

February 12, 2010

Financial Results for the Nine Months Ended December 31, 2009

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

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For further information please contact:

Corporate Planning Dept. No.1, The Dai-ichi Mutual Life Insurance Company TEL: +81-(0)50-3780-2811/3119

Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

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

Policies in Force

	As of December 31, 2009				As of March 31, 2009	
	Number of policies		Amount		Number of policies (thousands)	Amount (billions of yen)
	(thousands)	% of March 31, 2009 total	(billions of yen)	% of March 31, 2009 total		
Individual insurance	10,974	99.3	152,368.9	95.8	11,051	159,072.0
Individual annuities	1,224	101.8	7,136.1	102.3	1,202	6,975.8
Individual insurance and annuities	12,198	99.5	159,505.0	96.1	12,254	166,047.8
Group insurance	-	-	54,344.7	99.2	-	54,769.4
Group annuities	-	-	6,187.9	100.8	-	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		Amount			
	(thousands)	% of December 31, 2008 total	(billions of yen)	New Business	Net increase by conversion	% of December 31, 2008 total
Nine months ended December 31, 2008						
Individual insurance	789		5,231.3	5,318.9	(87.6)	
Individual annuities	27		188.6	196.4	(7.8)	
Individual insurance and annuities	816		5,420.0	5,515.4	(95.4)	
Group insurance	-		714.3	714.3		
Group annuities	-		0.6	0.6		
Nine months ended December 31, 2009						
Individual insurance	799	101.3	4,699.4	5,007.7	(308.2)	89.8
Individual annuities	46	170.9	316.3	324.7	(8.3)	167.7
Individual insurance and annuities	845	103.6	5,015.8	5,332.4	(316.6)	92.5
Group insurance	-	-	125.4	125.4		17.6
Group annuities	-	-	1.5	1.5		231.3

- 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)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Amount of surrenders and lapses	7,578.9	7,315.0
Surrender and lapse rate (%)	4.34	4.41

- 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 except percentages)

	As of December 31, 2009		As of March 31, 2009
		% of March 31, 2009 total	
Individual insurance	1,730.3	97.9	1,766.8
Individual annuities	295.1	103.3	285.5
Total	2,025.4	98.7	2,052.4
Medical and survival benefits	493.7	100.2	492.7

New Policies

(billions of yen except percentages)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	
			% of December 31, 2008 total
Individual insurance	81.5	77.2	94.7
Individual annuities	9.7	11.4	117.9
Total	91.3	88.7	97.2
Medical and survival benefits	30.7	27.4	89.1

- 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 Results of General Account

(1) Asset Composition (General Account)

(millions of yen)

	As of December 31, 2009		As of March 31, 2009	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	323,261	1.1	359,046	1.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	6,395	0.0	14,954	0.1
Monetary claims bought	284,131	1.0	281,371	1.0
Trading account securities	77,775	0.3	52,597	0.2
Money held in trust	16,061	0.1	13,265	0.0
Securities	22,723,655	77.3	21,588,974	74.7
Domestic bonds	12,396,755	42.2	12,620,231	43.7
Domestic stocks	3,211,230	10.9	2,846,053	9.9
Foreign securities	6,903,403	23.5	5,908,767	20.5
Foreign bonds	5,367,260	18.3	4,459,828	15.4
Foreign stocks and other securities	1,536,142	5.2	1,448,938	5.0
Other securities	212,265	0.7	213,921	0.7
Loans	3,878,330	13.2	4,248,438	14.7
Policy loans	582,250	2.0	604,706	2.1
Ordinary loans	3,296,080	11.2	3,643,732	12.6
Real estate	1,228,113	4.2	1,235,122	4.3
Real estate for rent	778,996	2.7	778,840	2.7
Deferred tax assets	383,175	1.3	640,990	2.2
Others	490,286	1.7	459,888	1.6
Reserve for possible loan losses	(20,668)	(0.1)	(10,916)	(0.0)
Total	29,390,519	100.0	28,883,735	100.0
Foreign currency-denominated assets	5,384,800	18.3	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)	
				Gains	Losses
As of December 31, 2009					
Bonds held to maturity	170,680	174,572	3,891	4,896	1,004
Domestic bonds	124,114	125,006	892	1,897	1,004
Foreign bonds	46,565	49,565	2,999	2,999	-
Policy-reserve-matching bonds	5,564,854	5,727,919	163,065	174,390	11,324
Domestic bonds	5,564,854	5,727,919	163,065	174,390	11,324
Stocks of subsidiaries and affiliates	15,906	24,077	8,170	8,170	-
Securities available for sale	15,170,754	15,783,663	612,909	963,176	350,267
Domestic bonds	6,532,156	6,707,786	175,630	180,027	4,397
Domestic stocks	2,469,461	2,892,589	423,128	629,369	206,240
Foreign securities	5,747,243	5,757,726	10,482	141,777	131,294
Foreign bonds	5,296,698	5,320,695	23,996	104,711	80,715
Foreign stocks and other securities	450,545	437,031	(13,513)	37,065	50,579
Other securities	99,373	98,429	(944)	6,515	7,459
Monetary claims bought	279,518	284,131	4,612	5,488	875
Certificates of deposit	43,000	42,999	(0)	0	0
Others	-	-	-	-	-
Total	20,922,195	21,710,232	788,037	1,150,634	362,597
Domestic bonds	12,221,125	12,560,713	339,587	356,314	16,726
Domestic stocks	2,469,461	2,892,589	423,128	629,369	206,240
Foreign securities	5,809,716	5,831,369	21,653	152,947	131,294
Foreign bonds	5,343,264	5,370,260	26,996	107,711	80,715
Foreign stocks and other securities	466,451	461,109	(5,342)	45,236	50,579
Other securities	99,373	98,429	(944)	6,515	7,459
Monetary claims bought	279,518	284,131	4,612	5,488	875
Certificates of deposit	43,000	42,999	(0)	0	0
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, 2009 amounted to 1,176 million yen. As of December 31, 2009, the Company had no money held in trust.

