
Financial Results for the Fiscal Year Ended March 31, 2010

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Shigenori Takano) announces its financial results for the fiscal year ended March 31, 2010.

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

Financial Summary for the Fiscal Year Ended March 31, 2010

May 14, 2010

The Dai-ichi Frontier Life Insurance Co., Ltd.

1. Business Highlights

(1) Policies in Force and New Policies

Policies in Force

	As of March 31, 2009				As of March 31, 2010			
	Number of policies		Amount		Number of policies		Amount	
	(thousands)	YoY comparison (%)	(millions of yen)	YoY comparison (%)	(thousands)	YoY comparison (%)	(millions of yen)	YoY comparison (%)
Individual insurance	-	-	-	-	-	-	-	-
Individual annuities	73	583.5	452,674	507.4	222	304.8	1,280,943	283.0
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

	Number of policies		Amount			
	(thousands)	YoY comparison (%)	(millions of yen)	YoY comparison (%)	New Business	Net increase from conversions
Year ended March 31, 2009						
Individual insurance	-	-	-	-	-	-
Individual annuities	61	487.2	367,321	410.8	367,321	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Year ended March 31, 2010						
Individual insurance	-	-	-	-	-	-
Individual annuities	151	248.3	807,497	219.8	807,497	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

(2) Annualized Net Premium

Policies in Force

(millions of yen except percentages)

	As of March 31, 2009		As of March 31, 2010	
		YoY comparison(%)		YoY comparison(%)
Individual insurance	-	-	-	-
Individual annuities	44,280	509.0	128,433	290.0
Total	44,280	509.0	128,433	290.0
Medical and survival benefits	-	-	-	-

New Policies

(millions of yen except percentages)

	Year Ended March 31, 2009		Year Ended March 31, 2010	
		YoY comparison(%)		YoY comparison(%)
Individual insurance	-	-	-	-
Individual annuities	36,081	413.7	85,948	238.2
Total	36,081	413.7	85,948	238.2
Medical and survival benefits	-	-	-	-

Note: Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

(3) Profit and Loss Items

(millions of yen except percentages)

	Year Ended March 31, 2009		Year Ended March 31, 2010	
		YoY comparison(%)		YoY comparison(%)
Premium and other income	386,237	433.4	863,264	223.5
Investment income	761	287.4	97,966	12,865.4
Benefits and claims	9,461	4,487.3	45,593	481.9
Investment expense	50,383	2,662.9	16,273	32.3
Net surplus from operations	46,080	410.7	8,303	18.0

(4) Total Assets

(millions of yen except percentages)

	Year Ended March 31, 2009		Year Ended March 31, 2010	
		YoY comparison(%)		YoY comparison(%)
Total Assets	556,417	431.8	1,423,173	255.8

2. Policies in Force as of March 31, 2010 by Benefit Type

	Individual Insurance		Individual annuities		Group Insurance		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Death benefits								
General	-	-	-	-	-	-	-	-
Accidental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Survival benefits	-	-	222	1,280,943	-	-	222	1,280,943
Hospitalization benefits								
Accidental	-	-	-	-	-	-	-	-
Illness	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Injury benefits	-	-	-	-	-	-	-	-
Surgery benefits	-	-	-	-	-	-	-	-

	Group annuities		Financial insurance / Financial annuities		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Survival benefits	-	-	-	-	-	-

	Medical care insurance	
	Policies (thousands)	Amount (millions of yen)
Hospitalization benefits	-	-

	Group disability	
	Policies (thousands)	Amount (millions of yen)
Disability benefits	-	-

Note: Survival benefit amounts for individual annuities are the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

3. Investment of General Account Assets

(1) Overview of Investment of General Account Assets for the Fiscal Year ended March 31, 2010

A. Investment Environment

Japan's economy continued to improve in the fiscal year ended March 31, 2010, after its severe decline in the previous fiscal year. Production levels increased in response to fiscal stimulus policies and export levels that reflected economic recoveries overseas, particularly in China, although Japan's private sector has yet to gain self-sustaining momentum. Capital spending declined amid poor corporate earnings, but the decline leveled off in the fiscal second half once business confidence improved. Despite a worsening employment environment and significant decline in wages, consumer spending picked up as stimulus policies took effect. However, lackluster demand kept consumer prices on a downward trajectory.

