

August 13, 2009

Financial Results for the Three Months Ended June 30, 2009

The Dai-ichi Mutual Life Insurance Company (the "Company" or the "Parent Company"; President: Katsutoshi Saito) announces its financial results for the three months ended June 30, 2009.

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For further information please contact:

Corporate Planning Dept. No.1, The Dai-ichi Mutual Life Insurance Company TEL 81-50-3780-2811/3119
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1. Business Highlights

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

Policies in Force

	As of June 30, 2009				As of March 31, 2009	
	Number of Policies		Amount		Number of Policies	Amount
	(thousands)	% of March 31 2009 total	(billions of yen)	% of March 31 2009 total	(thousands)	(billions of yen)
Individual insurance	11,003	99.6	156,437.7	98.3	11,051	159,072.0
Individual annuities	1,206	100.4	7,021.1	100.7	1,202	6,975.8
Individual insurance and annuities	12,210	99.6	163,458.8	98.4	12,254	166,047.8
Group insurance	-	-	54,954.2	100.3	-	54,769.4
Group annuities	-	-	6,210.2	101.1	-	6,140.6

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)			% of June 30, 2008 total
				New Business	Net increase by conversion	
Three months ended June 30, 2008						
	Individual insurance	238	1,379.9	1,393.8	(13.9)	
	Individual annuities	8	59.6	62.0	(2.3)	
	Individual insurance and annuities	246	1,439.5	1,455.9	(16.3)	
	Group insurance	-	136.2	136.2		
	Group annuities	-	0.2	0.2		
Three months ended June 30, 2009						
	Individual insurance	234	1,253.7	1,315.3	(61.5)	90.9
	Individual annuities	12	84.5	87.1	(2.5)	141.8
	Individual insurance and annuities	247	1,338.3	1,402.4	(64.1)	93.0
	Group insurance	-	23.8	23.8		17.5
	Group annuities	-	0.4	0.4		203.9

Note: 1) Number of new policies is the sum of new business and policies after conversion.

2) Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.

3) Amount of new policies for group annuities is equal to the initial premium payment.

(Reference) Surrender and lapse in individual insurance and individual annuities

(billions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Amount of surrender and lapse	2,534.2	2,665.2
Surrender and lapse rate (%)	1.45	1.61

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 Premiums

Policies in Force

(billions of yen)

		As of June 30, 2009		As of March 31, 2009
			% of March 31, 2009 total	
Individual insurance		1,748.2	98.9	1,766.8
Individual annuities		288.0	100.9	285.5
Total		2,036.2	99.2	2,052.4
	Medical and survival benefits	490.9	99.6	492.7

New Policies

(billions of yen)

		Three months ended June 30, 2008	Three months ended June 30, 2009	
				% of June 30 2008 total
Individual insurance		23.4	21.3	90.9
Individual annuities		3.1	3.0	97.8
Total		26.6	24.4	91.7
	Medical and survival benefits	9.0	7.6	84.8

- Note:
- 1) Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
 - 2) Annualized net premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
 - 3) New policies include net increase by conversion.

2. Investment of General Account Assets

(1) Asset Composition (General Account)

(millions of yen)

	As of June 30, 2009		As of March 31, 2009	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	269,446	0.9	359,046	1.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	58,164	0.2	14,954	0.1
Monetary claims bought	298,871	1.0	281,371	1.0
Trading account securities	58,634	0.2	52,597	0.2
Money held in trust	17,266	0.1	13,265	0.0
Securities	22,346,747	76.2	21,588,974	74.7
Domestic bonds	12,408,250	42.3	12,620,231	43.7
Domestic stocks	3,290,897	11.2	2,846,053	9.9
Foreign securities	6,427,826	21.9	5,908,767	20.5
Foreign bonds	4,967,307	16.9	4,459,828	15.4
Foreign stocks and other securities	1,460,518	5.0	1,448,938	5.0
Other securities	219,772	0.7	213,921	0.7
Loans	4,126,587	14.1	4,248,438	14.7
Policy loans	596,416	2.0	604,706	2.1
Ordinary loans	3,530,171	12.0	3,643,732	12.6
Real estate	1,229,323	4.2	1,235,122	4.3
Real estate for rent	777,733	2.7	778,840	2.7
Deferred tax assets	410,040	1.4	640,990	2.2
Others	532,306	1.8	459,888	1.6
Reserve for possible loan losses	(9,786)	(0.0)	(10,916)	(0.0)
Total	29,337,602	100.0	28,883,735	100.0
Foreign currency-denominated assets	4,990,718	17.0	4,404,129	15.2

