May 20, 2009

Financial Results for the Fiscal Year Ended March 31, 2009

The Dai-ichi Mutual Life Insurance Company (the "Company" or the "Parent Company"; President: Katsutoshi Saito) announces its financial results for the fiscal year ended March 31, 2009.

[Contents]

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Financial Summary for the Fiscal Year Ended March 31, 2009

May 20, 2009
The Dai-ichi Mutual Life Insurance Company

The financial results of the Company for the fiscal year ended March 31, 2009 will be reported at the 108th annual representative policyholders' meeting to be held on June 30, 2009.

Summary of the financial results are as follows:

1. Business Highlights

(1) Policies in Force and New Policies

Policies in Force

	As of March 31, 2008				As of March 31, 2009			
	Number of policies		Amount		Number of policies		Amount	
	(thousands)	Change (%, YoY)	(billions of yen)	Change (%, YoY)	(thousands)	Change (%, YoY)	(billions of yen)	Change (%, YoY)
Individual insurance	11,221	98.5	167,436.8	95.5	11,051	98.5	159,072.0	95.0
Individual annuities	1,201	100.6	7,025.7	100.6	1,202	100.1	6,975.8	99.3
Individual insurance and annuities	12,423	98.7	174,462.5	95.7	12,254	98.6	166,047.8	95.2
Group insurance	-	-	54,461.6	100.8	-	-	54,769.4	100.6
Group annuities	-	-	6,436.8	98.1	-	-	6,140.6	95.4

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 (billions of yen)	New Business	Net increase by conversion	Change (%, YoY)
Year ended March 31, 2008					
Individual insurance	1,042	8,488.9	7,556.6	932.3	84.8
Individual annuities	43	325.9	340.1	(14.1)	67.9
Individual insurance and annuities	1,085	8,814.9	7,896.7	918.2	84.0
Group insurance	-	433.5	433.5		118.3
Group annuities	-	0.9	0.9		156.0
Year ended March 31, 2009					
Individual insurance	1,060	6,922.5	7,127.2	(204.6)	81.5
Individual annuities	35	247.4	257.4	(10.0)	75.9
Individual insurance and annuities	1,096	7,170.0	7,384.7	(214.7)	81.3
Group insurance	-	749.2	749.2		172.8
Group annuities	-	1.3	1.3		139.5

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) Surrenders and lapses in individual insurance and annuities

(billions of yen except percentages)

	Year ended March 31, 2008	Year ended March 31, 2009
Amount of surrenders and lapses	10,931.2	10,094.7
Surrender and lapse rate (%)	5.99	5.79

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

(billions of yen except percentages)

	As of March 31, 2008	Change (%, YoY)	As of March 31, 2009	Change (%, YoY)
Individual insurance	1,823.9	97.6	1,766.8	96.9
Individual annuities	277.2	106.0	285.5	103.0
Total	2,101.1	98.6	2,052.4	97.7
Medical and survival benefits	488.8	101.3	492.7	100.8

New Policies

(billions of yen except percentages)

	Year ended March 31, 2008	Change (%, YoY)	Year ended March 31, 2009	Change (%, YoY)
Individual insurance	113.6	85.4	108.1	95.2
Individual annuities	19.9	60.5	12.3	61.8
Total	133.6	80.4	120.4	90.2
Medical and survival benefits	43.9	85.6	40.6	92.4

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 bythe 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 benefit (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. New policies include net increase by conversion.

(3) Profit and Loss Items

(millions of yen except percentages)

	Year ended March 31, 2008	Change (%, YoY)	Year ended March 31, 2009	Change (%, YoY)
Premium and other income	3,098,525	94.1	2,904,336	93.7
Investment income	1,026,369	94.3	1,178,355	114.8
Benefits and claims	2,648,008	111.4	2,753,596	104.0
Investment expense	563,957	179.5	1,414,800	250.9
Net surplus from operations	200,581	84.7	109,146	54.4

(4) Statements of Surplus

(millions of yen except percentages)

	Year ended March 31, 2008	Change (%, YoY)	Year ended March 31, 2009	Change (%, YoY)
Unappropriated net surplus	143,318	90.9	133,766	93.3
Reserve for policyholders dividends	89,227	78.2	64,963	72.8
Net surplus	54,246	124.4	68,947	127.1

(5) Total Assets

(millions of yen except percentages)

	Year ended March 31, 2008	Change (%, YoY)	Year ended March 31, 2009	Change (%, YoY)
Total Assets	31,833,906	94.8	30,022,243	94.3

2. Policies in Force as of March 31, 2009 by Benefit

	Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits								
general	10,548	144,570.7		0	26,904	54,761.7	37,452	199,332.4
accidental	[5,886]	[23,201.6]	[323]	[389]	[3,363]	[2,344.5]	[9,574]	[25,934.8]
others	[0]	[0.1]	[-]	[-]	[83]	[110.5]	[83]	[110.6]
Survival benefits	503	14,501	1,202	6,976	10	8	1,716	21,485
Hospitalization benefits								
accidental	[8,873]	[40.6]	[97]	[0.4]	[1,801]	[1.2]	[10,773]	[42.3]
illness	[8,774]	[40.3]	[99]	[0.4]	[0]	[0.0]	[8,874]	[40.8]
others	[5,060]	[24.6]	[80]	[0.3]	[65]	[0.0]	[5,206]	[25.0]
Injury benefits	[9,873]	-	[100]	-	[3,137]	-	[13,111]	-
Surgery benefits	[6,622]	-	[99]	-	-	-	[6,721]	-

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	14,794	6,140.6	110	282.7	54	134.7	14,959	6,558.2

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	596	1.0

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	50	3.1

Note:

1. Figures in [ ] show numbers and amounts of additional benefits and of benefits to be paid from riders.
2. Number of group insurance, group annuities, financial insurance, financial annuities, medical care and group disability show the number of insureds.
3. Amounts in 'Survival benefits' show the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced, for individual insurance, individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
4. Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
5. Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
6. Amount in group disability insurance shows the amount of disability benefits paid per month.
7. The number of insureds and amount of policies for reinsurance written were 119 thousand and 47.7billion yen, respectively.

3. Investment of General Account Assets

(1) Overview of Investment of General Account Assets for the Fiscal Year Ended March 31, 2009

A. Investment Environment

The financial turmoil triggered by the subprime loan crisis in the U.S. turned into a global economic and financial crisis in the later half of the fiscal year.

The Japanese economy saw steep negative growth in the fiscal year 2008 affected by the global crisis. Capital expenditure and production of the corporate sector decreased in response to the large decline in demand, both domestic and international, and personal consumption remained sluggish due to deteriorating employment and income environment.

The U.S. economy showed negative growth as real personal consumption in the U.S. dropped, reflecting (1) the downturn in housing investment and (2) the concern that the financial turmoil would negatively affect the actual economy.

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

[Domestic interest rates]

Yield on ten year government bonds once rose to nearly 1.9%, reflecting concerns about global inflation due to rising crude oil prices in the first half of fiscal year 2008. It turned downward, however, as the Bank of Japan took measures such as interest-rate cut and additional government-bond-buying operations, resulting in a decline down to mid 1.1% level, for the first time in about five years, in December.

Yield on ten-year government bonds:	March 31, 2008	1.275%
	March 31, 2009	1.345%

[Domestic Stocks]

Although it peaked at a price above ¥14,000, the Nikkei 225 Stock Average marked a sharp decline with growing risk-adverse movements under the critical situation of the global financial system, accelerated by concern for the corporate sector’s slump affected by yen appreciation and deterioration of the real economy. It went down beyond the post-bubble low, nearing ¥7,000 in the second half of the period.

Nikkei 225 Stock Average:	March 31, 2008	¥12,525
	March 31, 2009	¥8,109
TOPIX:	March 31, 2008	1,212
	March 31, 2009	773

[Foreign Currency]

The U.S. Federal Reserve Bank’s bold interest-rate cut in response to the spreading financial crunch narrowed the yield gap between the yen and the U.S. dollar, and thus encouraged the unwinding of yen carry trades. In accordance with this, the yen once appreciated to ¥87 per U.S. dollar, a 13-year high. Towards the fiscal year-end, however, it bounced back to almost the same level as in the beginning of the period.

Due to (1) the growing threat of a domino-effect crisis, (2) the prospect that the European Central Bank would make a bold rate reduction becoming more likely, and (3) intensified risk-adverse sentiments in the market, there was a sharp appreciation of the yen against the Euro in the period.

Yen/U.S. dollar:	March 31, 2008	¥100.19
	March 31, 2009	¥98.23
yen/euro:	March 31, 2008	¥158.19
	March 31, 2009	¥129.84

B. Investment Results

[Asset Composition]

The Company continued to set fixed income investments, including bonds and loans, as the 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 its Asset Liability Management (ALM) strategy and to improve profitability. Although the global financial market deteriorated in the second half of the fiscal year 2008, the Company has managed risk associated with its risk assets (such as domestic stocks and foreign securities intended to improve its profitability) by taking into account the market trends.

The table below summarizes the investment results of the general account by asset category:

Assets	Investment results
Domestic bonds	<u>Increase</u> The Company actively replaced low-yield bonds with longer duration high-yield bonds and also increased investment in policy-reserve-matching bonds (mainly long-term and super-long-term bonds), based on its 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 its internal guidelines on risk-adjusted credit-spread.
Loans	<u>Decrease</u> The Company made efforts to maintain high profitability by setting adequate risk-adjusted spreads, while paying attention to the credit spread changes in the bond market. However, its total balance of loans decreased due to maturities.
Domestic stocks	<u>Decrease</u> The balance decreased due to sales for risk-control purposes and market-wide declines in domestic stocks. The Company replaced stocks of some companies and sectors with stocks of companies with more competitiveness and growth potential, taking into account the analyses by in-house analysts.
Foreign bonds	<u>Slight decrease</u> The Company increased its investment in foreign currency-denominated bonds with currency hedges aiming for an improved investment return in the fixed income asset category. Meanwhile, the Company decreased its exposure to bonds without currency hedges as a risk control measure, resulting in a slight decrease in the total balance of foreign bonds. Also, the Company made efforts to improve return on investments and to control risk by diversifying its portfolio by sector and currency.
Foreign stocks	<u>Slight increase</u> The Company decreased its balance of foreign stocks in order to manage the total risk of its portfolio, while increasing the balance of yen denominated preferred securities, which are categorized as foreign stocks. As a result, its total balance increased slightly. Moreover, the Company increased its investment in foreign stocks, using independent investment advisors as well as in-house managers to enhance diversified investment styles.
Real estate	<u>Flat</u> The Company made efforts to improve the quality and profitability of its portfolio, which include a review of rents, promotion of efficient use of real estate by refurbishment and housing rehabilitation, and improvement of operation rates.

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

[Investment income and expenses]

Interest and dividend income decreased largely due to a decrease in foreign interest income triggered by appreciation of the yen against other currencies, together with a decrease in dividends from domestic stocks caused by poor market conditions. Meanwhile, due to an increase in gains on sale of marketable securities, investment income increased by ¥151.9 billion to ¥1,178.3 billion. On the other hand, investment losses increased by ¥785.2 billion to ¥1,114.3 billion, mainly due to an increase in losses on sales of marketable securities and devaluation losses on stocks caused by declines in the equity market.

As a result, net investment income decreased by ¥63.9 billion to ¥633.2 billion for the fiscal year ended March 31, 2009.

C. Investment Environment Outlook for the Fiscal Year Ending March 31, 2010

The Japanese economy is expected to show signs of the bottoming out of the recession towards the second half of the coming fiscal year as a result of inventory adjustments and extensive economic-stimulus measures. Nevertheless, it is most likely that the recovery will be a rather moderate one considering the severe employment and income environment and the low motivation for capital expenditure in the corporate sector.

[Domestic interest rates]

Long-term interest rates are estimated to remain at a low level, given the economic downturn and the government's monetary easing policies. However, relief in the financial markets or signs of reaching the bottom of the recession may become tangible, and, consequently, may increase the pressure to raise interest rates temporarily.

[Domestic stocks]

Domestic stocks will remain sluggish as conditions indicate little possibility of a remarkable recovery happening in the foreseeable future. Yet, as the global financial turmoil weakens, the market may moderately recover to some extent.

[Foreign currency]

With regard to yen/dollar exchange rates, while risk aversion gradually weakens, pressure to depreciate the dollar is expected to intensify at some point over the coming year due to factors such as concerns over growth of the U.S. budget deficit, and therefore, exchange rates should remain within a limited range during the fiscal year.

As for yen/Euro exchange rates, the outlook is mixed and unclear; it is becoming more likely that pressure to buy back the Euro increases as market participants' risk appetite recovers. At the same time, there is also a chance of further Euro depreciation due to potential monetary easing by the ECB.

D. Investment Policies for the Fiscal Year Ending March 31, 2010

Fixed income investments, including bonds and loans, will remain the core of the Company's asset portfolio, consistent with its mid- to long-term investment policies. The Company will control its portfolio with extra attention given to the current market trends to manage risks associated with the portfolio.