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

	As of December 31, 2009	(millions of yen) As of March 31, 2009
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	204,398	190,887
Unlisted domestic stocks (except over-the-counter stocks)	182,680	171,210
Unlisted foreign stocks (except over-the-counter stocks)	12,076	10,842
Others	9,640	8,834
Other securities	1,311,118	1,555,715
Unlisted domestic stocks (except over-the-counter stocks)	135,960	165,162
Unlisted foreign stocks (except over-the-counter stocks)	1,064,345	1,019,345
Unlisted foreign bonds	0	0
Others	110,811	371,207
Total	1,515,516	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 gains/losses on foreign securities without fair value listed in the table above are as follows: loss of 3,847 million yen as of December 31, 2009 and loss of 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)	
				Gains	Losses
As of December 31, 2009	16,061	16,061	1,998	7,109	5,111
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 December 31, 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	16,061	1,998	12,089	(961)

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

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

(millions of yen)

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

	As of December 31, 2009	As of March 31, 2009 (summarized)
(millions of yen)		
(ASSETS)		
Cash and deposits	208,491	222,407
Call loans	155,700	171,100
Deposit paid for securities borrowing transactions	6,395	14,954
Monetary claims bought	284,131	281,371
Trading account securities	77,775	52,597
Money held in trust	16,061	13,265
Securities	23,918,908	22,667,846
[Government bonds]	[10,019,997]	[10,147,344]
[Local government bonds]	[332,582]	[343,529]
[Corporate bonds]	[2,409,497]	[2,462,903]
[Stocks]	[3,545,176]	[3,139,601]
[Foreign securities]	[7,245,933]	[6,220,487]
Loans	3,878,330	4,248,438
Policy loans	582,250	604,706
Ordinary loans	3,296,080	3,643,732
Tangible fixed assets	1,232,867	1,239,487
Intangible fixed assets	106,917	107,423
Reinsurance receivables	91	148
Other assets	369,971	352,988
Deferred tax assets	383,175	640,990
Customers' liabilities for acceptances and guarantees	17,821	20,138
Reserve for possible loan losses	(20,668)	(10,916)
Total assets	30,635,972	30,022,243
(millions of yen)		
(LIABILITIES)		
Policy reserves and others	27,762,978	27,527,576
Reserves for outstanding claims	151,327	172,940
Policy reserves	27,259,832	27,006,977
Reserve for policyholder dividends	351,818	347,658
Reinsurance payables	444	512
Subordinated bonds	46,039	49,102
Other liabilities	1,074,564	1,169,969
Corporate income tax payable	469	320
Lease liabilities	596	242
Other liabilities	1,073,498	1,169,407
Reserve for employees' retirement benefits	417,181	403,662
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,313	3,464
Reserve for possible reimbursement of prescribed claims	761	1,000
Reserve for price fluctuations	111,953	101,453
Deferred tax liabilities for land revaluation	124,773	125,535
Acceptances and guarantees	17,821	20,138
Total liabilities	29,559,831	29,402,415
(NET ASSETS)		
Foundation funds	100,000	120,000
Accumulated redeemed foundation funds	320,000	300,000
Revaluation reserve	248	248
Surplus	329,812	309,690
Reserve for future losses	5,600	5,400
Other surplus	324,212	304,290
Reserve for redemption of foundation funds	100,000	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	176	122
Unappropriated net surplus for the period	108,275	133,766
Total of foundation funds and surplus	750,061	729,938
Net unrealized gains on securities, net of tax	391,876	(47,456)
Deferred hedge gains/losses	(2,376)	(357)
Reserve for land revaluation	(63,421)	(62,297)
Total of valuation and translation adjustments	326,078	(110,111)
Total net assets	1,076,140	619,827
Total liabilities and net assets	30,635,972	30,022,243

NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED BALANCE SHEETS

1. Policy-reserve-matching Bonds

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

(1) Book Value and Market Value

The book value of policy-reserve-matching bonds as of December 31, 2009 amounted to ¥5,564,854 million. The market value of these bonds as of December 31, 2009 was ¥5,727,919 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 the 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 used during the nine months ended December 31, 2009 are:

- i. individual life insurance and annuities
- ii. financial insurance and annuities, and
- iii. group annuities

with the exception of certain types.