The Japanese stock market generally trended upward as financial system jitters eased and the global economy improved. Yen appreciation depressed stock prices briefly in the fiscal second half, but the Nikkei Stock Average recovered to end the year above ¥11,000 as overseas stock markets rallied amid growing expectations of global economic recovery.

(Nikkei Stock Average: March 31, 2009: ¥8,109; March 31, 2010: ¥11,089)

Japanese bond market. The 10-year Japanese government bond (JGB) yield rose above 1.55% in June amid stock price appreciation and concern about supply/demand imbalances being caused by new government bond issues. The yield began receding amid growing expectations of prolonged monetary easing and hovered around the 1.3–1.4% range thereafter.

(10-year Treasury note yield: March 31, 2009: 1.343%; March 31, 2010: 1.390%)

Dollar/yen exchange rate. The US dollar remained weak against the yen amid expectations of prolonged monetary accommodation in the US and momentarily dropped into the ¥84–85 range in November. The dollar then strengthened against the yen through to fiscal year-end in response to further monetary easing by the Bank of Japan and growing expectations of US economy recovery.

(Dollar/yen exchange rate: March 31, 2009: US\$1 = ¥98.23; March 31, 2010: US\$1 = ¥93.04)

B. Investment Policies

General account assets are invested primarily in call loans, other money market instruments, and yen-denominated bonds. Certain instruments are also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

C. Investment Results

We invested primarily in fixed-income assets, such as call loans, other money market instruments, and yen-denominated bonds. Derivative trades attributable to money held in trust and investments in foreign securities (investment trusts) were also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

As a result, investment income was 1,502 million yen, up 741 million yen versus the previous fiscal year, due to interest and dividend income and gains on sales of securities. Investment expenses were 16,273 million yen, up 15,992 million yen versus the previous fiscal year, mainly due to losses on money held in trust (12,911 million yen), incurred through transactions to hedge the guaranteed minimum benefit risk on individual variable annuities, and losses on trading securities (2,930 million yen). Net investment income fell 15,251 million yen versus the previous fiscal year, resulting in a net loss of 14,770 million yen.

(2) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	45,666	26.0	24,698	10.1
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	-	-	-	-
Trading account securities	-	-	-	-
Money held in trust	18,337	10.4	33,426	13.6
Securities	96,971	55.3	142,064	57.8
Domestic bonds	95,370	54.3	114,508	46.6
Domestic stocks	-	-	-	-
Foreign securities	1,100	0.6	27,556	11.2
Foreign bonds	1,100	0.6	21,987	9.0
Foreign stocks and other securities	-	-	5,569	2.3
Other securities	500	0.3	-	-
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Other	14,527	8.3	45,426	18.5
Reserve for possible loan losses	(5)	(0.0)	(16)	(0.0)
Total	175,497	100.0	245,599	100.0
Foreign currency-denominated assets	-	-	-	-

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

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, and call loans	16,505	(20,967)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	-	-
Trading account securities	-	-
Money held in trust	18,337	15,088
Securities	72,720	45,093
Domestic bonds	71,120	19,137
Domestic stocks	-	-
Foreign securities	1,100	26,456
Foreign bonds	1,100	20,886
Foreign stocks and other securities	-	5,569
Other securities	500	(500)
Loans	-	-
Real estate	-	-
Deferred tax assets	-	-
Other	13,935	30,898
Reserve for possible loan losses	(5)	(10)
Total	121,493	70,102
Foreign currency-denominated assets	-	-

(4) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Interest and dividends	575	1,313
Interest from deposits	5	1
Interest and dividends from securities	470	1,285
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	98	26
Gains on trading account securities	-	-
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	186	188
Gains on sale of domestic bonds	186	188
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	-	-
Other	-	-
Gains on redemption of securities	-	-
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Other investment income	-	-
Total	761	1,502