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

Assets	Investment policies
Domestic bonds	<u>Slight increase</u> The Company will continue stable investment in domestic bonds at the present level, as a core asset under its ALM strategy, throughout the year. When interest rates rise, the Company will accelerate its investment in bonds with longer duration.
Loans	<u>Slight decrease</u> The Company will provide new loans with attention to lending conditions and credit spread levels in the corporate bond market. Because corporate capital needs are estimated to shrink, however, the total balance of loans will slightly decrease.
Domestic stocks	<u>Flat</u> Taking into account the market trends, the Company will control its exposure to domestic stocks with average exposure targeted at the present level. The Company will also make efforts to improve its profitability by actively selecting companies and sectors with growth potential.
Foreign bonds	<u>Flat</u> The Company will maintain its foreign currency-denominated bond portfolio at the present level, which is intended to contribute to diversification and a 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>Flat</u> Taking into account market trends, the Company will control its exposure to foreign stocks with average exposure targeted at the present level. The Company also continues to seek regional diversification, as well as investment style diversification, by utilizing both in-house fund managers and independent investment advisors.

(2) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	338,541	1.1	359,046	1.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	47,273	0.2	14,954	0.1
Monetary claims bought	316,767	1.0	281,371	1.0
Trading account securities	46,663	0.2	52,597	0.2
Money held in trust	25,223	0.1	13,265	0.0
Securities	22,919,828	75.5	21,588,974	74.7
Domestic bonds	12,186,760	40.1	12,620,231	43.7
Domestic stocks	4,508,764	14.9	2,846,053	9.9
Foreign securities	5,925,778	19.5	5,908,767	20.5
Foreign bonds	4,540,667	15.0	4,459,828	15.4
Foreign stocks and other securities	1,385,111	4.6	1,448,938	5.0
Other securities	298,525	1.0	213,921	0.7
Loans	4,647,199	15.3	4,248,438	14.7
Policy loans	629,534	2.1	604,706	2.1
Ordinary loans	4,017,665	13.2	3,643,732	12.6
Real estate	1,233,982	4.1	1,235,122	4.3
Real estate for rent	780,267	2.6	778,840	2.7
Deferred tax assets	162,392	0.5	640,990	2.2
Others	636,254	2.1	459,888	1.6
Reserve for possible loan losses	(12,321)	(0.0)	(10,916)	(0.0)
Total	30,361,805	100.0	28,883,735	100.0
Foreign currency-denominated assets	4,940,802	16.3	4,404,129	15.2

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

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

(millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash, deposits, and call loans	(168,242)	20,505
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	47,273	(32,318)
Monetary claims bought	(145,561)	(35,395)
Trading account securities	46,663	5,934
Money held in trust	(7,340)	(11,958)
Securities	(1,291,324)	(1,330,853)
Domestic bonds	266,083	433,471
Domestic stocks	(1,613,454)	(1,662,710)
Foreign securities	126,459	(17,010)
Foreign bonds	57,532	(80,838)
Foreign stocks and other securities	68,927	63,827
Other securities	(70,413)	(84,604)
Loans	(415,371)	(398,760)
Policy loans	(29,735)	(24,828)
Ordinary loans	(385,636)	(373,932)
Real estate	66,733	1,140
Real estate for rent	40,068	(1,427)
Deferred tax assets	162,392	478,598
Others	230,735	(176,366)
Reserve for possible loan losses	(786)	1,405
Total	(1,474,829)	(1,478,070)
Foreign currency-denominated assets	208,051	(536,673)

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

(4) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	%	Amount	%
Interest and dividends	832,184	81.1	741,330	62.9
Interest from deposits	4,687	0.5	6,316	0.5
Interest and dividends from securities	651,127	63.4	557,911	47.3
Interest from loans	102,821	10.0	97,400	8.3
Rental income	62,579	6.1	69,534	5.9
Other interest and dividends	10,969	1.1	10,165	0.9
Gains on trading account securities	-	-	1,484	0.1
Gains on money held in trust	-	-	-	-
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	150,181	14.6	382,670	32.5
Gains on sale of domestic bonds	25,926	2.5	130,575	11.1
Gains on sale of domestic stocks	42,567	4.1	52,221	4.4
Gains on sale of foreign securities	81,678	8.0	199,873	17.0
Others	9	0.0	-	-
Gains on redemption of securities	7,498	0.7	11,223	1.0
Derivative transaction gains	36,082	3.5	41,172	3.5
Foreign exchange gains	-	-	-	-
Other investment income	421	0.0	473	0.0
Total	1,026,369	100.0	1,178,355	100.0

(5) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	%	Amount	%
Interest expenses	10,169	3.1	9,402	0.8
Losses on trading account securities	187	0.1	-	-
Losses on money held in trust	7,534	2.3	6,729	0.6
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	148,338	45.1	504,840	45.3
Losses on sale of domestic bonds	33,121	10.1	23,091	2.1
Losses on sale of domestic stocks	2,618	0.8	54,194	4.9
Losses on sale of foreign securities	112,597	34.2	427,555	38.4
Others	-	-	-	-
Losses on valuation of securities	31,904	9.7	441,948	39.7
Losses on valuation of domestic bonds	-	-	179	0.0
Losses on valuation of domestic stocks	18,797	5.7	217,817	19.5
Losses on valuation of foreign securities	13,107	4.0	222,970	20.0
Others	-	-	980	0.1
Losses on redemption of securities	520	0.2	2,240	0.2
Derivative transaction losses	-	-	-	-
Foreign exchange losses	80,577	24.5	91,499	8.2
Provision for reserve for possible loan losses	1,339	0.4	-	-
Provision for reserve for possible investment losses	3,869	1.2	-	-
Write-down of loans	683	0.2	905	0.1
Depreciation of rental real estate and others	15,273	4.6	15,110	1.4
Other investment expenses	28,718	8.7	41,687	3.7
Total	329,114	100.0	1,114,363	100.0

(6) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net investment income	697,254	63,992

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash, deposits, and call loans	0.51	0.63
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.55	0.52
Monetary claims bought	1.08	1.76
Trading account securities	(0.80)	1.74
Money held in trust	(23.83)	(29.26)
Securities	2.70	(0.29)
Domestic bonds	1.84	2.85
Domestic stocks	3.54	(3.33)
Foreign securities	3.70	(3.48)
Foreign bonds	2.64	(2.25)
Foreign stocks and other securities	7.81	(7.77)
Loans	2.02	2.17
Ordinary loans	1.59	1.75
Real estate	4.44	4.73
Total	2.40	0.22
Foreign investments	3.61	(3.24)

Note: 1. Rates of return above are calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.
2. 'Foreign investments' include yen-denominated assets.

B. Average daily balance (general account)

(billions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash, deposits, and call loans	373.8	399.7
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	73.4	21.9
Monetary claims bought	395.1	269.6
Trading account securities	66.2	78.8
Money held in trust	32.7	23.0
Securities	20,990.1	21,922.2
Domestic bonds	11,435.4	11,384.7
Domestic stocks	3,160.0	3,304.7
Foreign securities	6,069.1	6,942.4
Foreign bonds	4,823.6	5,387.5
Foreign stocks and other securities	1,245.5	1,554.8
Loans	4,835.9	4,448.0
Ordinary loans	4,186.4	3,825.5
Real estate	766.8	785.2
Total	29,029.7	29,644.0
Foreign investments	6,389.6	7,282.1

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

(millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	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	70,343	(5,995)	64,687	(1,139)
Trading account securities	46,663	122	52,597	(178)
Money held in trust	23,680	(6,117)	12,089	(961)

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

D. Fair value information on securities (general account) (securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 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	-	-	-	-	-
As of March 31, 2009					
Bonds held to maturity	173,462	177,941	4,479	5,842	1,362
Domestic bonds	123,697	123,767	70	1,433	1,362
Foreign bonds	49,765	54,174	4,408	4,408	-
Policy-reserve-matching bonds	5,161,684	5,391,451	229,767	233,682	3,915
Domestic bonds	5,161,684	5,391,451	229,767	233,682	3,915
Stocks of subsidiaries and affiliates	16,345	16,345	(0)	-	0
Securities available for sale	14,936,493	14,862,019	(74,473)	571,671	646,145
Domestic bonds	7,160,812	7,334,849	174,037	195,947	21,910
Domestic stocks	2,606,474	2,509,680	(96,794)	277,480	374,274
Foreign securities	4,943,671	4,805,430	(138,240)	96,950	235,190
Foreign bonds	4,465,666	4,410,063	(55,603)	86,170	141,774
Foreign stocks and other securities	478,004	395,367	(82,637)	10,779	93,416
Other securities	115,534	102,058	(13,476)	1,293	14,770
Monetary claims bought	19,999	19,999	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	20,287,986	20,447,758	159,772	811,196	651,424
Domestic bonds	12,446,194	12,850,068	403,874	431,063	27,188
Domestic stocks	2,606,474	2,509,680	(96,794)	277,480	374,274
Foreign securities	5,009,343	4,875,512	(133,831)	101,358	235,190
Foreign bonds	4,515,431	4,464,237	(51,194)	90,579	141,774
Foreign stocks and other securities	493,911	411,274	(82,637)	10,779	93,416
Other securities	115,973	102,496	(13,476)	1,293	14,770
Monetary claims bought	19,999	19,999	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
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 March 31, 2008 and 2009 amounted to 1,543 million yen and 1,176 million yen, respectively.

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

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	82,634	190,887
Unlisted domestic stocks (except over-the-counter stocks)	66,325	171,210
Unlisted foreign stocks (except over-the-counter stocks)	6,879	10,842
Others	9,429	8,834
Other securities	1,271,109	1,555,715
Unlisted domestic stocks (except over-the-counter stocks)	166,239	165,162
Unlisted foreign stocks (except over-the-counter stocks)	731,095	1,019,345
Unlisted foreign bonds	0	0
Others	373,775	371,207
Total	1,353,744	1,746,602

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 D., is as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
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	82,634	80,588	(2,046)	-	2,046
Domestic stocks	66,325	66,325	-	-	-
Foreign stocks	13,495	11,449	(2,046)	-	2,046
Other securities	2,813	2,813	-	-	-
Securities available for sale	16,594,987	18,092,783	1,497,796	1,854,028	356,231
Domestic bonds	6,910,185	7,136,478	226,292	235,085	8,792
Domestic stocks	3,154,732	4,442,438	1,287,706	1,408,762	121,056
Foreign securities	5,867,407	5,861,387	(6,019)	204,446	210,466
Foreign bonds	4,498,342	4,489,772	(8,570)	133,324	141,894
Foreign stocks and other securities	1,369,064	1,371,615	2,550	71,122	68,571
Other securities	305,895	295,712	(10,183)	5,733	15,916
Monetary claims bought	316,767	316,767	-	-	-
Certificates of deposit	40,000	40,000	-	-	-
Others	-	-	-	-	-
Total	21,778,798	23,428,142	1,649,343	2,013,802	364,459
Domestic bonds	11,960,467	12,337,931	377,464	392,438	14,973
Domestic stocks	3,221,057	4,508,764	1,287,706	1,408,762	121,056
Foreign securities	5,931,797	5,926,154	(5,643)	206,868	212,512
Foreign bonds	4,549,237	4,543,089	(6,148)	135,745	141,894
Foreign stocks and other securities	1,382,560	1,383,064	504	71,122	70,617
Other securities	308,708	298,525	(10,183)	5,733	15,916
Monetary claims bought	316,767	316,767	-	-	-
Certificates of deposit	40,000	40,000	-	-	-
Others	-	-	-	-	-
As of March 31, 2009					
Bonds held to maturity	173,462	177,941	4,479	5,842	1,362
Domestic bonds	123,697	123,767	70	1,433	1,362
Foreign bonds	49,765	54,174	4,408	4,408	-
Policy-reserve-matching bonds	5,161,684	5,391,451	229,767	233,682	3,915
Domestic bonds	5,161,684	5,391,451	229,767	233,682	3,915
Stocks of subsidiaries and affiliates	207,232	203,809	(3,423)	-	3,423
Domestic stocks	171,210	171,210	-	-	-
Foreign stocks	33,365	29,942	(3,422)	-	3,422
Other securities	2,656	2,656	(0)	-	0
Securities available for sale	16,492,208	16,417,966	(74,242)	571,903	646,145
Domestic bonds	7,160,812	7,334,849	174,037	195,947	21,910
Domestic stocks	2,771,637	2,674,843	(96,794)	277,480	374,274
Foreign securities	5,963,646	5,825,636	(138,009)	97,181	235,190
Foreign bonds	4,465,666	4,410,063	(55,603)	86,170	141,774
Foreign stocks and other securities	1,497,979	1,415,573	(82,406)	11,010	93,416
Other securities	224,741	211,264	(13,476)	1,293	14,770
Monetary claims bought	281,371	281,371	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	22,034,588	22,191,169	156,580	811,428	654,847
Domestic bonds	12,446,194	12,850,068	403,874	431,063	27,188
Domestic stocks	2,942,848	2,846,053	(96,794)	277,480	374,274
Foreign securities	6,046,776	5,909,753	(137,022)	101,590	238,613
Foreign bonds	4,515,431	4,464,237	(51,194)	90,579	141,774
Foreign stocks and other securities	1,531,344	1,445,516	(85,828)	11,010	96,839
Other securities	227,398	213,921	(13,476)	1,293	14,770
Monetary claims bought	281,371	281,371	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
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 March 31, 2008 and 2009 amounted to 1,543 million yen and 1,176 million yen, respectively.