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

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

(millions of yen)

		Book value	Fair value	Gains (losses)	Gains	Losses
As of June 30, 2009						
	Bonds held to maturity	172,444	175,589	3,145	4,550	1,404
	Domestic bonds	123,836	124,065	228	1,633	1,404
	Foreign bonds	48,608	51,524	2,916	2,916	-
	Policy-reserve-matching bonds	5,329,186	5,505,219	176,033	184,762	8,729
	Domestic bonds	5,329,186	5,505,219	176,033	184,762	8,729
	Stocks of subsidiaries and affiliates	15,906	22,303	6,396	6,396	-
	Securities available for sale	15,133,576	15,670,585	537,008	945,036	408,027
	Domestic bonds	6,733,217	6,955,227	222,010	235,934	13,923
	Domestic stocks	2,577,625	2,955,565	377,940	573,424	195,484
	Foreign securities	5,416,089	5,354,909	(61,180)	124,518	185,698
	Foreign bonds	4,939,955	4,918,699	(21,256)	94,280	115,537
	Foreign stocks and other securities	476,133	436,209	(39,923)	30,237	70,161
	Other securities	110,451	106,010	(4,440)	7,113	11,553
	Monetary claims bought	296,193	298,871	2,678	4,045	1,367
	Certificates of deposit	-	-	-	-	-
	Others	-	-	-	-	-
	Total	20,651,114	21,373,698	722,584	1,140,746	418,161
	Domestic bonds	12,186,240	12,584,512	398,272	422,330	24,058
	Domestic stocks	2,577,625	2,955,565	377,940	573,424	195,484
	Foreign securities	5,480,604	5,428,737	(51,866)	133,832	185,698
	Foreign bonds	4,988,563	4,970,224	(18,339)	97,197	115,537
	Foreign stocks and other securities	492,040	458,512	(33,527)	36,634	70,161
	Other securities	110,451	106,010	(4,440)	7,113	11,553
	Monetary claims bought	296,193	298,871	2,678	4,045	1,367
	Certificates of deposit	-	-	-	-	-
	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 money held in trust as of June 30, 2009 and as of March 31, 2009 amounted to 1,148 million yen and 1,176 million yen, respectively.

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

(millions of yen)		
	As of June 30, 2009	As of March 31, 2009
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	193,113	190,887
Unlisted domestic stocks (except over-the-counter stocks)	171,180	171,210
Unlisted foreign stocks (except over-the-counter stocks)	12,159	10,842
Others	9,773	8,834
Other securities	1,264,101	1,555,715
Unlisted domestic stocks (except over-the-counter stocks)	164,151	165,162
Unlisted foreign stocks (except over-the-counter stocks)	989,345	1,019,345
Unlisted foreign bonds	0	0
Others	110,604	371,207
Total	1,457,215	1,746,602

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) The amounts of foreign exchange valuation losses on foreign securities without fair value listed in the table above are as follows: 3,011 million yen as of June 30, 2009 and 3,191 million yen as of March 31, 2009.

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

(millions of yen)

	Carrying value on the balance sheet	Fair value		Gains (losses)	
				Gains	Losses
As of June 30, 2009	17,266	17,266	2,198	7,156	4,958
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 investment purpose is as follows:

(millions of yen)

	As of June 30, 2009		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 investment purpose	16,118	2,198	12,089	(961)

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

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

(millions of yen)

	As of June 30, 2009				
	Book Value	Fair Value		Gains (Losses)	
				Gains	Losses
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,148	1,148	-	-	-

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

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

3. Unaudited Quarterly Non-Consolidated Balance Sheets

(millions of yen)