(5) Investment Expenses (General Account)

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Interest expenses	-	-
Losses on trading account securities	-	-
Losses on money held in trust	162	12,911
Losses on investments in trading securities	-	2,930
Losses on sale of securities	7	0
Losses on sale of domestic bonds	7	0
Losses on sale of domestic stocks	-	-
Losses on sale of domestic securities	-	-
Other	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Other	-	-
Losses on redemption of securities	-	-
Derivative transaction losses	-	-
Foreign exchange losses	-	-
Provision for reserve for possible loan losses	5	10
Write-down of loans	-	-
Depreciation of rental real estate and others	-	-
Other investment expenses	106	420
Total	281	16,273

(6) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, and call loans	0.37	0.09
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	-	-
Trading account securities	-	-
Money held in trust	(2.43)	(31.70)
Securities	1.24	(1.27)
Domestic bonds	1.26	1.27
Domestic stocks	-	-
Foreign securities	1.39	(26.71)
Loans	-	-
Real Estate	-	-
Total	0.54	(6.83)
Foreign investments	1.39	(26.71)

Note: Rates of return above were calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.

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

(millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	18,337	(162)	38,995	(15,842)

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

C. Fair value information on securities (general account) (securities with fair values, except trading securities)

(millions of yen)

			(millions of yen)		
	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2009					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	95,925	96,470	545	590	44
Domestic bonds	94,825	95,370	545	589	44
Domestic stocks	-	-	-	-	-
Foreign securities	1,100	1,100	0	0	-
Foreign bonds	1,100	1,100	0	0	-
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-
Total	95,925	96,470	545	590	44
Domestic bonds	94,825	95,370	545	589	44
Domestic stocks	-	-	-	-	-
Foreign securities	1,100	1,100	0	0	-
Foreign bonds	1,100	1,100	0	0	-
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-
As of March 31, 2010					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	134,627	136,495	1,868	1,928	59
Domestic bonds	112,790	114,508	1,717	1,767	49
Domestic stocks	-	-	-	-	-
Foreign securities	21,836	21,987	150	160	10
Foreign bonds	21,836	21,987	150	160	10
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-
Total	134,627	136,495	1,868	1,928	59
Domestic bonds	112,790	114,508	1,717	1,767	49
Domestic stocks	-	-	-	-	-
Foreign securities	21,836	21,987	150	160	10
Foreign bonds	21,836	21,987	150	160	10
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-

Book values of securities for which it is not practicable to determine fair value are as follows.

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Other	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	-	-
Other securities	500	-
Unlisted domestic stocks (except over-the-counter stocks)	-	-
Unlisted foreign stocks (except over-the-counter stocks)	-	-
Unlisted foreign bonds	-	-
Other	500	-
Total	500	-

Note: "Other" under "Other securities" in the table above is made up entirely of bond investment trusts.

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

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2009	18,337	18,337	-	-	-
As of March 31, 2010	33,426	33,426	-	-	-

*Information on money held in trust for investment purposes is as follows:

(millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	18,337	(162)	33,426	(12,911)

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust is as follows:

The Company had no holdings in these categories as of March 31, 2010.