(3) Rearrangement of Sub-group

Effective the nine months ended December 31, 2009, in order to achieve comprehensive duration control and, thus, promote more sophisticated ALM, the Company added (a) defined benefit corporate pension insurance, (b) employees' pension fund insurance (with the exception of certain types), and (c) new corporate pension insurance (with the exception of certain types) to the sub-group of employee-funded corporate pension contracts, and renamed it to "group annuities." This change did not have any impact on profits and losses of the Company for the nine months ended December 31, 2009.

2. Resolution of Redemption of Foundation Funds

Prior to its demutualization based on the Plan for Demutualization approved at the 108th general meeting of representative policyholders, the Company will redeem the entire unredeemed balance of its foundation funds, amounting to ¥100,000 million (the unredeemed ¥40,000 million portion of the ¥60,000 in foundation funds issued in FY2004 and the entire ¥60,000 in foundation funds issued in FY2006), on March 26, 2010, before their maturity dates, in accordance with Article 89 of the Insurance Business Act.

Following legal requirements, Dai-ichi Life Kikin Ryudoka Tokutei Mokuteki Kaisha Series 2 and 3, the creditors of the funds, respectively obtained approvals for the pre-maturity redemption at their specified corporate bond holders' meetings held on August 19, 2009. Also, the resolutions made at those meetings were approved by the Tokyo District Court on September 4, 2009 and September 1, 2009, respectively.

3. 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 was calculated by using the rate of losses from bad debts as of September 30, 2009, as the Company recognized no material changes in the rate during the three months ended December 31, 2009.

4. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by proportionally allocating the estimated annual depreciation for the fiscal year. Accumulated depreciation of tangible fixed assets as of December 31, 2009 was ¥639,693 million.

5. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent as of December 31, 2009 was ¥457,302 million.

6. 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 nine months ended December 31, 2009	(68,682)
Interest accrual during the nine months ended December 31, 2009	7,878
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Balance as of December 31, 2009	¥ 351,818
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7. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥468,161 million and ¥86 million, respectively, as of December 31, 2009.

Secured liabilities totaled ¥453,774 million as of December 31, 2009.

Within such amounts, securities and cash collateral for securities lending transactions as of December 31, 2009 were ¥449,473 million and ¥453,756 million, respectively.

8. Policy Reserve

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts which were acquired on or before March 31, 1996 and for which premium payments were already completed (including lump-sum payment), additional policy reserves have been provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided evenly over nine years. The amount of additional policy reserve provided for the nine months ended December 31, 2009 was ¥72,670 million.

9. Redemption of Foundation Funds

¥20,000 million of reserve for redemption of foundation funds, equivalent to the amount of foundation funds redeemed during the nine months ended December 31, 2009, was transferred to accumulated redeemed foundation funds in accordance with Article 56 of the Insurance Business Act.

4. Unaudited Quarterly Non-Consolidated Statements of Earnings

(millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
ORDINARY REVENUES	3,874,452	3,165,466
Premium and other income	2,173,116	2,091,235
[Premium income]	[2,172,701]	[2,090,743]
Investment income	919,527	863,386
[Interest and dividends]	[546,858]	[510,520]
[Gains on trading account securities]	[1,208]	[1,218]
[Gains on money held in trust]	[-]	[1,995]
[Gains on sale of securities]	[299,527]	[190,431]
[Derivative transaction gains]	[62,654]	[-]
[Gains on investment in separate accounts]	[-]	[154,870]
Other ordinary revenues	781,809	210,844
[Transfer from reserves for outstanding claims]	[2,881]	[21,612]
[Reversal of policy reserves]	[583,173]	[-]
ORDINARY EXPENSES	3,816,239	3,031,518
Benefits and claims	1,909,859	1,892,510
[Claims]	[640,581]	[580,165]
[Annuities]	[275,898]	[303,826]
[Benefits]	[366,456]	[392,245]
[Surrender values]	[492,931]	[499,372]
[Other refunds]	[133,135]	[116,107]
Provision for policy reserves and others	8,250	260,732
Provision for policy reserves	-	252,854
Provision for interest on policyholder dividends	8,250	7,878
Investment expenses	1,259,678	246,598
[Interest expenses]	[7,423]	[8,652]
[Losses on money held in trust]	[5,676]	[-]
[Losses on sale of securities]	[387,653]	[104,550]
[Losses on valuation of securities]	[484,498]	[61,055]
[Derivative transaction losses]	[-]	[9,838]
[Losses on investment in separate accounts]	[260,865]	[-]
Operating expenses	320,783	318,064
Other ordinary expenses	317,667	313,612
NET SURPLUS FROM OPERATIONS	58,213	133,947
EXTRAORDINARY GAINS	124,097	114
Gains on disposal of fixed assets	847	23
Reversal of reserve for possible loan losses	3,084	-
Gains on collection of loans and claims written off	165	90
Reversal of reserve for price fluctuations	120,000	-
EXTRAORDINARY LOSSES	3,554	17,319
Losses on disposal of fixed assets	1,367	1,482
Impairment losses on fixed assets	1,308	4,475
Provision for reserve for price fluctuations	-	10,500
Other extraordinary losses	878	861
Net surplus before adjustment for taxes, etc.	178,756	116,742
Corporate income taxes-current	527	243
Corporate income tax-deferred	72,073	10,208
Total of corporate income taxes	72,601	10,452
Net surplus for the period	106,154	106,290