	As of June 30, 2009	As of March 31, 2009 (Summarized)
	Amount	Amount
(ASSETS)		
Cash and deposits	119,806	222,407
Call loans	178,400	171,100
Deposit paid for securities borrowing transactions	58,164	14,954
Monetary claims bought	298,871	281,371
Trading account securities	58,634	52,597
Money held in trust	17,266	13,265
Securities	23,531,592	22,667,846
[Government bonds]	[9,872,678]	[10,147,344]
[Local government bonds]	[334,232]	[343,529]
[Corporate bonds]	[2,555,523]	[2,462,903]
[Stocks]	[3,618,238]	[3,139,601]
[Foreign securities]	[6,776,087]	[6,220,487]
Loans	4,126,587	4,248,438
Policy loans	596,416	604,706
Ordinary loans	3,530,171	3,643,732
Tangible fixed assets	1,233,613	1,239,487
Intangible fixed assets	107,411	107,423
Reinsurance receivables	76	148
Other assets	414,446	352,988
Deferred tax assets	410,040	640,990
Customers' liabilities for acceptances and guarantees	17,216	20,138
Reserve for possible loan losses	(9,786)	(10,916)
Total assets	30,562,341	30,022,243

(millions of yen)

	As of June 30, 2009	As of March 31, 2009 (Summarized)
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	27,679,101	27,527,576
Reserves for outstanding claims	153,504	172,940
Policy reserves	27,135,676	27,006,977
Reserve for policyholder dividends	389,920	347,658
Reinsurance payables	541	512
Subordinated bonds	47,993	49,102
Other liabilities	1,177,911	1,169,969
Corporate income tax payable	476	320
Lease liabilities	281	242
Other liabilities	1,177,152	1,169,407
Reserve for employees' retirement benefits	408,562	403,662
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,409	3,464
Reserve for possible reimbursement of prescribed claims	874	1,000
Reserve for price fluctuations	104,953	101,453
Deferred tax liabilities for land revaluation	124,950	125,535
Acceptances and guarantees	17,216	20,138
Total liabilities	29,565,515	29,402,415
(NET ASSETS)		
Foundation funds	120,000	120,000
Accumulated redeemed foundation funds	300,000	300,000
Revaluation reserve	248	248
Surplus	296,212	309,690
Reserve for future losses	5,600	5,400
Other surplus	290,612	304,290
Reserve for redemption of foundation funds	120,000	81,300
Reserve for interest payment for foundation funds	1,263	-
Fund for risk allowance	43,139	43,139
Fund for price fluctuation allowance	55,000	30,000
Reserve for tax basis adjustments of real estate	16,357	15,961
Other reserves	208	122
Unappropriated net surplus for the period	54,643	133,766
Total of Foundation Funds and surplus	716,461	729,938
Net unrealized gains on securities, net of tax	344,952	(47,456)
Deferred hedge gains/losses	(1,311)	(357)
Reserve for land revaluation	(63,297)	(62,297)
Valuation and translation adjustments	280,364	(110,111)
Total net assets	996,825	619,827
Total liabilities and net assets	30,562,341	30,022,243

Notes to the Unaudited Quarterly Non-Consolidated Balance Sheets

1. Reserve for Possible Loan Losses

For loans and claims other than loans to and claims on “bankrupt obligors”, “substantially bankrupt obligors” and obligors that have not yet suffered business failure but are considered highly likely to fail, reserve for possible loan losses is calculated by using the rate of losses from bad debts as of March 31, 2009, as the Company recognizes no material changes in the rate during the three months ended June 30, 2009.

2. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by proportionally allocating the estimated depreciation for the fiscal year. Accumulated depreciation of tangible fixed assets was ¥630,009 million.

3. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent was ¥530,353 million.

4. 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	¥ 347,658
Transfer from surplus in previous fiscal year	64,963
Dividends paid in the quarterly period	(25,339)
Interest accrual in the quarterly period	2,637
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Balance at the end of the quarterly period	¥ 389,920
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5. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥499,676 million and ¥86 million, respectively. Secured liabilities totaled ¥473,977 million. Among the amounts above, securities and cash collateral for securities lending transactions were ¥471,881 million and ¥473,951 million, respectively.

6. Policy Reserve

For the whole life insurance contracts acquired on or before March 31, 1996 and premium payments for which were already completed as of June 30, 2009 (including lump-sum payments), additional policy reserves have been provided since the fiscal year ended March 31, 2008 in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Law and will be provided evenly over several years. As a result, the amount of additional policy reserve provided for the three month ended June 30, 2009 was ¥18,046 million.