4. Non-Consolidated Balance Sheets

(millions of yen)			(millions of yen)		
	As of March 31, 2009	As of March 31, 2010		As of March 31, 2009	As of March 31, 2010
	Amount	Amount		Amount	Amount
(ASSETS)			(LIABILITIES)		
Cash and deposits	13,917	9,700	Policy and other reserves	436,214	1,300,274
Bank deposits	13,917	9,700	Reserves for outstanding claims	640	610
Call loans	35,480	20,300	Policy reserves	435,573	1,299,664
Money held in trust	18,337	33,426	Reinsurance payable	74	346
Securities	474,159	1,313,552	Other liabilities	14,936	4,333
Government bonds	70,359	45,134	Corporate income tax payable	3	4
Local government bonds	611	2,135	Accounts payable	10,639	212
Corporate bonds	24,399	67,237	Accrued expenses	3,312	2,438
Foreign securities	1,100	27,556	Deposits received	2	13
Other securities	377,689	1,171,487	Suspense receipts	977	1,664
Tangible fixed assets	121	126	Reserve for employees' retirement benefits	22	32
Other tangible fixed assets	121	126	Reserve for retirement benefits of directors, executive officers and corporate auditors	2	2
Intangible fixed assets	2	2	Reserve for price fluctuations	25	75
Other intangible fixed assets	2	2	Deferred tax liabilities	197	676
Reinsurance receivables	13,725	44,519	Total liabilities	451,472	1,305,742
Other assets	677	1,561	(NET ASSETS)		
Accounts receivable	1	863	Capital stock	107,500	117,500
Prepaid expenses	2	2	Capital surplus	57,500	67,500
Accrued revenue	170	323	Legal capital surplus	57,500	67,500
Deposits	145	190	Retained earnings	(60,403)	(68,760)
Suspense payments	3	22	Other retained earnings	(60,403)	(68,760)
Other assets	354	158	Retained earnings brought forward	(60,403)	(68,760)
Reserve for possible loan losses	(5)	(16)	Total shareholders' equity	104,596	116,239
Total assets	556,417	1,423,173	Net unrealized gains on securities, net of tax	348	1,191
			Total of valuation and translation adjustments	348	1,191
			Total net assets	104,945	117,431
			Total liabilities and net assets	556,417	1,423,173

Notes to the Non-Consolidated Balance Sheet as of March 31, 2010

- 1 Securities are valued as follows.
 - (a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
 - (b) Other securities with fair values are valued at fair value using market prices as of end-March (sales cost is calculated with the moving-average method). Securities for which it is not practicable to determine fair value are recorded on the balance sheet at acquisition cost.

Valuation differences on other securities are all reported as a component of net assets.
- 2 Derivative transactions are reported at fair value (including derivatives transactions on money held in trust and foreign securities (investment trusts)).
- 3 Depreciation on tangible fixed assets is calculated as follows.
 - (a) Assets acquired on or before March 31, 2007:

Declining-balance method as per the previous standard
 - (b) Assets acquired on or after April 1, 2007:

Declining-balance method as revised

Of other tangible fixed assets, assets with an acquisition price of at least 100,000 yen but less than 200,000 yen are depreciated evenly over three years.
- 4 Intangible fixed assets are depreciated with the straight line method.
- 5 Foreign currency-denominated assets and liabilities are translated into yen-denominated amounts at market exchange rates as of the book closing date.
- 6 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual loan losses, pursuant to rules on self-assessment of, write-offs on, and reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based on the assessment results.
- 7 To provision for employees' retirement benefits, the amount recognized as having accrued as of fiscal year-end is recorded in the reserve for employees' retirement benefits. The amount is calculated with the simplified method (whereby the total amount of retirement benefits to all employees assuming that all employees retire voluntarily as of fiscal year-end is used as the benefit obligation) specified in the Practical Guidelines on Accounting Standards for Retirement Benefits (Interim Report) (JICPA Accounting System Committee Report No. 13).
- 8 To provision for retirement benefits of directors, executives and auditors seconded from the Dai-ichi Mutual Life Insurance Company (the parent company), which are payable to the parent company, the Company records its share accrued benefits as of fiscal year-end, calculated pursuant to the parent company's regulations on retirement benefits, in the reserve for retirement benefits of directors, executive officers and corporate auditors.

As of April 1, 2010, the Dai-ichi Mutual Life Insurance Company was reorganized from a mutual life insurance company into a joint stock corporation, pursuant to Article 85 of the Insurance Business Act. Its company name became The Dai-ichi Life Insurance Company, Limited.
- 9 The reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.
- 10 Finance leases that do not transfer title to the leased assets to the lessee are treated as follows, pursuant to the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007) and its accompanying Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, March 30, 2007).
 - (a) Lease agreements concluded on or after April 1, 2008, except those of minor value, are accounted for as ordinary sales/purchase transactions.
 - (b) Transactions other than those corresponding to (a) above are accounted for as ordinary lease transactions.