E. Fair value information on money held in trust (general account)

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2008	25,223	25,223	(6,117)	2,045	8,162
As of March 31, 2009	13,265	13,265	(961)	6,162	7,123

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for trading purpose is as follows:

(millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for trading purpose	23,680	(6,117)	12,089	(961)

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

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

(millions of yen)

	As of March 31, 2008					As of March 31, 2009				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
				Gains	Losses				Gains	Losses
Trust held to maturity	-	-	-	-	-	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-	-	-	-	-	-
Trust available for sale	1,543	1,543	-	-	-	1,176	1,176	-	-	-

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

F. Total net unrealized gains (losses) of general account assets

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Securities	1,649,343	156,580
Domestic bonds	377,464	403,874
Domestic stocks	1,287,706	(96,794)
Foreign securities	(5,643)	(137,022)
Foreign bonds	(6,148)	(51,194)
Foreign stocks and other securities	504	(85,828)
Other securities	(10,183)	(13,476)
Real estate	203,408	161,203
Total (including others not listed above)	1,854,059	319,242

Note: 1. Foreign exchange valuation gains (losses) only are taken into account for foreign securities without fair value.
2. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

4. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2008	As of March 31, 2009		As of March 31, 2008	As of March 31, 2009
(ASSETS)			(LIABILITIES)		
Cash and deposits	177,816	222,407	Policy reserves and others	28,254,963	27,527,576
Cash	1,196	1,019	Reserves for outstanding claims	156,692	172,940
Bank deposits	176,619	221,388	Policy reserves	27,744,733	27,006,977
Call loans	206,300	171,100	Reserve for policyholder dividends	353,538	347,658
Deposit paid for securities borrowing transactions	47,273	14,954	Reinsurance payables	546	512
Monetary claims bought	316,767	281,371	Subordinated bonds	50,080	49,102
Trading account securities	46,663	52,597	Other liabilities	1,093,365	1,169,969
Money held in trust	25,223	13,265	Collateral for securities lending transactions	537,079	484,550
Securities	24,317,141	22,667,846	Long-term debt and other borrowings	130,032	313,025
Government bonds	9,260,744	10,147,344	Corporate income tax payable	57,678	320
Local government bonds	452,300	343,529	Accounts payable	215,827	33,832
Corporate bonds	2,831,143	2,462,903	Accrued expenses	36,978	39,438
Stocks	4,939,522	3,139,601	Unearned revenue	1,889	1,623
Foreign securities	6,327,686	6,220,487	Deposits received	56,131	55,398
Other securities	505,745	353,980	Guarantee deposits received	36,665	36,396
Loans	4,647,199	4,248,438	Differential account for futures trading	47	143
Policy loans	629,534	604,706	Trading account securities borrowed	3,042	1,022
Ordinary loans	4,017,665	3,643,732	Derivatives	15,611	202,802
Ordinary loans	3,991,859	3,618,169	Lease liabilities	-	242
Trust loans	25,805	25,562	Suspense receipt	1,995	986
Tangible fixed assets	1,238,793	1,239,487	Other liabilities	384	185
Land	807,248	814,730	Reserve for employees' retirement benefits	480,475	403,662
Buildings	424,341	417,454	Reserve for retirement benefits of directors and executive officers	1,138	3,464
Lease assets	-	242	Reserve for possible reimbursement of prescribed claims	1,000	1,000
Construction in progress	2,392	2,937	Reserve for price fluctuations	221,453	101,453
Other tangible fixed assets	4,810	4,122	Deferred tax liabilities for land revaluation	126,001	125,535
Intangible fixed assets	102,665	107,423	Acceptances and guarantees	18,835	20,138
Software	68,656	73,427	Total liabilities	30,247,859	29,402,415
Other intangible fixed assets	34,009	33,996	(NET ASSETS)		
Reinsurance receivables	123	148	Foundation funds	120,000	120,000
Other assets	542,986	352,988	Accumulated redeemed foundation funds	300,000	300,000
Accounts receivable	236,124	109,437	Revaluation reserve	248	248
Prepaid expenses	14,970	14,136	Surplus	269,913	309,690
Accrued revenue	168,851	129,934	Reserve for future losses	5,100	5,400
Deposits	43,625	44,340	Other surplus	264,813	304,290
Margin money for futures trading	9,301	12,753	Reserve for redemption of foundation funds	42,600	81,300
Differential account for futures trading	33	6	Fund for risk allowance	43,139	43,139
Derivatives	40,429	8,475	Fund for price fluctuation allowance	20,000	30,000
Suspense payment	14,085	18,804	Reserve for tax basis adjustments of real estate	15,635	15,961
Other assets	15,563	15,099	Other reserves	120	122
Deferred tax assets	162,392	640,990	Unappropriated net surplus for the period	143,318	133,766
Customers' liabilities for acceptances and guarantees	18,835	20,138	Total of Foundation Funds and surplus	690,162	729,938
Reserve for possible loan losses	(12,321)	(10,916)	Net unrealized gains on securities, net of tax	957,385	(47,456)
Reserve for possible investment losses	(3,955)	-	Deferred hedge gains / losses	-	(357)
			Reserve for land revaluation	(61,500)	(62,297)
			Valuation and translation adjustments	895,884	(110,111)
			Total net assets	1,586,046	619,827
Total assets	31,833,906	30,022,243	Total liabilities and net assets	31,833,906	30,022,243

I. Notes to the Non-Consolidated Balance Sheet as of March 31, 2009

1. Yen Amounts

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

2. Valuation Methods of Securities

The valuation of securities, including cash equivalents, 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:

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds

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) are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

i. Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at market value at the end of the fiscal year (for domestic stocks, the average value during March), with cost determined by the moving average method.

ii. Available-for-sale Securities without Market Value

a. Government/Corporate bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

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.

b. Others

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.

3. Trading Account Securities

Trading account securities are reported at fair value using the moving average method.

4. Policy-reserve-matching Bonds

The book value, fair market value, and risk management policy regarding policy-reserve-matching bonds are as follows:

(1) Book Value and Fair Market Value

The total of policy-reserve-matching bonds as of March 31, 2009 amounted to ¥5,161,684 million. The market value of these bonds as of March 31, 2009 was ¥5,391,451 million.

(2) Risk Management Policy

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:

i. individual life insurance and annuities
ii. financial insurance and annuities, and
iii. employee-funded corporate pension contracts.

(3) Integration of Sub-groups

The Company previously classified individual life insurance and annuities into plural sub-groups by durations of individual life insurance and annuities. However, effective the fiscal year ended March 31, 2009, the Company integrated the sub-groups into a single group to control the duration of individual life insurance and annuities in the aggregate and to promote more sophisticated ALM. This change did not have any impact on profits and losses of the Company.

5. Derivative Transactions

Derivative transactions are reported at fair value.

6. 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.

7. Depreciation of Tangible Fixed Assets

(1) Depreciation of Tangible Fixed Assets Excluding Lease Assets

Depreciation of tangible fixed assets excluding lease assets is calculated by the following method.

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.

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

As for the tangible fixed assets acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, 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.

(2) Depreciation of Leased Assets

Depreciation for leased assets is computed under the straight-line method assuming zero salvage value.

(3) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2009 was ¥624,460 million.

8. <u>Translation of Assets and Liabilities Denominated in Foreign Currencies to Yen</u>

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.

9. <u>Reserve for Possible Loan Losses</u>

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

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

For loans and claims to obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy"), the reserve is calculated by deducting the estimated recoverable amount, determined based on an overall assessment of the obligor's ability to pay and collateral or guarantees, from book value of the loans and claims.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2009 was ¥4,145 million.

10. <u>Accounting for Beneficial Interests in Securitized Mortgage Loans</u>

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Company in August 2000, amounted to ¥25,562 million as of March 31, 2009 and are included as trust loans in the non-consolidated balance sheet. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balance of the underlying loans in the trust as of March 31, 2009 was ¥62,703 million.

11. <u>Reserve for Employees' Retirement Benefits</u>

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 projected benefit obligations and pension assets as of March 31,2009.

The funding status of employees' retirement benefits of the Company as of March 31, 2009 was as follows:

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

		(millions of yen)
a.	Projected benefit obligations	¥ (631,785)
b.	Pension assets	185,233
	Retirement benefit trust	88,607
c.	Unfunded benefit obligations (a + b)	(446,552)
d.	Unrecognized actuarial differences	53,642
e.	Unrecognized gains on plan amendments	(10,752)
f.	Net amount recognized on the non-consolidated balance sheet (c + d + e)	(403,662)
g.	Prepaid pension expenses	-
h.	Reserve for employees' retirement benefits (f - g)	¥ (403,662)

(2) Assumptions used by the Company:

i. Method of periodic allocation of benefit obligations: straight-line method
ii. Discount rate: 1.7% per annum
iii. Estimated return on investment:
  a. Defined benefit corporate pension: 1.7% per annum
  b. Retirement benefit trust: 0.0% per annum
iv. Amortization period for actuarial differences: 7 years starting from the following fiscal year
v. Amortization period for gains on plan amendments: 7 years

12. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders are provided.

Actual corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders were formerly recognized as expenses when they were paid. However, effective the fiscal year ended March 31, 2009, reserve for retirement benefit of directors, executive officers, and corporate auditors is calculated by adding items (1) and (2) above and the amount of payments for the fiscal year ended March 31, 2009 was reported as an extraordinary loss. As a result of this change, extraordinary losses increased by ¥2,712 million and net surplus before adjustment for taxes, etc. decreased by ¥2,712 million.

13. 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.

14. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the fiscal year in accordance with the provisions of Article 115 of the Insurance Business Law.

15. Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" issued on March 10, 2008 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, government and corporate bonds, and debt and bonds issued by the Company; 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.

16. 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 five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

17. 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:

(1) 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).
(2) Reserves for other policies are established based on the net level premium method.

For whole life insurance contracts acquired on or before March 31, 1996 premium payments for which were already completed at the end of the fiscal year ended March 31, 2008 (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 evenly in the following nine years. As a result, provision for policy reserves as of March 31, 2009 was ¥104,241 million.

The Company formerly intended to provide the additional policy reserve evenly over five years (until the fiscal year ending March 31, 2012). However, effective the fiscal year ended March 31, 2009, the Company changed the period to nine years (until the fiscal year ending March 31, 2016). As a result, reversal of provision for policy reserves increased by ¥41,633 million and net surplus from operation and net surplus before adjustment for taxes, etc. increased by ¥41,633 million.

18. Amortization of Intangible Fixed Assets

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

19. 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 fiscal year ended March 31, 2009, 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.

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 ¥242 million and lease liabilities increased by ¥242 million. This change did not have any impact on net surplus from operations and net surplus for the period.

20. Securities Lending

The total balance of securities lent as of March 31, 2009 was ¥475,988 million.

21. 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 ¥19,670 million. The amount of credits to bankrupt borrowers was ¥5,493 million, the amount of delinquent loans was ¥11,648 million, and the amount of restructured loans was ¥2,528 million. The Company recognized no loans past due for three months or more.

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 9 above, credits to bankrupt borrowers and delinquent loans decreased by ¥976 million and ¥3,169 million, respectively.

22. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Law was ¥1,159,122 million. Separate account liabilities were the same amount as separate account assets.

23. Receivables from and Payables to Subsidiaries

The amounts of receivables from and payables to subsidiaries and affiliated companies were ¥19,893 million and ¥5,078 million, respectively.

24. Application of Deferred Tax Accounting

Total deferred tax assets were ¥714,684 million. Total deferred tax liabilities were ¥27,110 million. Valuation allowance for deferred tax assets was ¥46,582 million.

Major components of deferred tax assets were as follows:

		(millions of yen)
Insurance policy reserve	¥	315,896
Reserve for employees' retirement benefits		176,716
Losses on valuation of securities		68,895
Tax Losses Carried Forward		65,964

Major components of deferred tax liabilities were as follows:

		(millions of yen)
Dividend receivables from stocks	¥	10,248
Reserve for tax basis adjustments of real estate		9,233
Gains on establishment of retirement benefit trust		5,348

Deferred tax liabilities and deferred tax assets are offset and presented as deferred tax assets.

The statutory tax rate for the Company during the fiscal year ended March 31, 2009 was 36.08%. The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes are (1) the impact of valuation reserves, whose effect is to increase the tax rate by 13.54%, and (2) the impact of reserve for policyholder dividends, the effect of which is to reduce the tax rate by 10.67%.

25. Leased Computers

In addition to fixed assets included in the non-consolidated balance sheet, the Company has computers as significant leased fixed assets. The Company has no material leased intangible assets.

26. 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 fiscal year		105,997
Interest accrual in fiscal year		10,890
Balance at the end of fiscal year	¥	347,658

27. Stocks of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Company held was ¥207,232 million.

28. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥502,398 million and ¥86 million, respectively. Secured liabilities totaled ¥484,576 million. Among the amounts above, securities and cash collateral for securities lending transactions were ¥475,736 million and ¥484,550 million, respectively.

29. Reinsurance

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

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

The total amount of adjustment items for redemption of foundation funds and appropriation of net surplus, defined in Article 30, Paragraph 2 of the Enforcement Regulations of the Insurance Business Law, was minus ¥108 million.

31. 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 ¥13,830 million as of March 31, 2009, among which no securities are pledged as collateral.

32. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥12,507 million.

33. Subordinated Debt

Long-term debt and other borrowings included subordinated debt of ¥313,000 million whose repayment is subordinated to other obligations.

34. Subordinated Bonds

Subordinated bonds of ¥49,102 million shown in liabilities were foreign currency-denominated subordinated bonds of US$499 million whose repayment is subordinated to other obligations.

35. Assets Denominated in Foreign Currencies

Assets of the Company denominated in foreign currencies totaled ¥4,725,208 million. The principal foreign currency asset amounts were US$25,981 million and 12,970 million euros.

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

The future obligations of the Company estimated as of March 31, 2009 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥61,824 million. These obligations will be recognized as operating expenses in the years in which they are paid.