4. Unaudited Quarterly Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
	Amount	Amount
ORDINARY REVENUES	1,148,031	1,123,027
Premium and other income	745,116	710,548
[Premium income]	[744,960]	[710,424]
Investment income	337,001	330,948
[Interest and dividends]	[188,275]	[171,159]
[Gains on trading account securities]	[-]	[287]
[Gains on money held in trust]	[2,087]	[2,038]
[Gains on sale of securities]	[70,119]	[46,341]
[Gains on investment in separate accounts]	[68,839]	[107,848]
Other ordinary revenues	65,913	81,530
ORDINARY EXPENSES	1,101,804	1,051,368
Benefits and claims	622,008	650,768
[Claims]	[225,544]	[193,139]
[Annuities]	[86,730]	[98,267]
[Benefits]	[128,171]	[140,924]
[Surrender values]	[156,623]	[190,265]
[Other refunds]	[24,663]	[27,895]
Provision for policy reserves and others	171,145	131,336
Provision for policy reserves	168,384	128,698
Provision for interest on policyholder dividends	2,761	2,637
Investment expenses	98,383	55,790
[Interest expenses]	[2,576]	[2,914]
[Losses on trading account securities]	[28]	[-]
[Losses on sale of securities]	[53,102]	[34,525]
[Losses on valuation of securities]	[6,467]	[3,094]
[Derivative transaction losses]	[9,588]	[317]
Operating expenses	104,851	102,773
Other ordinary expenses	105,416	110,700
NET SURPLUS FROM OPERATIONS	46,226	71,658
EXTRAORDINARY GAINS	1,963	1,171
Gains on disposal of fixed assets	659	23
Reversal of reserve for possible loan losses	1,295	1,127
Gains on collection of loans and claims written off	8	20
EXTRAORDINARY LOSSES	4,437	8,148
Losses on disposal of fixed assets	217	643
Impairment losses on fixed assets	714	3,174
Provision for reserve for price fluctuations	3,500	3,500
Other extraordinary losses	5	829
Net surplus before adjustment for taxes, etc.	43,752	64,682
Corporate income taxes-current	38,801	67
Corporate income tax-deferred	(30,987)	11,779
Total of corporate income taxes	7,813	11,847
Net surplus for the period	35,938	52,834

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

(millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Fundamental revenues	1,075,824	1,074,360
Premium and other income	745,116	710,548
Investment income	264,794	282,282
[Interest and dividends]	[188,275]	[171,159]
Other ordinary revenues	65,913	81,530
Fundamental expense	970,991	988,251
Benefits and claims	622,008	650,768
Provision for policy reserves and others	126,356	108,790
Investment expenses	12,358	15,219
Operating expenses	104,851	102,773
Other ordinary expenses	105,416	110,700
Fundamental profit (A)	104,832	86,109
Capital gains	72,207	48,666
Gains on money held in trust	2,087	2,038
Gains on investments in trading securities	-	-
Gains on sale of securities	70,119	46,341
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Gains on trading account securities	-	287
Others	-	-
Capital losses	86,018	40,568
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	53,102	34,525
Losses on valuation of securities	6,467	3,094
Derivative transaction losses	9,588	317
Foreign exchange losses	16,832	2,630
Losses on trading account securities	28	-
Others	-	-
Net capital gains (B)	(13,811)	8,098
Fundamental profit plus net capital gains (A) + (B)	91,021	94,207
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Others	-	-
Other one-time losses	44,794	22,549
Ceding reinsurance commissions	-	-
Provision for contingency reserve	16,000	4,500
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	6	3
Others	28,788	18,046
Other one-time profits (C)	(44,794)	(22,549)
Net surplus from operations (A) + (B) + (C)	46,226	71,658

Note "Others" in other one-time losses represent additional policy reserves provided in accordance with Articles 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Law (18,046 million yen during the three months ended June 30, 2009 and 28,788 million yen during the three months ended June 30, 2008).

6. Solvency Margin Ratio

(millions of yen)

	As of June 30, 2009	As of March 31, 2009
Total solvency margin (A)	3,419,747	2,786,154
Foundation funds and surplus ^{*1}	698,728	660,468
Reserve for price fluctuations	104,953	101,453
Contingency reserve	513,593	509,093
General reserve for possible loan losses	6,535	7,481
Net unrealized gains on securities (before tax) × 90% ^{*2}	483,560	(74,242)
Net unrealized gains (losses) on real estate × 85% ^{*2}	136,742	137,022
Policy reserves in excess of surrender values	1,161,319	1,148,880
Qualifying subordinated debt	345,394	346,282
Excluded items	(158,381)	(158,381)
Others	127,299	108,095
Total Risk $\sqrt{R_1 + R_8} + (\sqrt{R_2 + R_3 + R_7}) + R_4$ (B)	752,548	725,395
Insurance risk R_1	104,386	105,703
3rd sector insurance risk R_8	146,886	147,184
Assumed investment yield risk R_2	135,885	136,819
Investment risk R_3	546,902	516,918
Business risk R_4	18,812	18,265
Guaranteed minimum benefit risk R_7 ^{*3}	6,581	6,626
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	908.8%	768.1%