- 11 National and local consumption taxes are recorded with the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accord with corporate taxation law, and such taxes other than deferred consumption tax are recognized as an expense in the fiscal year in which they are incurred.
- 12 Policy reserves are those reserves set aside in accord with Article 116 of the Insurance Business Act. Insurance premium reserve is calculated as follows.
- (a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
- (b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method
- 13 In view of the liability characteristics of life insurance policies, assets in the general account (i.e., not in separate accounts as defined by Article 118, paragraph 1, of the Insurance Business Act) are invested primarily in fixed-income assets (government and corporate bonds) in accord with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. These fixed income securities holdings are categorized as other securities.
- For the purpose of mitigating the guaranteed minimum benefit risk on individual variable annuities, the Company engages in derivative transactions (foreign exchange forward contracts, currency futures contracts, stock-index futures contracts, securities futures contracts) for money held in trust and foreign securities (investment trusts).
- The Company's major financial instruments holdings in securities and derivatives are subject to market risk and credit risk.

Market risk management. Because assets managed by the Company primarily correspond to long-term insurance policies, the Compliance Control and Risk Management Department sets the risk management approach and risk management procedures for the Company's entire asset management portfolio in accord with the Company's Basic Policy on Risk Management in Asset Management. Reports on the status of the entire asset portfolio are regularly presented at meetings of the Board of Directors and of the Internal Control Committee (Risk Management Sub-committee) via the Compliance Control and Risk Management Department.

Credit risk management. To avoid excessive risk taking, in accord with the Company's rules on the management of asset management risk and on the management of credit risk, the Compliance Control and Risk Management Department sets individual investment caps based on internal ratings, and the Asset Management Department (responsible for carrying out asset management operations) invests within the set caps. Credit risk management is carried out by the Compliance Control and Risk Management Department, which reports regularly to the Board of Directors and the Internal Control Committee (Risk Management Sub-Committee). Credit risk management status is monitored by the Internal Control and Auditing Department.

The Company rigorously manages risk. It manages gains and losses from derivatives trades attributable to money held in trust and foreign securities (investment trusts) on a daily basis, and it regularly monitors reductions in guaranteed minimum benefit risk and measures value at risk (VaR). With regard to this risk management, the Company has established a policy and internal rules on managing guaranteed minimum benefit risk to make explicit its basic policies on risk management and its risk management procedures. Guaranteed minimum benefit risk is monitored and managed by the Financial Planning and Actuarial Department. The Compliance Control and Risk Management Department comprehensively manages risks faced by the entire Company, including guaranteed minimum benefit risk, and reports regularly to the Board of Directors and the Internal Control Committee (Risk Management Sub-Committee).

Amounts of financial assets recorded on the balance sheet, their fair values, and differences between the two are as follows.

(Millions of yen)

	Amount recorded on balance sheet	Fair value	Difference
(1) Cash and deposits	9,700	9,700	-
(2) Call loans	20,300	20,300	-
(3) Money held in trust	33,426	33,426	-
(4) Securities	1,313,552	1,313,552	-
(a) Trading securities	1,177,056	1,177,056	-
(b) Other securities	136,495	136,495	-
Assets total	1,376,979	1,376,979	-
Derivative transactions			-
(a) Derivative transactions to which hedge accounting is not applied	-6,018	-6,018	-
Derivative transactions total	-6,018	-6,018	-

Note: Derivative transactions are attributable to money held in trust and foreign securities (investment trusts). Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability

Fair values of financial instruments are calculated as follows.

(a) Cash and deposits:

Deposits are recorded at book value as all deposits have no maturities and their book values approximate their fair values.

(b) Call loans:

Call loans are recorded at book value as all call loans have short maturities and their book values approximate their fair values.