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

(millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Fundamental revenues	3,128,960	2,971,821
Premium and other income	2,173,116	2,091,235
Investment income	556,136	669,741
[Interest and dividends]	546,858	510,520
Other ordinary revenues	399,707	210,844
Fundamental expense	2,858,052	2,743,645
Benefits and claims	1,909,859	1,892,510
Provision for policy reserves and others	8,250	174,562
Investment expenses	301,491	44,896
Operating expenses	320,783	318,064
Other ordinary expenses	317,667	313,612
Fundamental profit A	270,907	228,175
Capital gains	363,390	193,644
Gains on money held in trust	-	1,995
Gains on investments in trading securities	-	-
Gains on sale of securities	299,527	190,431
Derivative transaction gains	62,654	-
Foreign exchange gains	-	-
Gains on trading account securities	1,208	1,218
Others	-	-
Capital losses	957,514	188,101
Losses on money held in trust	5,676	-
Losses on investments in trading securities	-	-
Losses on sale of securities	387,653	104,550
Losses on valuation of securities	484,498	61,055
Derivative transaction losses	-	9,838
Foreign exchange losses	79,685	12,656
Losses on trading account securities	-	-
Others	-	-
Net capital gains B	(594,123)	5,543
Fundamental profit plus net capital gains A + B	(323,215)	233,719
Other one-time gains	493,114	-
Reinsurance income	-	-
Reversal of contingency reserve	493,114	-
Others	-	-
Other one-time losses	111,684	99,771
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	13,500
Provision for specific reserve for possible loan losses	-	13,206
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	672	393
Others	111,012	72,670
Other one-time profits C	381,429	(99,771)
Net surplus from operations A + B + C	58,213	133,947

Note: "Others" in "Other one-time losses" represents the amount of the additional policy reserves provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act (72,670 million yen for the nine months ended December 31, 2009 and 111,012 million yen for the nine months ended December 31, 2008).

6. Solvency Margin Ratio

(millions of yen)

	As of December 31, 2009	As of March 31, 2009
Total solvency margin (A)	3,555,938	2,786,154
Foundation funds and surplus ^{*1}	699,388	660,468
Reserve for price fluctuations	111,953	101,453
Contingency reserve	522,593	509,093
General reserve for possible loan losses	4,041	7,481
Net unrealized gains on securities (before tax) × 90% ^{*2}	551,766	(74,242)
Net unrealized gains (losses) on real estate × 85% ^{*2}	144,852	137,022
Policy reserves in excess of surrender values	1,219,213	1,148,880
Qualifying subordinated debt	337,831	346,282
Excluded items	(169,881)	(158,381)
Others	134,176	108,095
Total risk $\sqrt{(R_1 + R_8)^2} + (R_2 + R_3 + R_7) + R_4$ (B)	721,239	725,395
Insurance risk R ₁	101,576	105,703
3rd sector insurance risk R ₈	149,108	147,184
Assumed investment yield risk R ₂	132,708	136,819
Investment risk R ₃	517,748	516,918
Business risk R ₄	18,151	18,265
Guaranteed minimum benefit risk R ₇ ^{*3}	6,422	6,626
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	986.0%	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 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 December 31, 2009 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Account

(1) Separate Account Assets by Product

(millions of yen)

	As of December 31, 2009	As of March 31, 2009
Individual variable insurance	47,401	43,670
Individual variable annuities	172,189	157,410
Group annuities	1,049,596	958,041
Separate account total	1,269,187	1,159,122

(2) Individual Variable Insurance and Annuities (Separate Account)

A. Variable insurance

(millions of yen except number of policies)

	As of December 31, 2009		As of March 31, 2009	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	227	1,133	242	1,187
Variable insurance (whole life)	48,358	301,442	48,817	305,169
Total	48,585	302,576	49,059	306,357

Note: Policies in force include term life riders.

B. Variable annuities

(millions of yen except number of policies)

	As of December 31, 2009		As of March 31, 2009	
	Number of policies	Amount	Number of policies	Amount
Variable annuities	47,615	160,537	49,673	146,677

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Ordinary revenues	3,893,270	4,013,774
Net surplus from operations	9,631	132,579
Net surplus	59,919	104,891
	As of December 31, 2009	As of March 31, 2009
Total Assets	31,835,844	30,444,624

(2) Scope of Consolidation and Application of Equity Method

	As of December 31, 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	30

For information regarding changes in subsidiaries and affiliates, please refer to "GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS."