5. Non-Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31 , 2008	Year ended March 31 , 2009
ORDINARY REVENUES	4,452,475	5,182,814
Premium and other income	3,098,525	2,904,336
Premium income	3,097,758	2,903,640
Reinsurance income	767	696
Investment income	1,026,369	1,178,355
Interest and dividends	832,184	741,330
Interest from bank deposits	4,687	6,316
Interest and dividends from securities	651,127	557,911
Interest from loans	102,821	97,400
Rental income	62,579	69,534
Other interest and dividends	10,969	10,165
Gains on trading account securities	-	1,484
Gains on sale of securities	150,181	382,670
Gains on redemption of securities	7,498	11,223
Derivative transaction gains	36,082	41,172
Other investment income	421	473
Other ordinary revenues	327,580	1,100,122
Fund receipt for annuity rider of group insurance	1,127	1,004
Fund receipt for claim deposit payment	300,266	341,631
Transfer from policy reserves	-	737,755
Reversal of reserve for possible claims payment	5,500	-
Other ordinary revenues	20,686	19,730
ORDINARY EXPENSES	4,251,893	5,073,668
Benefits and claims	2,648,008	2,753,596
Claims	868,816	934,190
Annuities	389,588	441,857
Benefits	522,129	504,349
Surrender values	699,602	668,096
Other refunds	166,641	204,034
Ceding reinsurance commissions	1,230	1,067
Provision for policy reserves and others	159,959	27,138
Provision for reserves for outstanding claims	2,578	16,248
Provision for policy reserves	146,047	-
Provision for interest on policyholder dividends	11,333	10,890
Investment expenses	563,957	1,414,800
Interest expenses	10,169	9,402
Losses on trading account securities	187	-
Losses on money held in trust	7,534	6,729
Losses on sale of securities	148,338	504,840
Losses on valuation of securities	31,904	441,948
Losses on redemption of securities	520	2,240
Foreign exchange losses	80,577	91,499
Provision for reserve for possible loan losses	1,339	-
Provision for reserve for possible investment losses	3,869	-
Write-down of loans	683	905
Depreciation of rented real estate and others	15,273	15,110
Other investment expenses	28,718	41,687
Losses on investment in separate accounts	234,842	300,436
Operating expenses	443,461	444,015
Other ordinary expenses	436,507	434,117
Claim deposit payments	354,310	359,544
National and local taxes	24,048	23,952
Depreciation	30,350	30,661
Provision for reserve for employees' retirement benefits	13,842	9,314
Other ordinary expenses	13,955	10,646
NET SURPLUS FROM OPERATIONS	200,581	109,146
EXTRAORDINARY GAINS	4,426	122,449
Gains on disposal of fixed assets	651	897
Reversal of reserve for possible loan losses	-	1,108
Gains on collection of loans and claims written off	3,775	236
Reversal of reserve for price fluctuations	-	120,000
Gains on establishment of retirement benefit trust	-	207
EXTRAORDINARY LOSSES	33,213	11,864
Losses on disposal of fixed assets	957	3,715
Impairment losses on fixed assets	3,476	3,002
One-time depreciation	11,350	-
Provision for reserve for retirement benefits of directors,executive officers	-	2,712
Provision for reserve for possible reimbursement of prescribed claims	1,000	-
Provision for reserve for price fluctuations	14,000	-
Other extraordinary losses	2,428	2,433
Net surplus before adjustment for taxes, etc.	171,795	219,731
Corporate income taxes-current	122,123	859
Corporate income tax-deferred	(89,757)	88,335
Total of corporate income taxes	32,366	89,195
Net surplus for the year	139,429	130,535

II. Notes to the Non-Consolidated Statement of Earnings for the fiscal year ended March 31, 2009

1. Yen Amounts

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

2. Total of Corporate Income Taxes

Effective the fiscal year ended March 31, 2009, in accordance with the revised format attached to the Enforcement Regulation of the Insurance Business Law (Article 25 of the Cabinet Office Ordinance, April 17, 2009), the Company presented corporate income taxes, resident taxes, and taxes deferred, collectively as "total of corporate income taxes".

3. Revenues and Expenses from Transactions with Subsidiaries

Total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥5,591 million and ¥28,305 million, respectively.

4. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥130,575 million, ¥52,221 million and ¥199,873 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥23,091 million, ¥54,194 million and ¥427,555 million, respectively.

Losses on valuation of securities included losses on valuation of domestic bonds, domestic stocks, foreign securities, and other securities of ¥179 million, ¥217,817 million, ¥222,970 million and ¥980 million, respectively.

5. Reinsurance

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

6. Gains on Trading Account Securities

Gains on trading account securities included interest and dividends, gains on sale of securities and losses on valuation of securities of ¥1,026 million, ¥586 million and ¥88 million, respectively.

7. Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥962 million.

8. Derivative Transaction Gains

Derivative transaction gains included valuation gains of ¥20,993 million.

9. Retirement Benefit Expenses

Retirement benefit expenses were ¥46,114 million, comprised of the following:

(millions of yen)

Service cost	¥	24,123
Interest cost		10,714
Estimated investment income		(1,771)
Amortization of unrecognized actuarial differences		18,423
Amortization of unrecognized gains on plan amendments		(5,376)
Retirement benefit expenses	¥	46,114

10. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2009 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 property recorded as 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:

(millions of yen)

Asset Group	Number	Impairment Losses		
		Land	Buildings	Total
Real estate for rent	2	¥ 354	¥ 227	¥ 582
Real estate not in use	26	¥ 616	¥ 1,803	¥ 2,420
Total	28	¥ 971	¥ 2,031	¥ 3,002

(4) Calculation of Recoverable Value

Value in use or net sales value is used as recoverable value of real estate for rent, and net sales value is used as recoverable value of real estate not in use. A discount rate of 3.13% is applied for discounting future cash flows in calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as net sales value.

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

(millions of yen)

		Year ended March 31, 2008	Year ended March 31, 2009
Fundamental revenues		4,285,461	4,388,574
Premium and other income		3,098,525	2,904,336
Investment income		840,104	753,027
[Interest and dividends]		832,184	741,330
Other ordinary revenues		346,830	731,210
[Transfer from policy reserves]		19,250	368,842
Fundamental expense		3,830,477	4,027,745
Benefits and claims		2,648,008	2,753,596
Provision for policy reserves and others		13,911	27,138
Investment expenses		288,589	368,876
Operating expenses		443,461	444,015
Other ordinary expenses		436,507	434,117
Fundamental profit	A	454,983	360,829
Capital gains		186,264	425,327
Gains on money held in trust		-	-
Gains on investments in trading securities		-	-
Gains on sale of securities		150,181	382,670
Derivative transaction gains		36,082	41,172
Foreign exchange gains		-	-
Gains on trading account securities		-	1,484
Others		-	-
Capital losses		268,541	1,045,018
Losses on money held in trust		7,534	6,729
Losses on investments in trading securities		-	-
Losses on sale of securities		148,338	504,840
Losses on valuation of securities		31,904	441,948
Derivative transaction losses		-	-
Foreign exchange losses		80,577	91,499
Losses on trading account securities		187	-
Others		-	-
Net capital gains	B	(82,277)	(619,690)
Fundamental profit plus net capital gains	A+B	372,705	(258,861)
Other one-time gains		-	478,018
Reinsurance income		-	-
Reversal of contingency reserve		-	478,018
Others		-	-
Other one-time losses		172,124	110,011
Ceding reinsurance commissions		-	-
Provision for contingency reserve		29,000	-
Provision for specific reserve for possible loan losses		2,273	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		683	905
Others		140,167	109,105
Other one-time profits	C	(172,124)	368,007
Net surplus from operations	A+B+C	200,581	109,146

Note: 1. For the year ended March 31, 2008, "Others" in other one-time losses represents the total of (i) provision for reserve for possible investment losses (3,869million yen), (ii) additional policy reserves provided in accordance with Articles 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Law (203,503 million yen), and (iii) positive effect of introduction of monthly policy reserve valuation (67,205 million yen).

2. For the year ended March 31, 2009, "Others" in other one-time losses represents the amount of the additional policy reserve provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Law (109,105 million yen).

7. Non-Consolidated Statement of Changes in Net Assets

(1) Non-Consolidated Statement of Changes in Net Assets for the Fiscal Year Ended March 31, 2009

(millions of yen)

	Year ended March 31, 2009
Foundation Funds and surplus	
Foundation funds	
Beginning balance as of March 31, 2008	120,000
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2009	120,000
Accumulated redeemed foundation funds	
Beginning balance as of March 31, 2008	300,000
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2009	300,000
Revaluation reserve	
Beginning balance as of March 31, 2008	248
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2009	248
Surplus	
Reserve for future losses	
Beginning balance as of March 31, 2008	5,100
Changes for the year	
Transfer to reserve for future losses	300
Changes for the year	300
Ending balance as of March 31, 2009	5,400
Other surplus	
Reserve for redemption of foundation funds	
Beginning balance as of March 31, 2008	42,600
Changes for the year	
Transfer to reserve for redemption of foundation funds	38,700
Changes for the year	38,700
Ending balance as of March 31, 2009	81,300
Fund for risk allowance	
Beginning balance as of March 31, 2008	43,139
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2009	43,139
Fund for price fluctuation allowance	
Beginning balance as of March 31, 2008	20,000
Changes for the year	
Transfer to fund for price fluctuation allowance	10,000
Changes for the year	10,000
Ending balance as of March 31, 2009	30,000
Subsidy for social public enterprise	
Beginning balance as of March 31, 2008	9
Changes for the year	
Transfer to subsidy for social public enterprise	2,326
Transfer from subsidy for social public enterprise	(2,326)
Changes for the year	-
Ending balance as of March 31, 2009	9
Fund for Public Health Awards	
Beginning balance as of March 31, 2008	4
Changes for the year	
Transfer to fund for Public Health Awards	60
Transfer from fund for Public Health Awards	(60)
Changes for the year	0
Ending balance as of March 31, 2009	4
Fund for Green Design Award	
Beginning balance as of March 31, 2008	6
Changes for the year	
Transfer to fund for Green Design Award	50
Transfer from fund for Green Design Award	(46)
Changes for the year	3
Ending balance as of March 31, 2009	9
Reserve for tax basis adjustments of real estate	
Beginning balance as of March 31, 2008	15,635
Changes for the year	
Transfer to reserve for tax basis adjustments of real estate	482
Transfer from reserve for tax basis adjustments of real estate	(156)
Changes for the year	326
Ending balance as of March 31, 2009	15,961
Other reserves	
Beginning balance as of March 31, 2008	100
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2009	100

	Year ended March 31, 2009
Unappropriated net surplus for the year	
Beginning balance as of March 31, 2008	143,318
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Transfer to reserve for future losses	(300)
Interest payment for foundation funds	(2,328)
Net surplus for the year	130,535
Transfer to reserve for redemption of foundation funds	(38,700)
Transfer to fund for price fluctuation allowance	(10,000)
Transfer to subsidy for social public enterprise	(2,326)
Transfer from subsidy for social public enterprise	2,326
Transfer to fund for Public Health Awards	(60)
Transfer from fund for Public Health Awards	60
Transfer to fund for Green Design Award	(50)
Transfer from fund for Green Design Award	46
Transfer to reserve for tax basis adjustments of real estate	(482)
Transfer from reserve for tax basis adjustments of real estate	156
Transfer from reserve for land revaluation	797
Changes for the year	(9,551)
Ending balance as of March 31, 2009	133,766
Total of surplus	
Beginning balance as of March 31, 2008	269,913
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Interest payment for foundation funds	(2,328)
Net surplus for the year	130,535
Transfer from reserve for land revaluation	797
Changes for the year	39,776
Ending balance as of March 31, 2009	309,690
Total of foundation funds and surplus	
Beginning balance as of March 31, 2008	690,162
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Interest payment for foundation funds	(2,328)
Net surplus for the year	130,535
Transfer from reserve for land revaluation	797
Changes for the year	39,776
Ending balance as of March 31, 2009	729,938
Valuation and translation adjustments	
Net unrealized gains on securities, net of tax	
Beginning balance as of March 31, 2008	957,385
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,004,841)
Changes for the year	(1,004,841)
Ending balance as of March 31, 2009	(47,456)
Deferred hedge gains / losses	
Beginning balance as of March 31, 2008	-
Changes for the year	
Net changes of items other than foundation funds and surplus	(357)
Changes for the year	(357)
Ending balance as of March 31, 2009	(357)
Reserve for land revaluation	
Beginning balance as of March 31, 2008	(61,500)
Changes for the year	
Net changes of items other than foundation funds and surplus	(797)
Changes for the year	(797)
Ending balance as of March 31, 2009	(62,297)
Total of valuation and translation adjustments	
Beginning balance as of March 31, 2008	895,884
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,005,996)
Changes for the year	(1,005,996)
Ending balance as of March 31, 2009	(110,111)
Total	
Beginning balance as of March 31, 2008	1,586,046
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Interest payment for foundation funds	(2,328)
Net surplus for the year	130,535
Transfer from reserve for land revaluation	797
Net changes of items other than foundation funds and surplus	(1,005,996)
Changes for the year	(966,219)
Ending balance as of March 31, 2009	619,827

(2) Non-Consolidated Statement of Changes in Net Assets for the Fiscal Year Ended March 31, 2008

(millions of yen)