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

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures as of March 31, 2009 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996. The figures as of June 30, 2009 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Accounts

(1) Separate Account Assets by Product

(millions of yen)

	As of June 30, 2009	As of March 31, 2009
Individual variable insurance	46,723	43,670
Individual variable annuities	172,982	157,410
Group annuities	1,028,545	958,041
Separate account total	1,248,251	1,159,122

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

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of June 30, 2009		As of March 31, 2009	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	238	1,175	242	1,187
Variable insurance (whole life)	48,679	304,205	48,817	305,169
Total	48,917	305,381	49,059	306,357

Note: Policies in force include term life riders.

B. Individual Variable Annuities

(millions of yen except number of policies)

	As of June 30, 2009		As of March 31, 2009	
	Number of policies	Amount	Number of policies	Amount
Total	49,049	161,917	49,673	146,677

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Ordinary revenues	1,232,922	1,351,490
Net surplus from operations	39,658	71,682
Net surplus	29,317	52,761

	As of June 30, 2009	As of March 31, 2009
Total assets	31,190,589	30,444,624

(2) Scope of Consolidation and Application of Equity Method

	Three months ended June 30, 2009
Number of consolidated subsidiaries	3
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	31

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

(3) Unaudited Quarterly Consolidated Balance Sheets

(millions of yen)

	As of June 30, 2009	As of March 31, 2009 (summarized)
	Amount	Amount
(ASSETS)		
Cash and deposits	152,309	245,895
Call loans	204,100	206,580
Deposit paid for securities borrowing transactions	58,164	14,954
Monetary claims bought	298,871	281,371
Trading account securities	58,634	52,597
Money held in trust	40,146	31,603
Securities	24,054,022	22,995,047
Loans	4,126,977	4,248,799
Tangible fixed assets	1,233,947	1,239,843
Intangible fixed assets	106,787	106,771
Reinsurance receivables	20,578	13,874
Other assets	416,780	355,473
Deferred tax assets	411,845	642,595
Customers' liabilities for acceptances and guarantees	17,216	20,138
Reserve for possible loan losses	(9,795)	(10,921)
Total assets	31,190,589	30,444,624
(LIABILITIES)		
Policy reserves and others	28,333,179	27,970,307
Reserves for outstanding claims	153,993	173,590
Policy reserves	27,789,265	27,449,059
Reserve for policyholder dividends	389,920	347,658
Reinsurance payables	665	587
Subordinated bonds	47,993	49,102
Other liabilities	1,191,964	1,187,288
Reserve for employees' retirement benefits	410,465	405,571
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,433	3,486
Reserve for possible reimbursement of prescribed claims	874	1,000
Reserve for price fluctuations	104,984	101,478
Deferred tax liabilities	386	197
Deferred tax liabilities for land revaluation	124,950	125,535
Acceptances and guarantees	17,216	20,138
Total liabilities	30,236,115	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	252,268	265,787
Total of foundation funds and surplus	672,517	686,035
Net unrealized gains on securities, net of tax	345,445	(47,349)
Deferred hedge gains (losses)	(1,311)	(357)
Reserve for land revaluation	(63,277)	(62,297)
Foreign currency translation adjustments	(5,337)	(2,514)
Total of valuation and translation adjustments	275,519	(112,519)
Minority interests	6,437	6,412
Total net assets	954,474	579,928
Total liabilities and net assets	31,190,589	30,444,624