(c) Money held in trust: Information on the fair value of derivative transactions attributable to money held in trust appears in "(e) Derivative transactions" below.

(d) Securities:

Bonds are recorded at their price on securities exchanges. Investments in investment trusts are recorded at net asset value.

(e) Derivatives transactions:

For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value. For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

Effective the fiscal year ended March 31, 2010, the Company adopted the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, March 10, 2008) and its accompanying Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 10, 2008).

In and after the fiscal year under review, the Company adopts Accounting Standard for Financial Instruments (ASBJ Statement No.10, March 10, 2008) and ASBJ Guidance No.19 Guidance on Disclosures about Fair Value of Financial Instruments (March 10, 2008).

- 14 Accumulated depreciation on tangible fixed assets is 219 million yen.
- 15 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 1,178,615 million yen. Liabilities total the same amount.
- 16 Financial liabilities to affiliated companies total 261 million yen.
- 17 Deferred tax asset accruals are primarily attributable to policy and other reserves of 16,207 million yen and retained losses brought forward of 6,738 million yen. They are not recorded on the balance sheet because valuation reserves are equivalent in amount to deferred tax assets. Deferred tax liability accruals are attributable to net unrealized gains on securities of 676 million yen.
- 18 The effective statutory tax rate for the fiscal year ended March 31, 2010, was 36.21%, and the Company's corporate income tax burden (corporate income tax as a percentage of pretax income) was -0.05%. The difference was due mainly to the impact of valuation reserves (-36.22%).
- 19 Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3, of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 14 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1, of said Ordinance ("ceding reinsurance policy reserves") amount to 1,498 million yen.
- 20 As of the fiscal year-end, the Company estimated that it will be required to contribute 514 million yen to the Life Insurance Policyholders Protection Corporation of Japan pursuant to Article 259 of the Insurance Business Act. Contributions are expensed as an operating expense in the fiscal year in which they are incurred.
- 21 Net assets per share is 63,476,247.12 yen.

5.Non-Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
ORDINARY REVENUES	387,165	961,321
Premium and other income	386,237	863,264
Premium income	366,428	804,547
Reinsurance income	19,809	58,716
Investment income	761	97,966
Interest and dividends	575	1,313
Interest from bank deposits	5	1
Interest and dividends from securities	470	1,285
Other interest and dividends	98	26
Gains on sale of securities	186	188
Gains on investment in separate accounts	-	96,463
Other ordinary revenues	166	91
Reversal of reserve for outstanding claims	-	29
Other ordinary revenues	166	61
ORDINARY EXPENSES	433,246	969,624
Benefits and claims	9,461	45,593
Annuities	63	150
Benefits	1,368	5,111
Surrender values	1,765	9,815
Other refunds	1,027	1,665
Ceding reinsurance commissions	5,237	28,851
Provision for policy and other reserves	347,477	864,090
Provision for reserves for outstanding claims	625	-
Provision for policy reserves	346,852	864,090
Investment expenses	50,383	16,273
Losses on money held in trust	162	12,911
Losses on investments in trading securities	-	2,930
Losses on sale of securities	7	0
Provision for reserve for possible loan losses	5	10
Other investment expenses	106	420
Losses on investments in separate accounts	50,102	-
Operating expenses	22,794	38,641
Other ordinary expenses	3,128	5,025
National and local taxes	1,994	2,970
Depreciation	81	72
Provision for reserve for employees' retirement benefits	10	10
Other ordinary expenses	1,040	1,972
ORDINARY LOSS	46,080	8,303
EXTRAORDINARY LOSS	20	50
Provision for reserve for price fluctuations	20	50
Loss before income taxes	46,100	8,353
Corporate income taxes - current	4	4
Total corporate income taxes	4	4
Net loss for the year	46,104	8,357

Notes to the Non-Consolidated Statement of Earnings for the Fiscal Year ended March 31, 2010