(3) Unaudited Quarterly Consolidated Balance Sheets

(millions of yen)

	As of December 31, 2009	As of March 31, 2009 (summarized)
(ASSETS)		
Cash and deposits	240,930	245,895
Call loans	164,700	206,580
Deposit paid for securities borrowing transactions	6,395	14,954
Monetary claims bought	284,131	281,371
Trading account securities	77,775	52,597
Money held in trust	72,717	31,603
Securities	24,973,273	22,995,047
Loans	3,878,907	4,248,799
Tangible fixed assets	1,233,238	1,239,843
Intangible fixed assets	105,883	106,771
Reinsurance receivables	43,799	13,874
Other assets	372,149	355,473
Deferred tax assets	384,800	642,595
Customers' liabilities for acceptances and guarantees	17,821	20,138
Reserve for possible loan losses	(20,681)	(10,921)
Total assets	31,835,844	30,444,624
(LIABILITIES)		
Policy reserves and others	28,985,278	27,970,307
Reserves for outstanding claims	151,814	173,590
Policy reserves	28,481,646	27,449,059
Reserve for policyholder dividends	351,818	347,658
Reinsurance payables	734	587
Subordinated bonds	46,039	49,102
Other liabilities	1,081,979	1,187,288
Reserve for employees' retirement benefits	419,059	405,571
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,341	3,486
Reserve for possible reimbursement of prescribed claims	761	1,000
Reserve for price fluctuations	111,996	101,478
Deferred tax liabilities	775	197
Deferred tax liabilities for land revaluation	124,773	125,535
Acceptances and guarantees	17,821	20,138
Total liabilities	30,792,561	29,864,695
(NET ASSETS)		
Foundation funds	100,000	120,000
Accumulated redeemed foundation funds	320,000	300,000
Revaluation reserve	248	248
Consolidated surplus	286,762	265,787
Total of foundation funds and surplus	707,011	686,035
Net unrealized gains on securities, net of tax	393,216	(47,349)
Deferred hedge gains (losses)	(2,376)	(357)
Reserve for land revaluation	(63,421)	(62,297)
Foreign currency translation adjustments	(3,405)	(2,514)
Total of valuation and translation adjustments	324,012	(112,519)
Minority interests	12,258	6,412
Total net assets	1,043,282	579,928
Total liabilities and net assets	31,835,844	30,444,624

(4) Unaudited Quarterly Consolidated Statements of Earnings

(millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
ORDINARY REVENUES	3,893,270	4,013,774
Premium and other income	2,470,422	2,870,118
Investment income	918,850	932,291
[Interest and dividends]	[546,067]	[510,762]
[Gains on trading account securities]	[1,208]	[1,218]
[Gains on sale of securities]	[299,643]	[190,620]
[Derivative transaction gains]	[62,654]	[-]
[Gains on investment in separate accounts]	[-]	[225,344]
Other ordinary revenues	503,997	211,364
ORDINARY EXPENSES	3,883,639	3,881,195
Benefits and claims	1,914,042	1,919,785
[Claims]	[640,800]	[580,406]
[Annuities]	[275,929]	[303,917]
[Benefits]	[367,271]	[395,638]
[Surrender values]	[494,506]	[504,331]
Provision for policy reserves and others	8,250	1,040,590
Provision for policy reserves	-	1,032,712
Provision for interest on policyholder dividends	8,250	7,878
Investment expenses	1,272,825	249,270
[Interest expenses]	[7,423]	[8,652]
[Losses on money held in trust]	[5,451]	[5,186]
[Losses on sale of securities]	[387,661]	[104,550]
[Losses on valuation of securities]	[455,323]	[58,261]
[Derivative transaction losses]	[-]	[9,838]
[Losses on investment in separate accounts]	[303,418]	[-]
Operating expenses	337,498	351,461
Other ordinary expenses	351,022	320,087
NET SURPLUS FROM OPERATIONS	9,631	132,579
EXTRAORDINARY GAINS	124,085	121
Gains on disposal of fixed assets	847	29
Reversal of reserve for possible loan losses	3,084	-
Gains on collection of loans and claims written off	165	90
Reversal of reserve for price fluctuations	119,987	-
Other extraordinary gains	1	0
EXTRAORDINARY LOSSES	3,562	17,357
Losses on disposal of fixed assets	1,375	1,502
Impairment losses on fixed assets	1,308	4,475
Provision for reserve for price fluctuations	-	10,518
Other extraordinary losses	878	861
Net surplus before adjustment for taxes, etc.	130,154	115,343
Corporate income taxes-current	570	515
Corporate income tax-deferred	72,194	10,203
Total of corporate income taxes	72,765	10,718
Total of Minority interests in loss of subsidiaries	2,530	266
Net surplus for the period	59,919	104,891