(4) Unaudited Quarterly Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30,2008	Three months ended June 30,2009
	Amount	Amount
ORDINARY REVENUES	1,232,922	1,351,490
Premium and other income	831,231	908,735
Investment income	334,514	361,039
[Interest and dividends]	[186,820]	[170,367]
[Gains on trading account securities]	[-]	[287]
[Gains on money held in trust]	[2,087]	[-]
[Gains on sale of securities]	[70,122]	[46,358]
[Gains on investment in separate accounts]	[67,805]	[140,752]
Other ordinary revenues	67,175	81,715
ORDINARY EXPENSES	1,193,264	1,279,808
Benefits and claims	622,722	656,448
[Claims]	[225,593]	[193,211]
[Annuities]	[86,746]	[98,291]
[Benefits]	[128,344]	[141,931]
[Surrender values]	[156,859]	[191,141]
Provision for policy reserves and others	255,569	342,468
Provision for policy reserves	252,808	339,831
Provision for interest on policyholder dividends	2,761	2,637
Investment expenses	98,394	54,398
[Interest expenses]	[2,576]	[2,914]
[Losses on trading account securities]	[28]	[-]
[Losses on money held in trust]	[-]	[1,319]
[Losses on sale of securities]	[53,103]	[34,525]
[Losses on valuation of securities]	[6,467]	[381]
[Derivative transaction losses]	[9,588]	[317]
Operating expenses	109,420	112,018
Other ordinary expenses	107,157	114,474
NET SURPLUS FROM OPERATIONS	39,658	71,682
EXTRAORDINARY GAINS	1,963	1,173
Gains on disposal of fixed assets	659	27
Reversal of reserve for possible loan losses	1,294	1,124
Gains on collection of loans and claims written off	8	20
Other extraordinary gains	0	0
EXTRAORDINARY LOSSES	4,440	8,168
Losses on disposal of fixed assets	217	658
Impairment losses on fixed assets	714	3,174
Provision for reserve for price fluctuations	3,502	3,506
Other extraordinary losses	6	829
Net surplus before adjustment for taxes, etc.	37,180	64,686
Corporate income taxes-current	38,986	321
Corporate income tax-deferred	(31,125)	11,594
Total of corporate income taxes	7,861	11,915
Minority interests in gain of subsidiaries	1	9
Net surplus for the period	29,317	52,761

(5) Unaudited Quarterly Consolidated Statements of Cash Flows

(millions of yen)

	Three months ended June 30,2008	Three months ended June 30, 2009
	Amount	Amount
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus before adjustment for taxes, etc.	37,180	64,686
Depreciation	7,347	7,590
Impairment losses on fixed assets	714	3,174
Increase (decrease) in reserves for outstanding claims	(42)	(19,596)
Increase (decrease) in policy reserves	252,808	339,831
Provision for interest on policyholder dividends	2,761	2,637
Increase (decrease) in reserve for possible loan losses	(1,295)	(1,126)
Gains on collection of loans and claims written off	(8)	(20)
Write-down of loans	6	3
Increase (decrease) in reserve for employees' retirement benefits	5,981	4,892
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(27)	(53)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	-	(125)
Increase (decrease) in reserve for price fluctuations	3,502	3,506
Interest and dividends	(186,820)	(170,367)
Securities related losses (gains)	(85,617)	(155,055)
Interest expenses	2,576	2,914
Losses (gains) on disposal of fixed assets	(441)	630
Decrease (increase) in trading account securities	16,939	(6,036)
Others, net	(16,239)	(58,470)
Subtotal	39,325	19,014
Interest and dividends received	202,104	174,385
Interest paid	(868)	(224)
Policyholder dividends paid	(37,023)	(25,339)
Others, net	(30,951)	(159,833)
Corporate income taxes paid	(62,664)	(4,302)
Net cash flows provided by operating activities	109,921	3,700
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(6,100)	(13,341)
Proceeds from sale and redemption of monetary claims bought	43,563	8,519
Purchases of money held in trust	-	(9,900)
Purchases of securities	(4,922,816)	(2,831,015)
Proceeds from sale and redemption of securities	4,540,777	2,645,914
Origination of loans	(115,678)	(82,359)
Proceeds from collection of loans	239,283	204,165
Others, net	106,295	(3,763)
II.(1) Subtotal	(114,675)	(81,779)
[I. + II.(1)]	[(4,753)]	[(78,078)]
Acquisition of tangible fixed assets	(985)	(3,018)
Proceeds from sale of tangible fixed assets	1,432	(99)
Others, net	(6,903)	(5,571)
Net cash flows used in investing activities	(121,131)	(90,468)
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of financial lease obligations	(10)	(16)
Others, net	(3)	(4)
Net cash flows provided by (used in) financing activities	(13)	(20)
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(289)	221
V. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,513)	(86,567)
VI. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	479,951	472,975
VII. DECREASE IN CASH AND CASH EQUIVALENTS DUE TO CHANGES IN THE SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION	(6,799)	-
VIII. CASH AND CASH EQUIVALENTS AT END OF PERIOD	461,638	386,408

