 2008.

The Company’s exposure to securitized and subprime-related products is as follows:

- The Company held no direct investments in subprime-related products as of March 31, 2009.
- The Company holds investments in hedge funds in the form of fund-of-funds and single fund investments, and some of their underlying investments include subprime-related products. As there are both long and short positions in its asset portfolio, the Company believes that they will have a limited impact on its financial condition even under market fluctuations.
- RMBS accounts for approximately 80% of the Company’s total balance of securitized products in terms of fair value as of March 31, 2009. The breakdown of the RMBS is: (1) securities backed by US government agencies or US government-sponsored enterprises, (2) securities backed by Japanese mortgage loans, and (3) securities issued by Japan Housing Finance Agency.

The Company defines “unrealized gains (losses)” as fair value less book value and “realized gains (losses)” as total of gains (losses) on sales and impairment losses.

## 1. The Company's exposure to securitized products

**Table 1. Special-Purpose Entities (SPEs, as of March 31, 2009)**

The Company holds no investments in SPEs.

(¥ in billion)

	Fair value	Unrealized gains (losses)	Realized gains (losses)
Special-Purpose Entities, Total	—	—	—
ABCP	—	—	—
SPEs which the Company originated	—	—	—
SIV	—	—	—
SPEs which the Company originated	—	—	—
Others	—	—	—
SPEs which the Company originated	—	—	—

**Table 2. Collateralized Debt Obligations (CDOs, as of March 31, 2009)**

(¥ in billion)

	Fair Value	Unrealized gains (losses)	Realized gains (losses)
CDOs (*1) (*2)	11.2	0.0	(33.5)
ABS-CDOs	—	—	—
Senior	—	—	—
Subprime/Alt-A exposure	—	—	—
Mezzanine	—	—	—
Subprime/Alt-A exposure	—	—	—
Equity	—	—	—
Subprime/Alt-A exposure	—	—	—
CLOs	4.0	0.0	(22.5)
Senior	1.5	0.0	—
Mezzanine	—	—	—
Equity	2.5	—	(22.5)
CBOs	—	—	—
Senior	—	—	—
Mezzanine	—	—	—
Equity	—	—	—
Synthetic CDOs	7.2	—	( 10.9)
Senior	0.6	—	( 4.3)
Mezzanine	1.4	—	( 6.5)
Equity	5.1	—	—
Others	—	—	—
Senior	—	—	—
Mezzanine	—	—	—
Equity	—	—	—

\*1. The size of issuance as a whole on such CDOs is ¥2,495.1billion, which consists of senior (¥923.7 billion), mezzanine (¥529.1 billion) and equity (¥1,042.3 billion). Among the total amount, CDOs of ¥11.2 billion are held by the Company.

\*2. Breakdown of credit ratings of CDOs which the Company held as of March 31, 2009 is as follows:

(¥ in billion)

Credit rating	Fair value	Percentage
AAA	1.5	13.3%
AA	—	—
A	—	—
BBB	2.2	20.4%
BB	4.2	38.2%
B	0.6	5.5%
no credit ratings	2.5	22.3%
Total	11.2	100.0%

**Table 3. Other Subprime/Alt-A Exposure (as of March 31, 2009)**

The Company holds no securitized products backed by subprime/Alt-A exposure.

(¥ in billion)

	Fair value	Unrealized gains (losses)	Realized gains (losses)
Other Subprime/Alt-A Exposure, Total	—	—	—
Unsecuritized loan	—	—	—
RMBS	—	—	—
Derivatives	—	—	—
Commitment line	—	—	—
Others	—	—	—

**Table 4. Commercial Mortgage-Backed Securities (CMBS, as of March 31, 2009)**

(¥ in billion)

	Fair value		Unrealized gains (losses)	Realized gains (losses)
		(ref.) as of September 30, 2008		
CMBS	0.3	1.3	( 0.0)	—
Japan	0.3	1.3	( 0.0)	—
USA	—	—	—	—
Europe	—	—	—	—
UK	—	—	—	—
Others	—	—	—	—

\*1. Real estate as collateral consists of office buildings only.

**Table 5. Leveraged Finance (as of March 31, 2009)**

The Company holds no leveraged finance products.

(¥ in billion)

	Fair value		Unrealized gains (losses)	Realized gains (losses)
		(ref.) as of September 30, 2008		
Leveraged Finance, Total	—	—	—	—
Telecommunication	—	—	—	—
Electronics	—	—	—	—
Entertainment	—	—	—	—
Service	—	—	—	—
Others	—	—	—	—

**Table 6. Others (as of March 31, 2009) (\*1)**

(¥ in billion)

	Fair value	Unrealized gains (losses)	Realized gains (losses)
Hedge fund (*2)	222.4	( 58.2 )	( 3.4 )
CDS	(*3) –	–	(*4) ( 0.0 )
RMBS	(*5) 1,172.4	29.8	( 39.3 )
ABS	96.7	( 0.3 )	–
Credit-linked note	2.9	( 0.0 )	–

\*1. The Company held no direct investments in subprime-related products as of March 31, 2009.

\*2. The Company holds hedge funds in the form of fund-of-funds and single fund investments, and some of their underlying investments include subprime-related products. As there are both long and short positions, the Company believes that they will have a limited impact on its financial condition even under market fluctuations.

\*3. The Company held no balance of CDS as of March 31, 2009..

\*4. Realized gains (losses) of CDS represent the amount of net derivative transaction gains (losses) associated with CDS, which are derivative transaction gains from CDS less derivative transaction losses from CDS.

\*5. RMBS consisted of: (1) approx. ¥917.5 billion of US mortgage securities backed by US government agencies or US government-sponsored enterprises, (2) approx. ¥246.4 billion of securities backed by Japanese mortgage loans, and (3) approx. ¥8.4 billion of securities issued by Japan Housing Finance Agency.

## 2. Breakdown of Securitized Products as a Whole

The Company held no direct investments in securitized products related to subprime loans as of March 31, 2009.

(¥ in billion)

	Fair value	Unrealized gains (losses)	Realized gains (losses)	Percentage (Fair Value)
Securitized products, total	1,506.2	( 28.7 )	( 76.3 )	100.0%
CDO	11.2	0.0	( 33.5 )	0.7%
CMBS	0.3	( 0.0 )	–	0.0%
Hedge fund	222.4	( 58.2 )	( 3.4 )	14.7%
CDS	(*1) –	–	( 0.0 )	–
RMBS	1,172.4	29.8	( 39.3 )	77.8%
ABS	96.7	( 0.3 )	–	6.4%
Credit-linked note	2.9	( 0.0 )	–	0.1%

\*1. The Company held no balance of CDS as of March 31, 2009.

The Company holds investments in hedge funds in the form of fund-of-funds and single fund investments, and some of their underlying investments include subprime-related products. As there are both long and short positions, the Company believes that they will have a limited impact on its financial condition even under market fluctuations.

### 3. Other Related Information on Securitized Products

The Company's subsidiaries have no exposure to subprime-related products.

Abbreviated terms:

ABCP: Asset Backed Commercial Paper

ABS: Asset Backed Security

ABS-CDO: CDO of ABS

CBO: Collateralized Bond Obligation

CDO: Collateralized Debt Obligation

CDS: Credit Default Swap

CLO: Collateralized Loan Obligation

CMBS: Commercial Mortgage-Backed Securities

RMBS: Residential Mortgage-Backed Securities

SIV: Structured Investment Vehicle