(5) Unaudited Quarterly Consolidated Statements of Cash Flows

(millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus before adjustment for taxes, etc.	130,154	115,343
Depreciation	22,529	23,094
Impairment losses on fixed assets	1,308	4,475
Increase (decrease) in reserves for outstanding claims	(2,559)	(21,775)
Increase (decrease) in policy reserves	(304,418)	1,032,712
Provision for interest on policyholder dividends	8,250	7,878
Increase (decrease) in reserve for possible loan losses	(3,075)	9,759
Increase (decrease) in reserve for possible investment losses	(3,955)	0
Gains on collection of loans and claims written off	(165)	(90)
Write-down of loans	672	393
Increase (decrease) in reserve for employees' retirement benefits	16,229	13,488
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(315)	(145)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(185)	(238)
Increase (decrease) in reserve for price fluctuations	(119,987)	10,518
Interest and dividends	(546,067)	(510,762)
Securities related losses (gains)	837,683	(256,103)
Interest expenses	7,423	8,652
Losses(gains) on disposal of fixed assets	527	1,472
Decrease (increase) in trading account securities	(66,251)	(25,178)
Others, net	105,620	62,753
Subtotal	83,419	476,246
Interest and dividends received	596,527	517,450
Interest paid	(5,843)	(5,978)
Policyholder dividends paid	(80,490)	(68,682)
Others, net	162,831	(171,680)
Corporate income taxes paid	(58,567)	58,281
Net cash flows provided by operating activities	697,877	805,637
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(34,484)	(33,221)
Proceeds from sale and redemption of monetary claims bought	50,041	15,075
Purchases of money held in trust	(15,500)	(55,500)
Proceeds from decrease in money held in trust	5,000	9,111
Purchases of securities	(13,566,465)	(8,085,987)
Proceeds from sale and redemption of securities	12,770,489	7,018,772
Origination of loans	(400,927)	(275,359)
Proceeds from collection of loans	684,832	644,892
Others, net	503	(65,952)
(1) Subtotal	(506,509)	(828,168)
[. + .(1)]	[191,368]	[(22,530)]
Acquisition of tangible fixed assets	(15,931)	(15,330)
Proceeds from sale of tangible fixed assets	1,959	336
Others, net	(20,526)	(16,022)
Net cash flows used in investing activities	(541,007)	(859,184)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(3)	(8)
Repayment of lease obligations	(33)	(68)
Redemption of foundation funds	-	(20,000)
Interest paid on foundation funds	(2,328)	(2,328)
Proceeds from Investment of Minority Interest	10,000	8,500
Others, net	(3)	(4)
Net cash flows provided by (used in) financing activities	7,631	(13,909)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(671)	110
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	163,829	(67,345)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	479,951	472,975
DECREASE IN CASH AND CASH EQUIVALENTS DUE TO CHANGES IN THE SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION	(6,799)	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	636,982	405,630

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 nine months ended December 31, 2009: 2

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 as Tower Australia Group Limited disposed of its interest in the subsidiary.

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 September 30, 2009 as Tower Australia Group Limited disposed of its interest in the subsidiary.

II. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEETS

1. Policy-reserve-matching Bonds

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

(1) Book Value and Market Value

The book value of policy-reserve-matching bonds as of December 31, 2009 was ¥5,564,854 million. The market value of these bonds as of December 31, 2009 was ¥5,727,919 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 used during the nine months ended December 31, 2009 are:

- i. individual life insurance and annuities
- ii. financial insurance and annuities, and
- iii. group annuities

with the exception of certain types.

(3) Rearrangement of Sub-group

Effective the nine months ended December 31, 2009, in order to achieve comprehensive duration control and, thus, promote more sophisticated ALM, the Parent Company added (a) defined benefit corporate pension insurance, (b) employees' pension fund insurance (with the exception of certain types), and (c) new corporate pension insurance (with the exception of certain types) to the sub-group of employee-funded corporate pension contracts, and renamed it to "group annuities." This change did not have any impact on profits and losses of the Parent Company for the nine months ended December 31, 2009.

2. Resolution of Redemption of Foundation Funds

Prior to its demutualization based on the Plan for Demutualization approved at the 108th general meeting of representative policyholders, the Parent Company will redeem the entire unredeemed balance of its foundation funds, amounting to ¥100,000 million (the unredeemed ¥40,000 million portion of the ¥60,000 million in foundation funds issued in FY2004 and the entire ¥60,000 million in foundation funds issued in FY2006), on March 26, 2010, before their maturity dates, in accordance with Article 89 of the Insurance Business Act.

Following legal requirements, Dai-ichi Life Kikin Ryudoka Tokutei Mokuteki Kaisha Series 2 and 3, the creditors of the funds, respectively obtained approvals for the pre-maturity redemption at their specified corporate bondholders' meetings held on August 19, 2009. Also, the resolutions made at those meetings were approved by the Tokyo District Court on September 4, 2009 and September 1, 2009, respectively.

3. 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 was calculated by using the rate of losses from bad debts as of September 30, 2009, as the Parent Company recognized no material changes in the rate during the three months ended December 31, 2009.

4. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by proportionally allocating the estimated annual depreciation for the fiscal year. Accumulated depreciation of tangible fixed assets as of December 31, 2009 was ¥640,355 million.

5. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of December 31, 2009 was ¥457,302 million.

6. 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 nine months ended December 31, 2009	(68,682)
Interest accrual during the nine months ended December 31, 2009	7,878
	<hr/>
Balance as of December 31, 2009	¥ 351,818

7. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were ¥468,161 million and ¥86 million, respectively, as of December 31, 2009.