Notes to the Unaudited Quarterly Consolidated Financial Statements

I. GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

1. Application of Equity Method

Number of non-consolidated companies that the Parent Company ceased to account for under the equity method during the three months ended June 30, 2009: 1

The Parent Company ceased to account for one of the subsidiaries of Tower Australia Group Limited under the equity method during the three months ended June 30, 2009 since Tower Australia Group Limited disposed of its interest in such subsidiary.

II. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEETS

1. Reserve for Possible Loan Losses

For loans and claims other than loans to and claims on “bankrupt obligors”, “substantially bankrupt obligors” and obligors that have not yet suffered business failure but are considered highly likely to fail, reserve for possible loan losses is calculated by using the rate of losses from bad debts as of March 31, 2009, as the Company recognizes no material changes in the rate during the three months ended June 30, 2009.

2. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by proportionally allocating the estimated depreciation for the fiscal year. Accumulated depreciation of tangible fixed assets was ¥630,632 million.

3. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent was ¥530,353 million.

4. 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	¥ 347,658
Transfer from surplus in previous fiscal year	64,963
Dividends paid during the three months ended June 30, 2009	(25,339)
Interest accrual during the three months ended June 30, 2009	2,637
	<hr/>
Balance as of June 30, 2009	¥ 389,920

5. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥499,698 million and ¥86 million, respectively. Secured liabilities totaled ¥473,977 million. Among the amounts above, securities and cash collateral for securities lending transactions were ¥471,881 million and ¥473,951 million, respectively.

6. Policy Reserves

For whole life insurance contracts acquired on or before March 31, 1996, and for which premium payments were already completed as of June 30, 2009 (including lump-sum payments), additional policy reserves have been provided since the fiscal year ended March 31, 2008 in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Law and will be provided evenly over several years. As a result, the amount of additional policy reserves provided for three months ended June 30, 2009 was ¥18,046 million.

III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENTS OF EARNINGS

1. Taxes

At some consolidated subsidiaries, income taxes are calculated by applying a reasonably estimated effective tax rate to net surplus before adjustment for taxes, etc. for the three months ended June 30, 2009. The estimated effective tax rate is determined by estimating the effective tax rate after taking into account the effect of deferred tax accounting for the full fiscal year, including the three months ended June 30, 2009.

IV. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS

1. Scope of Cash and Cash Equivalents

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

2. Reconciliation of Cash and Cash Equivalents

Reconciliation of cash and cash equivalents to balance sheet accounts as of June 30, 2009 was as follows:

	(millions of yen)
Cash and cash deposits (a)	¥ 152,309
Call loans (b)	204,100
Money market fund included in securities (c)	29,998
	<hr/>
Cash and cash equivalents (a+b+c)	¥ 386,408
	<hr/>

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

The Dai-ichi Frontier Life Insurance Company

(millions of yen)

	As of June 30, 2009	As of March 31, 2009
Total solvency margin (A)	153,424	129,974
Common stock, etc.	104,703	104,596
Reserve for price fluctuations	31	25
Contingency reserve	17,021	4,328
General reserve for possible loan losses	8	5
Net unrealized gains on securities (before tax) $\times 90\%$ ^{*1}	960	491
Net unrealized gains (losses) on real estate $\times 85\%$ ^{*1}	-	-
Policy reserves in excess of surrender values	30,699	20,527
Qualifying subordinated debt	-	-
Excluded items	-	-
Others	-	-
Total Risk $\sqrt{R_1 + R_8} + \sqrt{R_2 + R_3 + R_7} + R_4$ (B)	24,557	17,491
Insurance risk R_1	-	-
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	1	0
Investment risk R_3	1,514	1,289
Business risk R_4	715	509
Guaranteed minimum benefit risk R_7	22,325	15,692
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,249.5%	1,486.1%

*1: Multiplied by 100% if losses.

Note 1) The figures as of March 31, 2009 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Law, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of June 30, 2009 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

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

(7) Segment Information

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