	Year ended March 31, 2008
Foundation Funds and surplus	
Foundation funds	
Beginning balance as of March 31, 2007	140,000
Changes for the year	
Redemption of foundation funds	(20,000)
Changes for the year	(20,000)
Ending balance as of March 31, 2008	120,000
Accumulated redeemed foundation funds	
Beginning balance as of March 31, 2007	280,000
Changes for the year	
Transfer to accumulated redeemed foundation funds	20,000
Changes for the year	20,000
Ending balance as of March 31, 2008	300,000
Revaluation reserve	
Beginning balance as of March 31, 2007	248
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2008	248
Surplus	
Reserve for future losses	
Beginning balance as of March 31, 2007	4,700
Changes for the year	
Transfer to reserve for future losses	400
Changes for the year	400
Ending balance as of March 31, 2008	5,100
Other surplus	
Reserve for redemption of foundation funds	
Beginning balance as of March 31, 2007	36,400
Changes for the year	
Transfer to accumulated redeemed foundation funds	(20,000)
Transfer to reserve for redemption of foundation funds	26,200
Changes for the year	6,200
Ending balance as of March 31, 2008	42,600
Fund for risk allowance	
Beginning balance as of March 31, 2007	43,139
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2008	43,139
Fund for price fluctuation allowance	
Beginning balance as of March 31, 2007	10,000
Changes for the year	
Transfer to fund for price fluctuation allowance	10,000
Changes for the year	10,000
Ending balance as of March 31, 2008	20,000
Subsidy for social public enterprise	
Beginning balance as of March 31, 2007	9
Changes for the year	
Transfer to subsidy for social public enterprise	2,326
Transfer from subsidy for social public enterprise	(2,326)
Changes for the year	-
Ending balance as of March 31, 2008	9
Fund for Public Health Awards	
Beginning balance as of March 31, 2007	6
Changes for the year	
Transfer to fund for Public Health Awards	50
Transfer from fund for Public Health Awards	(51)
Changes for the year	(1)
Ending balance as of March 31, 2008	4
Fund for Green Design Award	
Beginning balance as of March 31, 2007	6
Changes for the year	
Transfer to fund for Green Design Award	50
Transfer from fund for Green Design Award	(50)
Changes for the year	0
Ending balance as of March 31, 2008	6
Reserve for tax basis adjustments of real estate	
Beginning balance as of March 31, 2007	13,891
Changes for the year	
Transfer to reserve for tax basis adjustments of real estate	1,908
Transfer from reserve for tax basis adjustments of real estate	(163)
Changes for the year	1,744
Ending balance as of March 31, 2008	15,635
Other reserves	
Beginning balance as of March 31, 2007	100
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2008	100

	Year ended March 31, 2008
Unappropriated net surplus for the year	
Beginning balance as of March 31, 2007	157,618
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Transfer to reserve for future losses	(400)
Interest payment for foundation funds	(2,678)
Net surplus for the year	139,429
Transfer to reserve for redemption of foundation funds	(26,200)
Transfer to fund for price fluctuation allowance	(10,000)
Transfer to subsidy for social public enterprise	(2,326)
Transfer from subsidy for social public enterprise	2,326
Transfer to fund for Public Health Awards	(50)
Transfer from fund for Public Health Awards	51
Transfer to fund for Green Design Award	(50)
Transfer from fund for Green Design Award	50
Transfer to reserve for tax basis adjustments of real estate	(1,908)
Transfer from reserve for tax basis adjustments of real estate	163
Transfer from reserve for land revaluation	1,460
Changes for the year	(14,300)
Ending balance as of March 31, 2008	143,318
Total of surplus	
Beginning balance as of March 31, 2007	265,871
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Transfer to accumulated redeemed foundation funds	(20,000)
Interest payment for foundation funds	(2,678)
Net surplus for the year	139,429
Transfer from reserve for land revaluation	1,460
Changes for the year	4,042
Ending balance as of March 31, 2008	269,913
Total of foundation funds and surplus	
Beginning balance as of March 31, 2007	686,119
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Interest payment for foundation funds	(2,678)
Net surplus for the year	139,429
Redemption of foundation funds	(20,000)
Transfer from reserve for land revaluation	1,460
Changes for the year	4,042
Ending balance as of March 31, 2008	690,162
Valuation and translation adjustments	
Net unrealized gains on securities, net of tax	
Beginning balance as of March 31, 2007	2,253,999
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,296,614)
Changes for the year	(1,296,614)
Ending balance as of March 31, 2008	957,385
Deferred hedge gains / losses	
Beginning balance as of March 31, 2007	(2)
Changes for the year	
Net changes of items other than foundation funds and surplus	2
Changes for the year	2
Ending balance as of March 31, 2008	-
Reserve for land revaluation	
Beginning balance as of March 31, 2007	(60,005)
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,495)
Changes for the year	(1,495)
Ending balance as of March 31, 2008	(61,500)
Total of valuation and translation adjustments	
Beginning balance as of March 31, 2007	2,193,991
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,298,107)
Changes for the year	(1,298,107)
Ending balance as of March 31, 2008	895,884
Total	
Beginning balance as of March 31, 2007	2,880,111
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Interest payment for foundation funds	(2,678)
Net surplus for the year	139,429
Redemption of foundation funds	(20,000)
Transfer from reserve for land revaluation	1,460
Net changes of items other than foundation funds and surplus	(1,298,107)
Changes for the year	(1,294,065)
Ending balance as of March 31, 2008	1,586,046

8. Non-Consolidated Statements of Surplus

(thousands of yen)

	As of March 31, 2008	As of March 31, 2009
Unappropriated net surplus for the year:	143,318,076	133,766,274
Transfer from general reserve	156,066	145,080
Transfer from reserve for tax basis adjustments of real estate	156,066	145,080
Total	143,474,143	133,911,355
Appropriation of unappropriated net surplus:	143,474,143	133,911,355
Reserve for policyholder dividends	89,227,951	64,963,472
Net surplus:	54,246,191	68,947,882
Reserve for future losses	300,000	200,000
Interest payment for foundation funds	2,328,000	2,328,000
General reserve:	51,618,191	66,419,882
Reserve for redemption of foundation funds	38,700,000	38,700,000
Reserve for interest payment for foundation funds	-	1,263,145
Fund for price fluctuation allowance	10,000,000	25,000,000
Subsidy for social public enterprise	2,326,000	826,000
Fund for Public Health Awards	60,000	40,000
Fund for Environmental Green Design Award	50,000	50,000
Transfer to reserve for tax basis adjustments of real estate	482,191	540,737

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

9. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Claims against bankrupt and quasi-bankrupt obligors	6,281	6,028
Claims with collection risk	19,820	11,114
Claims for special attention	2,842	2,528
Subtotal (I)	28,944	19,670
[Percentage (I)/(II)]	[0.54]	[0.41]
Claims against normal obligors	5,337,155	4,748,469
Total (II)	5,366,100	4,768,140

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

10. Risk-Monitored Loans

(millions of yen)

		As of March 31, 2008	As of March 31, 2009
Credits to bankrupt borrowers	(I)	5,813	5,493
Delinquent loans	(II)	20,286	11,648
Loans past due for three months or more	(III)	1,682	-
Restructured loans	(IV)	1,159	2,528
Total ((I)+(II)+(III)+(IV))		28,942	19,670
[Percentage of total loans]		[0.62%]	[0.46%]

Note:
1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2008 and 2009 were 1,246 million yen and 976 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2008 and 2009 were 2,872 million yen and 3,169 million yen, respectively.
2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

11. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Total solvency margin (A)	4,588,750	2,786,154
Foundation funds and surplus *1	596,170	660,468
Reserve for price fluctuations	221,453	101,453
Contingency reserve	987,112	509,093
General reserve for possible loan losses	5,543	7,481
Net unrealized gains on securities (before tax) x 90% *2	1,348,016	(74,242)
Net unrealized gains (losses) on real estate x 85% *2	172,897	137,022
Policy reserves in excess of surrender values	1,015,148	1,148,880
Qualifying subordinated debt	180,080	346,282
Excluded items	(52,681)	(158,381)
Others	115,009	108,095
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)	908,044	725,395
Insurance risk R_1	110,780	105,703
3rd sector insurance risk R_8	141,589	147,184
Assumed investment yield risk R_2	144,732	136,819
Investment risk R_3	698,666	516,918
Business risk R_4	22,033	18,265
Guaranteed minimum benefit risk R_7 *3	5,909	6,626
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,010.6%	768.1%

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

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

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

12. Status of Separate Account for the Fiscal Year Ended March 31, 2009

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Individual variable insurance	58,424	43,670
Individual variable annuities	229,768	157,410
Group annuities	1,212,817	958,041
Separate account total	1,501,010	1,159,122

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2008		As of March 31, 2009	
	Number	Amount	Number	Amount
Variable insurance (term life)	267	1,291	242	1,187
Variable insurance (whole life)	49,609	311,037	48,817	305,169
Total	49,876	312,329	49,059	306,357

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen except percentages)

	As of March 31, 2008		As of March 31, 2009	
	Amount	%	Amount	%
Cash, deposits, and call loans	4	0.0	11	0.0
Securities	54,103	92.6	39,243	89.9
Domestic bonds	14,217	24.3	12,249	28.1
Domestic stocks	22,065	37.8	14,008	32.1
Foreign securities	17,820	30.5	12,985	29.7
Foreign bonds	6,278	10.7	5,607	12.8
Foreign stocks and other securities	11,542	19.8	7,378	16.9
Other securities	-	-	-	-
Loans	-	-	-	-
Others	4,316	7.4	4,414	10.1
Reserve for possible loan losses	-	-	-	-
Total	58,424	100.0	43,670	100.0

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

(millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Interest and dividends	1,309	1,117
Gains on sales of securities	4,898	1,575
Gains on redemption of securities	-	-
Gains on valuation of securities	2,994	6,130
Foreign exchange gains	325	356
Derivative transaction gains	111	59
Other investment income	0	1
Losses on sales of securities	3,359	9,905
Losses on redemption of securities	-	-
Losses on valuation of securities	14,457	11,353
Foreign exchange losses	192	276
Derivative transaction losses	53	152
Other investment expenses	3	2
Net investment income	(8,426)	(12,449)

D. Fair value information on securities in separate account for individual variable insurance

* Valuation gains (losses) of trading securities (millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	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	54,103	(11,462)	39,243	(5,223)

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

* Fair value information on money held in trust

The Company had no balance as of March 31, 2008 or 2009.

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2008		As of March 31, 2009	
	Number	Amount	Number	Amount
Individual variable annuities	53,367	217,052	49,673	146,677

B. Breakdown of separate account assets for individual variable annuities

(millions of yen except percentages)

	As of March 31, 2008		As of March 31, 2009	
	Amount	%	Amount	%
Cash, deposits, and call loans	2,492	1.1	2,121	1.3
Securities	224,617	97.8	153,064	97.2
Domestic bonds	5,239	2.3	4,870	3.1
Domestic stocks	3,813	1.7	2,775	1.8
Foreign securities	8,344	3.6	5,358	3.4
Foreign bonds	3,177	1.4	2,789	1.8
Foreign stocks and other securities	5,166	2.2	2,569	1.6
Other securities	207,219	90.2	140,059	89.0
Loans	-	-	-	-
Others	2,659	1.2	2,223	1.4
Reserve for possible loan losses	-	-	-	-
Total	229,768	100.0	157,410	100.0

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

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Interest and dividends	7,514	2,229
Gains on sales of securities	739	271
Gains on redemption of securities	-	-
Gains on valuation of securities	19,024	7,200
Foreign exchange gains	6	7
Derivative transaction gains	0	0
Other investment income	0	0
Losses on sales of securities	501	1,522
Losses on redemption of securities	-	-
Losses on valuation of securities	77,011	57,607
Foreign exchange losses	9	13
Derivative transaction losses	0	0
Other investment expenses	144	2,419
Net investment income	(50,381)	(51,853)

D. Fair value information on securities in separate account for individual variable annuities

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	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	224,617	(57,987)	153,064	(50,407)

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

* Fair value information on money held in trust

The Company had no balance as of March 31, 2008 or 2009.

13. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Ordinary revenues	4,552,457	5,225,262
Net surplus from operations	192,879	63,351
Net surplus for the year	131,242	86,813

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Total assets	31,941,710	30,444,624

(2) Scope of Consolidation and Application of Equity Method

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Number of consolidated subsidiaries	9	3
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	10	32

(3) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2008	As of March 31, 2009		As of March 31, 2008	As of March 31, 2009
(ASSETS)			(LIABILITIES)		
Cash and deposits	208,107	245,895	Policy reserves and others	28,350,278	27,970,307
Call loans	226,860	206,580	Reserves for outstanding claims	156,722	173,590
Deposit paid for securities borrowing transactions	47,273	14,954	Policy reserves	27,840,017	27,449,059
Monetary claims bought	316,767	281,371	Reserve for policyholder dividends	353,538	347,658
Trading account securities	46,663	52,597	Reinsurance payables	546	587
Money held in trust	25,223	31,603	Subordinated bonds	50,080	49,102
Securities	24,368,043	22,995,047	Other liabilities	1,103,766	1,187,288
Loans	4,647,912	4,248,799	Reserve for employees' retirement benefits	482,321	405,571
Tangible fixed assets	1,239,249	1,239,843	Reserve for retirement benefits of directors,		
Land	-	814,730	executive officers and corporate auditors	1,200	3,486
Buildings	-	417,490	Reserve for possible reimbursement of		
Lease assets	-	247	prescribed claims	1,000	1,000
Construction in progress	-	2,937	Reserve for price fluctuations	221,458	101,478
Other tangible fixed assets	-	4,437	Deferred tax liabilities	204	197
Intangible fixed assets	102,029	106,771	Deferred tax liabilities for land revaluation	126,001	125,535
Software	-	72,765	Acceptances and guarantees	18,835	20,138
Other intangible fixed assets	-	34,005			
Reinsurance receivables	123	13,874			
Other assets	546,964	355,473			
Deferred tax assets	163,962	642,595			
Customers' liabilities for acceptances and guarantees	18,835	20,138			
Reserve for possible loan losses	(12,351)	(10,921)			
Reserve for possible investment losses	(3,955)	-			
			Total liabilities	30,355,694	29,864,695
			(NET ASSETS)		
			Foundation funds	120,000	120,000
			Accumulated redeemed foundation funds	300,000	300,000
			Revaluation reserve	248	248
			Consolidated surplus	269,339	265,787
			Total of foundation funds and surplus	689,587	686,035
			Net unrealized gains on securities, net of tax	957,565	(47,349)
			Deferred hedge gains (losses)	-	(357)
			Reserve for land revaluation	(61,500)	(62,297)
			Foreign currency translation adjustments	(553)	(2,514)
			Total of valuation and translation adjustments	895,510	(112,519)
			Minority interests	917	6,412
			Total net assets	1,586,016	579,928
Total assets	31,941,710	30,444,624	Total liabilities and net assets	31,941,710	30,444,624

(4) Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
ORDINARY REVENUES	4,552,457	5,225,262
Premium and other income	3,191,012	3,293,646
Investment income	1,025,747	1,178,070
Interest and dividends	831,362	740,859
Gains on trading account securities	-	1,484
Gains on sale of securities	150,226	382,856
Gains on redemption of securities	7,501	11,223
Derivative transaction gains	36,082	41,172
Other investment income	573	473
Other ordinary revenues	335,697	753,544
ORDINARY EXPENSES	4,359,577	5,161,911
Benefits and claims	2,648,792	2,763,750
Claims	869,063	934,443
Annuities	389,591	441,921
Benefits	522,169	505,717
Surrender values	699,992	670,297
Other refunds	167,976	211,369
Provision for policy reserves and others	250,749	27,761
Provision for reserves for outstanding claims	2,608	16,871
Provision for policy reserves	236,808	-
Provision for interest on policyholder dividends	11,333	10,890
Investment expenses	565,908	1,435,620
Interest expenses	10,176	9,402
Losses on trading account securities	187	-
Losses on money held in trust	7,534	6,891
Losses on sale of securities	148,349	504,847
Losses on valuation of securities	31,904	412,416
Losses on redemption of securities	520	2,240
Foreign exchange losses	80,603	91,473
Provision for reserve for possible loan losses	1,334	-
Provision for reserve for possible investment losses	3,868	-
Write-down of loans	689	905
Depreciation of rented real estate and others	15,273	15,110
Other investment expenses	28,732	41,793
Losses on investment in separate accounts	236,734	350,539
Operating expenses	450,412	465,112
Other ordinary expenses	443,714	469,665
NET SURPLUS FROM OPERATIONS	192,879	63,351
EXTRAORDINARY GAINS	4,431	122,424
Gains on disposal of fixed assets	651	897
Reversal of reserve for possible loan losses	-	1,102
Gains on collection of loans and claims written off	3,775	236
Reversal of reserve for price fluctuations	-	119,980
Gains on establishment of retirement benefit trust	-	207
Other extraordinary gains	3	1
EXTRAORDINARY LOSSES	33,274	11,891
Losses on disposal of fixed assets	974	3,742
Impairment losses on fixed assets	3,476	3,002
One-time depreciation	11,350	-
Provision for reserve for retirement benefits of directors, executive officers and corporate auditors	-	2,712
Provision for reserve for possible reimbursement of prescribed claims	1,000	-
Provision for reserve for price fluctuations	14,005	-
Other extraordinary losses	2,468	2,433
Net surplus before adjustment for taxes, etc.	164,036	173,884
Corporate income taxes-current	122,658	1,204
Corporate income tax-deferred	(89,888)	88,235
Total of corporate income taxes	32,770	89,439
Minority interests in gain (loss) of subsidiaries	23	(2,368)
Net surplus for the year	131,242	86,813

(5) Consolidated Statements of Cash Flows

(millions of yen)

	Year ended March 31, 2009
Ⅰ CASH FLOWS FROM OPERATING ACTIVITIES	
Net surplus before adjustment for taxes, etc.	173,884
Depreciation of rented real estate and others	15,110
Depreciation	30,437
Impairment losses on fixed assets	3,002
Gains on establishment of retirement benefit trust	(207)
Increase (decrease) in reserves for outstanding claims	16,871
Increase (decrease) in policy reserves	(389,201)
Provision for interest on policyholder dividends	10,890
Increase (decrease) in reserve for possible loan losses	(1,399)
Increase (decrease) in reserve for possible investment losses	(3,955)
Gains on collection of loans and claims written off	(236)
Write-down of loans	905
Increase (decrease) in reserve for employees' retirement benefits	(76,719)
Transfer to retirement benefit trust	86,126
Increase (decrease) in reserve for retirement benefits of directors,executive officers and corporate auditors	2,308
Increase (decrease) in reserve for price fluctuations	(119,980)
Interest and dividends	(740,859)
Securities related losses (gains)	874,478
Interest expenses	9,402
Foreign exchange losses (gains)	91,473
Losses (gains) on disposal of fixed assets	2,845
Equity in income of affiliates	28,235
Decrease (increase) in trading account securities	(5,934)
Decrease (increase) in reinsurance receivables	(13,750)
Decrease (increase) in other assets	33,885
Increase (decrease) in reinsurance payables	40
Decrease (increase) in other liabilities	(37,974)
Others, net	5,646
Subtotal	(4,672)
Interest and dividends received	780,024
Interest paid	(9,426)
Policyholder dividends paid	(105,997)
Others, net	250,855
Corporate income taxes paid (received)	(125,993)
Net cash flows provided by operating activities	784,789
Ⅱ CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of monetary claims bought	(42,326)
Proceeds from sale and redemption of monetary claims bought	52,738
Purchases of money held in trust	(18,500)
Proceeds from decrease in money held in trust	5,160
Purchases of securities	(17,224,921)
Proceeds from sale and redemption of securities	15,948,309
Origination of loans	(585,667)
Proceeds from collection of loans	979,872
Others, net	(34,793)
II. (1) Subtotal	(920,128)
[I. + II. (1)]	[(135,338)]
Acquisition of tangible fixed assets	(29,128)
Proceeds from sale of tangible fixed assets	2,062
Acquisition of intangible fixed assets	(26,764)
Proceeds from sale of intangible fixed assets	11
Net cash flows used in investing activities	(973,947)
Ⅲ CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowing	183,000
Repayment of borrowings	(6)
Repayment of financial lease obligations	(48)
Interest paid on foundation funds	(2,328)
Proceeds from Investment of Minority Interest	10,000
Others, net	(3)
Net cash flows provided by (used in) financing activities	190,614
Ⅳ EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,632)
Ⅴ NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(176)
Ⅵ CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	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 YEAR	472,975

(6) Consolidated Statements of Changes in Net Assets

(Fiscal Year Ended March 31, 2009)

(millions of yen)

	Year ended March 31, 2009
Foundation funds and surplus	
Foundation funds	
Beginning balance as of March 31,2008	120,000
Changes for the year	
Redemption of foundation funds	-
Changes for the year	-
Ending balance as of March 31,2009	120,000
Accumulated redeemed foundation funds	
Beginning balance as of March 31,2008	300,000
Changes for the year	
Transfer to accumulated redeemed foundation funds	-
Changes for the year	-
Ending balance as of March 31,2009	300,000
Revaluation reserve	
Beginning balance as of March 31,2008	248
Changes for the year	
Changes for the year	-
Ending balance as of March 31,2009	248
Consolidated surplus	
Beginning balance as of March 31,2008	269,339
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Transfer to accumulated redeemed foundation funds	-
Interest payment for foundation funds	(2,328)
Net surplus for the year	86,813
Transfer from reserve for land revaluation	797
Decrease due to changes in the subsidiaries included in the scope of consolidation	(904)
Changes by capital increase of consolidated subsidiaries	1,297
Changes for the year	(3,551)
Ending balance as of March 31,2009	265,787
Total of foundation funds and surplus	
Beginning balance as of March 31,2008	689,587
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Interest payment for foundation funds	(2,328)
Net surplus for the year	86,813
Redemption of foundation funds	-
Transfer from reserve for land revaluation	797
Decrease due to changes in the subsidiaries included in the scope of consolidation	(904)
Changes by capital increase of consolidated subsidiaries	1,297
Changes for the year	(3,551)
Ending balance as of March 31,2009	686,035
Valuation and translation adjustments	
Net unrealized gains on securities, net of tax	
Beginning balance as of March 31,2008	957,565
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,004,914)
Changes for the year	(1,004,914)
Ending balance as of March 31,2009	(47,349)
Deferred hedge gains / losses	
Beginning balance as of March 31,2008	-
Changes for the year	
Net changes of items other than foundation funds and surplus	(357)
Changes for the year	(357)
Ending balance as of March 31,2009	(357)
Reserve for land revaluation	
Beginning balance as of March 31,2008	(61,500)
Changes for the year	
Net changes of items other than foundation funds and surplus	(797)
Changes for the year	(797)
Ending balance as of March 31,2009	(62,297)
Foreign currency translation adjustments	
Beginning balance as of March 31,2008	(553)
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,961)
Changes for the year	(1,961)
Ending balance as of March 31,2009	(2,514)
Total of valuation and translation adjustments	
Beginning balance as of March 31,2008	895,510
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,008,030)
Changes for the year	(1,008,030)
Ending balance as of March 31,2009	(112,519)
Minority interests	
Beginning balance as of March 31,2008	917
Changes for the year	
Net changes of items other than foundation funds and surplus	5,495
Changes for the year	5,495
Ending balance as of March 31,2009	6,412
Total net assets	
Beginning balance as of March 31,2008	1,586,016
Changes for the year	
Transfer to reserve for policyholder dividends	(89,227)
Interest payment for foundation funds	(2,328)
Net surplus for the year	86,813
Redemption of foundation funds	-
Transfer from reserve for land revaluation	797
Decrease due to changes in the subsidiaries included in the scope of consolidation	(904)
Changes by capital increase of consolidated subsidiaries	1,297
Net changes of items other than foundation funds and surplus	(1,002,535)
Changes for the year	(1,006,087)
Ending balance as of March 31,2009	579,928

(Fiscal Year Ended March 31, 2008)

(millions of yen)

	Year ended March 31, 2008
Foundation funds and surplus	
Foundation funds	
Beginning balance as of March 31,2007	140,000
Changes for the year	
Redemption of foundation funds	(20,000)
Changes for the year	(20,000)
Ending balance as of March 31,2008	120,000
Accumulated redeemed foundation funds	
Beginning balance as of March 31,2007	280,000
Changes for the year	
Transfer to accumulated redeemed foundation funds	20,000
Changes for the year	20,000
Ending balance as of March 31,2008	300,000
Revaluation reserve	
Beginning balance as of March 31,2007	248
Changes for the year	
Changes for the year	-
Ending balance as of March 31,2008	248
Consolidated surplus	
Beginning balance as of March 31,2007	273,483
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Transfer to accumulated redeemed foundation funds	(20,000)
Interest payment for foundation funds	(2,678)
Net surplus for the year	131,242
Transfer from reserve for land revaluation	1,460
Changes for the year	(4,144)
Ending balance as of March 31,2008	269,339
Total of foundation funds and surplus	
Beginning balance as of March 31,2007	693,732
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Interest payment for foundation funds	(2,678)
Net surplus for the year	131,242
Redemption of foundation funds	(20,000)
Transfer from reserve for land revaluation	1,460
Changes for the year	(4,144)
Ending balance as of March 31,2008	689,587
Valuation and translation adjustments	
Net unrealized gains on securities, net of tax	
Beginning balance as of March 31,2007	2,253,984
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,296,419)
Changes for the year	(1,296,419)
Ending balance as of March 31,2008	957,565
Deferred hedge gains / losses	
Beginning balance as of March 31,2007	(2)
Changes for the year	
Net changes of items other than foundation funds and surplus	2
Changes for the year	2
Ending balance as of March 31,2008	-
Reserve for land revaluation	
Beginning balance as of March 31,2007	(60,005)
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,495)
Changes for the year	(1,495)
Ending balance as of March 31,2008	(61,500)
Foreign currency translation adjustments	
Beginning balance as of March 31,2007	(141)
Changes for the year	
Net changes of items other than foundation funds and surplus	(412)
Changes for the year	(412)
Ending balance as of March 31,2008	(553)
Total of valuation and translation adjustments	
Beginning balance as of March 31,2007	2,193,835
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,298,324)
Changes for the year	(1,298,324)
Ending balance as of March 31,2008	895,510
Minority interests	
Beginning balance as of March 31,2007	1,001
Changes for the year	
Net changes of items other than foundation funds and surplus	(84)
Changes for the year	(84)
Ending balance as of March 31,2008	917
Total net assets	
Beginning balance as of March 31,2007	2,888,569
Changes for the year	
Transfer to reserve for policyholder dividends	(114,169)
Interest payment for foundation funds	(2,678)
Net surplus for the year	131,242
Redemption of foundation funds	(20,000)
Transfer from reserve for land revaluation	1,460
Net changes of items other than foundation funds and surplus	(1,298,408)
Changes for the year	(1,302,553)
Ending balance as of March 31,2008	1,586,016

Notes to Consolidated Financial Statements

I. GUIDELINES FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of consolidated subsidiaries in the fiscal year ended March 31, 2009: 3

The Dai-ichi Life Information Systems Co., Ltd.