Secured liabilities as of December 31, 2009 totaled ¥453,774 million as of December 31, 2009.

Within such amounts, securities and cash collateral for securities lending transactions as of December 31, 2009 were ¥449,473 million and ¥453,756 million, respectively.

8. Policy Reserves

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts which were acquired on or before March 31, 1996, and for which premium payments were already completed (including lump-sum payment), additional policy reserves have been provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided evenly over nine years. The amount of additional policy reserves provided for the nine months ended December 31, 2009 was ¥72,670 million.

9. Redemption of Foundation Funds

¥20,000 million of reserve for redemption of foundation funds, equivalent to the amount of foundation funds redeemed during the nine months ended December 31, 2009, was transferred to accumulated redeemed foundation funds in accordance with Article 56 of the Insurance Business Act.

III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENTS OF EARNINGS

1. Calculation of 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 nine months ended December 31, 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 nine months ended December 31, 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 December 31, 2009 was as follows:

	(millions of yen)
Cash and cash deposits (a)	¥ 240,930
Call loans (b)	164,700
	<hr/>
Cash and cash equivalents (a+b)	¥ 405,630
	<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 December 31, 2009	As of March 31, 2009
Total solvency margin (A)	220,103	129,974
Common stock, etc.	120,644	104,596
Reserve for price fluctuations	43	25
Contingency reserve	38,590	4,328
General reserve for possible loan losses	12	5
Net unrealized gains on securities (before tax) × 90% *1	1,920	491
Net unrealized gains (losses) on real estate × 85% *1	-	-
Policy reserves in excess of surrender values	58,891	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)	45,055	17,491
Insurance risk R ₁	-	-
3rd sector insurance risk R ₈	-	-
Assumed investment yield risk R ₂	6	0
Investment risk R ₃	2,069	1,289
Business risk R ₄	1,312	509
Guaranteed minimum benefit risk R ₇	41,667	15,692
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	977.0%	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 Act, and Announcement No. 50, Ministry of Finance, 1996. The figures as of December 31, 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 the segment information on those businesses is omitted.

Reference: Financial Results for the Three Months Ended December 31, 2009

(1) New Policies

	Number of policies		Amount			
	(thousands)	% of December 31, 2008 total	(billions of yen)	New business	Net increase by conversion	% of December 31, 2008 total
Three months ended December 31, 2008						
Individual insurance	268		1,845.6	1,877.0	(31.3)	
Individual annuities	9		61.3	64.0	(2.6)	
Individual insurance and annuities	277		1,907.0	1,941.0	(34.0)	
Group insurance	-		292.1	292.1		
Group annuities	-		0.3	0.3		
Three months ended December 31, 2009						
Individual insurance	283	105.5	1,659.5	1,795.8	(136.2)	89.9
Individual annuities	16	183.2	114.5	117.3	(2.7)	186.7
Individual insurance and annuities	300	108.1	1,774.0	1,913.1	(139.0)	93.0
Group insurance	-	-	43.8	43.8		15.0
Group annuities	-	-	0.8	0.8		260.6

- 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.

(2) Annualized Net Premiums

New Policies

(billions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009	% of December 31, 2008 total
Individual insurance	27.5	27.6	100.5
Individual annuities	2.8	4.1	148.6
Total	30.3	31.8	105.0
Medical and survivor benefits	10.5	9.8	93.8

- 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.

(3) Unaudited Quarterly Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
ORDINARY REVENUES	1,792,879	1,028,785
Premium and other income	689,938	696,419
[Premium income]	[689,833]	[696,193]
Investment income	316,498	266,165
[Interest and dividends]	[152,737]	[164,154]
[Gains on trading account securities]	[954]	[702]
[Gains on sale of securities]	[118,038]	[72,245]
[Derivative transaction gains]	[44,332]	[-]
[Gains on investment in separate accounts]	[-]	[28,345]
Other ordinary revenues	786,442	66,200
[Transfer from reserves for outstanding claims]	[4,053]	[2,430]
[Reversal of policy reserves]	[717,305]	[-]
ORDINARY EXPENSES	1,835,970	1,033,410
Benefits and claims	665,133	609,413
[Claims]	[212,689]	[194,298]
[Annuities]	[102,601]	[111,284]
[Benefits]	[116,049]	[123,988]
[Surrender values]	[181,115]	[148,186]
[Other refunds]	[52,372]	[31,424]
Provision for policy reserves and others	2,727	90,100
Provision for policy reserves	-	87,496
Provision for interest on policyholder dividends	2,727	2,604
Investment expenses	954,465	125,133
[Interest expenses]	[2,211]	[2,884]
[Losses on money held in trust]	[3,758]	[166]
[Losses on sale of securities]	[287,913]	[39,346]
[Losses on valuation of securities]	[422,060]	[51,400]
[Derivative transaction losses]	[-]	[15,515]
[Losses on investment in separate accounts]	[184,764]	[-]
Operating expenses	103,626	104,036
Other ordinary expenses	110,017	104,725
NET DEFICIT FROM OPERATIONS	43,091	4,625
EXTRAORDINARY GAINS	131,042	2,705
Gains on disposal of fixed assets	134	0
Reversal of reserve for possible loan losses	3,897	2,703
Gains on collection of loans and claims written off	10	1
Reversal of reserve for price fluctuations	127,000	-
EXTRAORDINARY LOSSES	999	3,791
Losses on disposal of fixed assets	992	157
Impairment losses on fixed assets	-	127
Provision for reserve for price fluctuations	-	3,500
Other extraordinary losses	6	6
Net surplus (deficit) before adjustment for taxes, etc.	86,951	(5,710)
Corporate income taxes-current	(77,285)	131
Corporate income tax-deferred	128,682	(14,070)
Total of corporate income taxes	51,397	(13,939)
Net surplus for the period	35,554	8,228

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

(millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
Fundamental revenues	1,136,189	955,837
Premium and other income	689,938	696,419
Investment income	153,172	193,217
[Interest and dividends]	152,737	164,154
Other ordinary revenues	293,079	66,200
Fundamental expense	1,081,541	891,470
Benefits and claims	665,133	609,413
Provision for policy reserves and others	2,727	58,168
Investment expenses	200,036	15,125
Operating expenses	103,626	104,036
Other ordinary expenses	110,017	104,725
Fundamental profit	A 54,648	64,367
Capital gains	163,326	72,948
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	118,038	72,245
Derivative transaction gains	44,332	-
Foreign exchange gains	-	-
Gains on trading account securities	954	702
Others	-	-
Capital losses	750,458	109,800
Losses on money held in trust	3,758	166
Losses on investments in trading securities	-	-
Losses on sale of securities	287,913	39,346
Losses on valuation of securities	422,060	51,400
Derivative transaction losses	-	15,515
Foreign exchange losses	36,725	3,372
Losses on trading account securities	-	-
Others	-	-
Net capital gains (losses)	B (587,132)	(36,852)
Fundamental profit (loss) plus net capital gains (losses)	A + B (532,484)	27,515
Other one-time gains	534,114	-
Reinsurance income	-	-
Reversal of contingency reserve	534,114	-
Others	-	-
Other one-time losses	44,721	32,140
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	4,500
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	14	207
Others	44,706	27,432
Other one-time profits	C 489,392	(32,140)
Net surplus (deficit) from operations	A + B + C (43,091)	(4,625)

Note: "Others" in "Other one-time losses" represents the amount of the additional policy reserves provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act (27,432 million yen for the three months ended December 31, 2009 and 44,706 million yen for the three months ended December 31, 2008.)

(5) Consolidated Financial Summary

a) Unaudited Consolidated Statements of Earnings

(millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
ORDINARY REVENUES	1,803,521	1,271,458
Premium and other income	759,186	920,183
Investment income	317,081	284,554
[Interest and dividends]	[153,224]	[164,664]
[Gains on trading account securities]	[954]	[702]
[Gains on sale of securities]	[118,134]	[72,328]
[Derivative transaction gains]	[44,332]	[-]
[Gains on investment in separate accounts]	[-]	[46,145]
Other ordinary revenues	727,253	66,720
ORDINARY EXPENSES	1,872,129	1,276,183
Benefits and claims	667,227	622,112
[Claims]	[212,777]	[194,393]
[Annuities]	[102,614]	[111,323]
[Benefits]	[116,518]	[125,450]
[Surrender values]	[181,956]	[150,499]
Provision for policy reserves and others	2,727	306,501
Provision for policy reserves	-	303,896
Provision for interest on policyholder dividends	2,727	2,604
Investment expenses	953,242	129,036
[Interest expenses]	[2,211]	[2,884]
[Losses on money held in trust]	[4,020]	[3,912]
[Losses on sale of securities]	[287,919]	[39,346]
[Losses on valuation of securities]	[392,885]	[51,449]
[Derivative transaction losses]	[-]	[15,515]
[Losses on investment in separate accounts]	[212,448]	[-]
Operating expenses	107,597	112,078
Other ordinary expenses	141,333	106,454
NET LOSS FROM OPERATIONS	68,608	4,725
EXTRAORDINARY GAINS	131,033	2,703
Gains on disposal of fixed assets	134	-
Reversal of reserve for possible loan losses	3,897	2,701
Gains on collection of loans and claims written off	10	1
Reversal of reserve for price fluctuations	126,991	-
Other extraordinary gains	0	0
EXTRAORDINARY LOSSES	1,001	3,809
Losses on disposal of fixed assets	994	169
Impairment losses on fixed assets	-	127
Provision for reserve for price fluctuations	-	3,506
Other extraordinary losses	6	6
Net surplus (loss) before adjustment for taxes, etc.	61,423	(5,831)
Corporate income taxes-current	(77,468)	64
Corporate income tax-deferred	128,925	(13,898)
Total of corporate income taxes	51,456	(13,833)
Total of Minority interests in loss of subsidiaries	2,534	89
Net surplus for the period	12,501	8,091

b) 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.