Dai-ichi Frontier Life Insurance Co., Ltd.

Dai-ichi Life Insurance Company of Vietnam, Limited

Dai-ichi Life International (Europe) Limited, Dai-ichi Seimei Card Service Ltd., Dai-ichi Life International (AsiaPacific) Limited, Dai-ichi Life International (U.S.A.), Inc., Dai-ichi Life Research Institute Inc., and The Dai-ichi Well Life Support Co., Ltd. are excluded from the financial reporting for the fiscal year ended March 31, 2009 due to their immateriality in terms of quality and quantity.

Dai-ichi Life International (H.K.) Limited changed its name to Dai-ichi Life International (AsiaPacific) Limited in September 2008.

Dai-ichi Life International (U.K.) Limited changed its name to Dai-ichi Life International (Europe) Limited in September 2008.

(2) Number of non-consolidated subsidiaries: 14

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Human Net K.K., and Dai-ichi Seimei Business Service K.K. Each of the non-consolidated subsidiaries is immaterial in terms of overall assets, revenues, net surplus, and surplus for the fislcal year ended March 31, 2009.

(3) Tokutei Mokuteki Kaishas (TMKs, specified purpose company) to disclose

(A). Securitization of Foundation Funds and Subordinated Obligations

The Parent Company securitized foundation funds and subordinated obligations to broaden the range of investors and to secure a stable base for raising capital. For the securitization, the Parent Company utilized a Tokutei Mokuteki Kaisha (TMK, specified purpose company) regulated by the Asset Liquidation Act. TMKs raise capital by issuing specified company bonds backed by assets transferred to TMKs by contributors of foundation funds and subordinated loans. The Parent Company has non-voting preference shares of Cayman-based special purpose companies (the “SPC”), which have specified stocks of TMKs. The Parent Company recognized future possible losses for those non-voting preference shares in its financial statements by writing down appropriately, taking the TMKs’ financial situation into account, in accordance with the “Accounting Standard for Financial Instruments” issued on March 10, 2008. The Parent Company has implemented four capital raisings through securitization by March 31, 2009. The number of TMKs which are still engaged in transactions with the Parent Company at the end of the fiscal year ended March 31, 2009 became three, as one of the companies completed its liquidation on October 15, 2008. The total of assets and liabilities of these three companies at the end of their latest fiscal year (September 30, 2008) are ¥151,400 million and ¥150,397 million, respectively. The Parent Company held no ordinary shares in those three companies and none of the three companies had directors, officers, or employees transferred from the Parent Company.

The amounts of main transactions between the Parent Company and the TMKs were as follows:

	Amounts as of March 31, 2009 (millions of yen)		**Fiscal year ended March 31, 2009** (millions of yen)
Foundation funds obligation	¥ 120,000	Interests for foundation funds	¥ 2,328
Subordinated obligation	30,000	Interest expenses	616
Undrawn commitment line balance related to loans	2,107		

(B). Investment in Securitized Real Estate

To diversify investments in real estate and secure stability of its investment returns, the Parent Company had an exposure to an investment project to securitize real estate as of March 31, 2009. The Parent Company had three special purpose companies (the "SPCs") to disclose and the Parent Company invested in the SPCs under an anonymous association contract based on the Commercial Code. The investment in the anonymous association contract was accounted for based on the fair value of real estate owned by the SPCs in accordance with the "Accounting Standards for Financial Instruments" issued on March 10, 2008. The Parent Company anticipates no obligation in the future to cover possible losses of the SPCs. Even if the fair value of the real estate declines, the loss of the Parent Company is limited to the amount of investment in the anonymous association contract. Total assets and liabilities of the SPCs at the end of their fiscal periods (December 31, 2008 and January 31, 2009) amounted to ¥143,015 million and ¥95,685 million, respectively. As of March 31, 2009, the Parent Company had no management authority in the SPCs and the SPCs had no directors, officers, and employees transferred from the Parent Company.

Amounts of transactions between the Parent Company and the SPC were as follows:

	Amounts as of March 31, 2009 (millions of yen)		**Fiscal year ended March 31, 2009** (millions of yen)
Investment in anonymous association	¥ 30,430	Dividends	¥ 2,183
Preferred investments	3,000	Dividends	91

2. Application of the Equity Method

(1) Number of subsidiaries accounted for under the equity method for the fiscal year ended March 31, 2009: 0

(2) Number of affiliated companies accounted for under the equity method for the fiscal year ended March 31, 2009: 32

Names of the primary affiliated companies are as follows:

DIAM Co., Ltd.
DIAM U.S.A., Inc.
DIAM International Ltd
DIAM SINGAPORE PTE. LTD.
DIAM Asset Management (HK) Limited
Mizuho-DL Financial Technology Co., Ltd.
Japan Real Estate Asset Management Co., Ltd.
Trust & Custody Services Bank Ltd.
Corporate-pension Business Service Co., Ltd.
Japan Excellent Asset Management Co., Ltd.

NEOSTELLA CAPITAL CO., LTD.
Ocean Life Insurance Co., Ltd.
Tower Australia Group Limited
Star Union Dai-ichi Life Insurance Company Limited

DIAM SINGAPORE PTE. LTD. became an affiliated company and accounted for under the equity method, effective the fiscal year ended March 31, 2009, due to its establishment in April 2008 by DIAM Co., Ltd., an affiliated company of the Parent Company.

Ocean Life Insurance Co., Ltd. became an affiliated company and accounted for under the equity method due the Parent Company's acquisition of its shares in July 2008 and subscription of its capital increase in October 2008.

Tower Australia Group Limited became an affiliated company and accounted for under the equity method due to the Parent Company's acquisition of its shares in October 2008. Also, 18 subsidiaries and affiliates of Tower Australia Group Limited became accounted for under the equity method effective the fiscal year ended March 31, 2009.

DIAM International Fund Management (Jersey) Ltd. completed its liquidation process in December 2008 and ceased to be an affiliated company of the Parent Company.

Star Union Dai-ichi Life Insurance Company Limited became an affiliated company and accounted for under the equity method, effective the fiscal year ended March 31, 2009, as it started operations as a life insurance company in February 2009.

DIAM Asset Management (HK) Limited became an affiliated company and accounted for under the equity method, effective the fiscal year ended March 31, 2009, due to its establishment in March 2009 by DIAM Co., Ltd., an affiliated company of the Parent Company.

(3) The non-consolidated subsidiaries (Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Human Net K.K., and Dai-ichi Seimei Business Service K.K. and others), as well as affiliated companies (DSC No.2 Investment Partnership, DSC No.3 Investment Partnership, CVC No.1 Investment Limited Partnership, CVC No.2 Investment Limited Partnership, NEOSTELLA No.1 Investment Limited Partnership, O.M. Building Management Co., Ltd., and others) are not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net surplus for the year and surplus for the fiscal year.

3. <u>Fiscal Year Ends of Consolidated Subsidiaries</u>

The closing date of domestic consolidated subsidiaries is March 31, whereas that of foreign consolidated subsidiaries is December 31. Financial information as of those closing dates is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

4. <u>Valuation of Assets and Liabilities Owned by the Consolidated Subsidiaries</u>

Assets and Liabilities owned by the consolidated subsidiaries are evaluated by the full purchase method.

5. <u>Goodwill Impairment</u>

The Parent Company writes off all its immaterial goodwill incurred during each fiscal year.

II. NOTES TO CONSOLIDATED BALANCE SHEETS

1. Yen Amounts

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

2. Valuation Methods of Securities

The valuation of securities of the Parent Company and its consolidated subsidiaries and affiliated companies, including cash equivalents, 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 carried out as explained below:

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

(3) 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)

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-consolidated Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

i. Available-for-sale Securities with Fair Market Value

Available-for-sale securities which have market value are valued at market value at the end of the fiscal year (for domestic stocks, the average value during March), with cost determined by the moving average method.

ii. Available-for-sale Securities without Fair Market Value

a. Government/Corporate bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment,

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.

b. Others

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 consolidated statements of earnings.

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

3. Trading Account Securities

Trading account securities are reported at fair value using the moving average method.

4. Policy-reserve-matching Bonds

The book value, fair market value, and risk management policy regarding policy-reserve-matching bonds are as follows:

(1) Book Value and Fair Market Value

The total of policy-reserve-matching bonds as of March 31, 2009 amounted to ¥5,161,684 million. The market value of these bonds as of March 31, 2009 was ¥5,391,451 million.

(2) Risk Management Policy

The Parent Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of sub-groups. Moreover, it periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:

i. individual life insurance and annuities
ii. financial insurance and annuities, and
iii. employee-funded corporate pension contracts.

(3) Integration of Sub-groups

The Parent Company previously classified individual life insurance and annuities into sub-groups by durations of individual life insurance and annuities. However, effective the fiscal year ended March 31, 2009, the Company integrated the sub-groups into a single group to control the duration of individual life insurance and annuities in the aggregate and to promote more sophisticated ALM. This change did not have any impact on profits and losses of the Company.

5. Derivative Transactions

Derivative transactions are reported at fair value.

6. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), the Parent 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.

7. Depreciation of Tangible Fixed Assets

(1) Depreciation of Tangible Fixed Assets Excluding Lease Assets

Depreciation of tangible fixed assets excluding lease assets is calculated by the following method.

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.

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

As for the tangible fixed assets acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the salvage values are depreciated over the following five years from the fiscal year end when such assets were depreciated to their final depreciable limit.

Depreciation of tangible fixed assets owned by consolidated subsidiaries in Japan is principally calculated by the declining balance method, while the straight-line method is principally used to compute depreciation for such assets of consolidated overseas subsidiaries.

(2) Depreciation of Leased Assets
Depreciation for leased assets is computed under the straight-line method assuming zero salvage value.

(3) Accumulated Depreciation of Tangible Fixed Assets
Accumulated depreciation of tangible fixed assets as of March 31, 2009 was ¥625,063 million.

8. Translation of Assets and Liabilities Denominated in Foreign Currencies to Yen

The Parent Company translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) to yen at the prevailing exchange rate as of March 31, 2009. Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are translated to yen at the exchange rate on the date of acquisition. Assets, liabilities, revenues, and expenses of its consolidated overseas subsidiaries are translated to yen at the exchange rate at the end of their fiscal year. Translation adjustments associated with the consolidated overseas subsidiaries are included in “Foreign currency translation adjustments” in the “Net assets” section of the balance sheet.

9. 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 and its consolidated subsidiaries and affiliated companies perform an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2009 was ¥4,145 million.

10. Accounting for Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Parent Company in August 2000, amounted to ¥25,562 million as of March 31, 2009 and are included as loans in the consolidated balance sheet. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balance of the underlying loans in the trust as of March 31, 2009 was ¥62,703 million.

11. 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, 2009.

The funding status of employees' retirement benefits of the Parent Company and its consolidated subsidiaries and affiliated companies as of March 31, 2009 was as follows:

(1) Funding status of employees' retirement benefits of the Parent Company and its consolidated subsidiaries and affiliated companies :

		(millions of yen)
a.	Projected benefit obligations	¥ (634,578)
b.	Pension assets	186,362
	Retirement benefit trust	88,607
c.	Unfunded benefit obligations (a + b)	(448,215)
d.	Unrecognized actuarial differences	53,396
e.	Unrecognized gains on plan amendments	(10,752)
f.	Net amount recognized on the non-consolidated balance sheet (c + d + e)	(405,571)
g.	Prepaid pension expenses	-
h.	Reserve for employees' retirement benefits (f - g)	¥ (405,571)

(Certain consolidated subsidiaries applied the simplified method in calculating their projected benefit obligations.)

(2) Assumptions used by the Parent Company and its consolidated subsidiaries and affiliated companies:

i. Method of periodic allocation of benefit obligations: straight-line method
ii. Discount rate: 1.7~1.8% per annum
iii. Estimated return on investment:
   a. Defined benefit corporate pension: 1.7% per annum
   b. Qualified pension plan 1.0% per annum
   c. Retirement benefit trust 0.0% per annum
iv. Amortization period for actuarial differences: 3~7 years starting from the following fiscal year
v. Amortization period for gains on plan amendments: 3~7 years

12. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders and (2) an estimated amount for future corporate-pension payments to Directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders are provided.

Actual corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders were formerly recognized as expenses when they were paid. However, effective the fiscal year ended March 31, 2009, reserve for retirement benefit of directors, executive officers, and corporate auditors is calculated by adding items (1) and (2) above and the amount of payments for the fiscal year ended March 31, 2009 was reported as an extraordinary loss. As a result of this change, extraordinary losses increased by ¥2,712 million and net surplus before adjustment for taxes, etc. decreased by ¥2,712 million.

For the reserve for retirement benefits of directors, executive officers, and corporate auditors of some of the consolidated subsidiaries, an amount considered to have been rationally incurred is provided.

13. 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.

14. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the fiscal year in accordance with the provisions of Article 115 of the Insurance Business Law.

15. Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” issued on March 10, 2008 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, government and corporate bonds, and debt and bonds issued by the Parent Company; 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.

16. 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 five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

17. Policy Reserves

Policy reserves of the Parent Company and its life insurance subsidiary in Japan are established in accordance with Article 116 of the Insurance Business Law. Insurance premium reserves are calculated as follows:

(1) 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).
(2) Reserves for other policies are established based on the net level premium method.

For whole life insurance contracts acquired on or before March 31, 1996 premium payments for which were already completed at the end of the fiscal year ended March 31, 2008 (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 evenly in the following nine years. As a result, provision for policy reserves as of March 31, 2009 was ¥104,241 million.

The Parent Company formerly intended to provide the additional policy reserve evenly over five years (until the fiscal year ending March 31, 2012). However, effective the fiscal year ended March 31, 2009, the Parent Company changed the provision period to nine years (until the fiscal year ending March 31, 2016). As a result, reversal of provision for policy reserves increased by ¥41,633 million and net surplus from operations and net surplus before adjustment for taxes, etc. increased by ¥41,633 million.

18. Amortization of Intangible Fixed Assets

The Parent Company uses the straight-line method of amortization for intangible fixed assets excluding lease assets. Amortization of software developed for internal use is based on the estimated useful life of five years.

19. 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 fiscal year ended March 31, 2009, 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.

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 ¥247 million and lease liabilities increased by ¥247 million. This change did not have any impact on net surplus from operations and net surplus for the period.

20. Changes in Presentation of Tangible Fixed Assets and Intangible Assets

Effective the fiscal year ended March 31, 2009, in accordance with the revised format attached to the Enforcement Regulation of the Insurance Business Law (Article 55 of the Cabinet Office Ordinance, September 19, 2008), the Company made changes in presentation as follows:

(1) The former aggregated "tangible fixed assets" was divided into four sub-categories under the "tangible fixed assets" account, titled as "land", "buildings", "construction in progress" and "other tangible fixed assets" respectively, for the fiscal year ended March 31, 2009.

(2) The former aggregated "intangible assets" was broken down into two sub-categories, "software" and "other intangible fixed assets", under the "intangible assets" account for the fiscal year ended March 31, 2009.

21. Securities Lending

The total balance of securities lent as of March 31, 2009 was ¥475,988 million.

22. 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 ¥19,670 million. The amount of credits to bankrupt borrowers was ¥5,493 million, the amount of delinquent loans was ¥11,648 million, and the amount of restructured loans was ¥2,528 million. The Parent Company recognized no loans past due for three months or more.

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 9 above, credits to bankrupt borrowers and delinquent loans decreased by ¥976 million and ¥3,169 million, respectively.

23. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Law was ¥1,542,048 million. Separate account liabilities were the same amount as separate account assets.

24. Application of Deferred Tax Accounting

Total deferred tax assets were ¥738,263 million. Total deferred tax liabilities were ¥27,308 million. Valuation allowance for deferred tax assets was ¥68,557 million.

Major components of deferred tax assets were as follows:

	(millions of yen)
Insurance policy reserve	¥ 317,563
Reserve for employees' retirement benefits	177,561
Tax losses carried forward	84,445
Losses on valuation of securities	68,895

Major components of deferred tax liabilities were as follows:

	(millions of yen)
Dividend receivables from stocks	¥ 10,248
Reserve for tax basis adjustments of real estate	9,233
Gains on establishment of retirement benefit trust	5,348

Deferred tax liabilities and deferred tax assets are offset and presented as deferred tax assets.

The statutory tax rate for the Parent Company during the fiscal year ended March 31, 2009 was 36.08%. The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes are (1) the impact of valuation reserves, whose effect is to increase the tax rate by 26.63%, and (2) the impact of reserve for policyholder dividends, whose effect is to reduce the tax rate by 13.48%.

25. Leased Computers

In addition to fixed assets included in the consolidated balance sheet, the Parent Company and its consolidated subsidiaries and affiliated companies have computers as significant leased fixed assets. They have no material leased intangible assets.

26. 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 fiscal year	105,997
Interest accrual in fiscal year	10,890
Balance at the end of fiscal year	¥ 347,658

27. Stocks of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Parent Company held was ¥55,248 million.

28. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥502,419 million and ¥86 million, respectively. Secured liabilities totaled ¥484,576 million. Among the amounts above, securities and cash collateral for securities lending transactions were ¥475,736 million and ¥484,550 million, respectively.

29. Reinsurance

Reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Law, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter “reserve for outstanding claims reinsured”) amounted to ¥49 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter “policy reserve reinsured”) was ¥6,169 million.

30. 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 ¥13,830 million as of March 31, 2009, among which no securities are pledged as collateral.

31. Commitment Line

There were unused commitment line agreements under which the Parent Company is the lender of ¥12,507 million.

32. Subordinated Debt

Long-term debt and other borrowings included subordinated debt of ¥313,000 million whose repayment is subordinated to other obligations.

33. Subordinated Bonds

Subordinated bonds of ¥49,102 million shown in liabilities were foreign currency-denominated subordinated bonds of US$499 million whose repayment is subordinated to other obligations.

34. Assets Denominated in Foreign Currencies

Assets of the Parent Company denominated in foreign currencies totaled ¥4,725,208 million. The principal foreign currency asset amounts were US$25,981 million and 12,970 million euros.

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

The estimated future obligations of the Parent Company and its consolidated subsidiaries and affiliated companies as of March 31, 2009 to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were ¥61,957 million. These obligations will be recognized as operating expenses in the years in which they are paid.

III. NOTES TO CONSOLIDATED STATEMENT OF EARNINGS

1. Yen Amounts

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

2. Total of Corporate Income Taxes

Effective the fiscal year ended March 31, 2009, in accordance with the revised format attached to the Enforcement Regulation of the Insurance Business Law (Article 25 of the Cabinet Office Ordinance, April 17, 2009), the Company presented corporate income taxes, resident taxes, and taxes deferred, collectively as “total of corporate income taxes”.

3. Retirement Benefit Expenses

Retirement benefit expenses were ¥46,489 million, comprised of the following:

	(millions of yen)
Service cost	¥ 24,437
Interest cost	10,764
Estimated investment income	(1,781)
Amortization of unrecognized actuarial differences	18,444
Amortization of unrecognized gains on plan amendments	(5,376)
Retirement benefit expenses	46,489

4. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2009 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 property recorded as 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 Parent 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:

(millions of yen)

Asset Group	Number	Impairment Losses		
		Land	Buildings	Total
Real estate for rent	2	¥ 354	¥ 227	¥ 582
Real estate not in use	26	¥ 616	¥ 1,803	¥ 2,420
Total	28	¥ 971	¥ 2,031	¥ 3,002

(4) Calculation of Recoverable Value

Value in use or net sales value is used as recoverable value of real estate for rent, and net sales value is used as recoverable value of real estate not in use. A discount rate of 3.13% is applied for discounting future cash flows in calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as net sales value.

IV. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1. Yen Amounts

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

2. 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.

3. Reconciliation of Cash and Cash Equivalents

Reconciliation of cash and cash equivalents to balance sheet accounts as of March 31, 2009 was as follows:

		As of March 31, 2009 (millions of yen)
a.	Cash and cash deposits	¥ 245,895
b.	Call loans	206,580
c.	Commercial papers included in monetary claims bought	19,999
d.	Monetary market fund included in securities	500
	Cash and cash equivalents (a. + b. + c. + d.)	¥ 472,975

V. NOTES TO CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS

1. Change in Scope of Consolidation

The Parent Company changed its scope of consolidation for its consolidated statement of change in net assets during the fiscal year ended March 31, 2009. As a result, consolidation surplus decreased by ¥904 million.

2. Minority Interest

Increase in minority interest in consolidated subsidiaries of the Parent Company during the fiscal year ended March 31, 2009 is due to the increase in their capital stock by ¥8,702 million.

(7) Risk-Monitored Loans

(millions of yen)

		As of March 31, 2008	As of March 31, 2009
Credits to bankrupt borrowers	(I)	5,813	5,493
Delinquent loans	(II)	20,288	11,648
Loans past due for three months or more	(III)	1,682	-
Restructured loans	(IV)	1,162	2,528
Total ((I)+(II)+(III)+(IV))		28,947	19,670
[Percentage of total loans]		[0.62%]	[0.46%]

Note: 1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2008 and 2009 were ¥1,246 million and ¥976 million, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2008 and 2009 were ¥2,879 million and ¥3,169 million, respectively.

2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.

3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.

5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(Reference) Disclosed claims based on categories of obligors

(millions of yen)

	As of March 31, 2008	As of March 31, 2009
Claims against bankrupt and quasi-bankrupt obligors	6,281	6,028
Claims with collection risk	19,822	11,114
Claims for special attention	2,844	2,528
Subtotal	28,948	19,670
Claims against normal obligors	5,337,864	4,748,830
Total	5,366,813	4,768,501

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.

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

The Dai-ichi Frontier Life Insurance Company (millions of yen)

		As of March 31, 2008	As of March 31, 2009
Total solvency margin (A)		41,036	129,974
	Net assets (less certain items) *1	35,701	104,596
	Reserve for price fluctuations	5	25
	Contingency reserve	879	4,328
	General reserve for possible loan losses	0	5
	Net unrealized gains on securities (before tax) x 90% *2	226	491
	Net unrealized gains (losses) on real estate x 85% *2	-	-
	Policy reserves in excess of surrender values	4,223	20,527
	Qualifying subordinated debt	-	-
	Excluded items	-	-
	Others	-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)		3,978	17,491
	Insurance risk R_1	-	-
	3rd sector insurance risk R_8	-	-
	Assumed investment yield risk R_2	0	0
	Investment risk R_3	302	1,289
	Business risk R_4	115	509
	Guaranteed minimum benefit risk R_7 *3	3,559	15,692
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		2,063.0%	1,486.1%

Note: 1. The above figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996. ("Policy reserves in excess of surrender values" is calculated based on Article 1 Paragraph 3-1 of the Announcement No. 50.)
2. Guaranteed minimum benefit risk is calculated by standard method.

(9) 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 the segment information on those businesses is omitted.

14. Selected Financial Information by Insurance Product

(millions of yen)

	Individual insurance and annuities	Group insurance	Group annuities	Others	Total
Policies in force at the beginning of the year	174,462,568	54,461,688	6,436,874	-	-
Policies in force at the end of the year	166,047,843	54,769,451	6,140,650	-	-
Net increase in policies in force	(8,414,725)	307,762	(296,223)	-	-
Ordinary revenues	-	-	-	-	5,182,814
a. Premium and other income	1,917,306	163,857	777,469	45,703	2,904,336
Premium	1,917,304	163,162	777,469	45,703	2,903,640
b. Ordinary revenues other than a. above	-	-	-	-	2,278,477
Reversal of (provision for) policy reserves	(44,714)	59	296,223	8,167	737,755
Ordinary expenses	-	-	-	-	5,073,668
c. Benefits and claims	1,743,704	95,023	862,033	52,834	2,753,596
Claims	823,659	92,360	16,514	1,654	934,190
Annuities	185,683	999	247,536	7,638	441,857
Benefits	180,609	251	319,050	4,438	504,349
Surrender values	517,831	390	110,827	39,046	668,096
d. Ordinary expenses other than c. above	-	-	-	-	2,320,072
Net surplus from operations	-	-	-	-	109,146

Note: 1. Categorization of insurance products:
'Others' are the sum of financial insurance, financial annuities, medical care insurance, group disability insurance and reinsurance written.

2. Policies in force:
a. 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.
b. Policies in force of group insurance include those of annuity riders attached to group insurance, which are the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
c. Policies in force of group annuities are equal to the amount of outstanding corresponding policy reserve.

3. Profit and loss items:
a. 'Premium and other income' shows the sum of premium and reinsurance income.
b. 'Benefits and claims' shows the sum of claims, annuities, benefits, surrender values, other payments and reinsurance premium.

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

(millions of yen)

		Year ended March 31, 2008	Year ended March 31, 2009	Change
Fundamental profit	(i)	454,983	360,829	(94,154)
Negative spread / Investment spread		1,131	(64,862)	(65,994)
Mortality and morbidity gains		387,323	382,219	(5,104)
Expense margins		66,527	43,472	(23,055)
Net Capital gains	(ii)	(82,277)	(619,690)	(537,412)
Other one-time profits	(iii)	(172,124)	368,007	540,131
Provision for contingency reserves *1		(29,000)	478,018	507,018
Net surplus from operations	(iv) (=(i)+(ii)+(iii))	200,581	109,146	(91,435)
Extraordinary gains and losses	(v)	(28,786)	110,584	139,370
Provision for reserve for price fluctuations *2		(14,000)	120,000	134,000
Corporate income taxes and others	(vi)	(28,477)	(85,964)	(57,487)
Unappropriated net surplus for the year	(vii) (=(iv)+(v)+(vi))	143,318	133,766	(9,551)

*1 Positive figures represent reversal of contingency reserves, while negative figures represent provision for contingency reserves.

*2 Positive figures represent reversal of reserve for price fluctuations, while negative figures represent provision for reserve for price fluctuations

Note: 1. Description of major sources of profit and loss:
- Negative spread (Investment spread): difference between expected investment yield (guaranteed investment yield) and actual investment yield
- Mortality and morbidity gains: difference between expected and actual payment of claims and benefits
- Expense margins: difference between expected and actual operating expenses

2. Fundamental profit as well as major sources of profit and loss are more easily understood by taking into account other figures and items including capital gains/losses and retained earnings. For example, for the fiscal year ended March 31, 2009, 64.9 billion yen is provided for reserve for policyholder dividends out of unappropriated net surplus of 133.7 billion yen, after deducting items such as capital losses and taxes.

3. In order to strengthen financial soundness, a certain amount is provided for reserves including contingency reserve and reserve for price fluctuations, which are shown in lines (iii) and (v) above.
During the fiscal year ended March 31, 2009, the Company reversed a portion of these reserves in order to absorb capital losses associated with deterioration of the investment environment.