- 1 Total revenues and expenses from transactions with affiliated companies amounted to 60 million yen and 2,160 million yen, respectively.
- 2 Gains on sale of securities were 188 million yen, attributable to sales of Japanese Government Bonds and other bonds.
- 3 Losses on sale of securities were 0 million yen, attributable to sales of Japanese Government Bonds and other bonds.
- 4 Reinsurance income includes the operating expenses received in association with ceding reinsurance business of 48,169 million yen.
- 5 Ceding reinsurance commissions includes ceding reinsurance policy reserves transferred of 579,351 million yen and the ceding reinsurance policy reserve adjustment of -551,556 million yen.
- 6 The calculation of reversal of reserve for outstanding claims involved deducting a 34 million yen reversal of reserves for outstanding ceding insurance claims. The calculation of provision for policy reserves involved adding a 4,670 million yen provision for ceding reinsurance policy reserves.
- 7 The main component of losses on investments in trading securities is a valuation loss of 2,930 million yen.
- 8 Losses on money held in trust include a valuation loss of 12,911 million yen.
- 9 Net loss per share for the fiscal year was 4,746,826.44 yen.
- 10 Related-party transactions are as follows.

(1) Parent company and major corporate shareholders

(Millions of yen)

Type	Company name	Ownership of voting rights (% of ownership)	Relationships with related parties	Details of transaction	Transaction amount	Account	Ending balance
Parent company	The Dai-ichi Mutual Life Insurance Company	90% (direct ownership)	The Company is a 90%-owned subsidiary of the parent company.	Acceptance of additional paid-in capital	11,500	-	-

Notes:

1. The Dai-ichi Mutual Life Insurance Company acquired shares of the Company issued via a private placement. The acquisition price was 100 million yen per share.

2. As of April 1, 2010, the Dai-ichi Mutual Life Insurance Company was reorganized from a mutual life insurance company into a joint stock corporation, pursuant to Article 85 of the Insurance Business Act. Its company name became The Dai-ichi Life Insurance Company, Limited.

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

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Fundamental profit A	(42,648)	47,780
Capital gains	186	188
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	186	188
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Other	-	-
Capital losses	169	15,842
Losses on money held in trust	162	12,911
Losses on investments in trading securities	-	2,930
Losses on sale of securities	7	0
Losses on valuation of securities	-	-
Derivative transaction losses	-	-
Foreign exchange losses	-	-
Other	-	-
Net capital gains B	16	(15,653)
Fundamental profit plus net capital gains A + B	(42,631)	32,127
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Other	-	-
Other one-time losses	3,449	40,430
Ceding reinsurance commissions	-	-
Provision for contingency reserve	3,449	40,430
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	-	-
Other	-	-
Other one-time profits C	(3,449)	(40,430)
Ordinary income(loss) A + B + C	(46,080)	(8,303)

Note: Gains (losses) on money held in trust and gains (losses) on investments in trading securities are attributable to investments in monetary trusts and foreign securities (investment trusts) for the purpose of mitigating the guaranteed minimum benefit risk on individual variable annuities.

7. Non-Consolidated Statement of Changes in Net Assets

Statement of changes in net assets for the fiscal year ended March 31, 2010
(April 1, 2009 - March 31, 2010)

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Shareholders' equity		
Capital stock		
Beginning balance as of March 31, 2009	50,000	107,500
Changes for the year		
Issuance of new shares	57,500	10,000
Changes for the year	57,500	10,000
Ending balance as of March 31, 2010	107,500	117,500
Capital surplus		
Legal capital surplus		
Beginning balance as of March 31, 2009	-	57,500
Changes for the year		
Issuance of new shares	57,500	10,000
Changes for the year	57,500	10,000
Ending balance as of March 31, 2010	57,500	67,500
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Beginning balance as of March 31, 2009	(14,298)	(60,403)
Changes for the year		
Net loss	46,104	8,357
Changes for the year	(46,104)	(8,357)
Ending balance as of March 31, 2010	(60,403)	(68,760)
Total shareholders' equity		
Beginning balance as of March 31, 2009	35,701	104,596
Changes for the year		
Issuance of new shares	115,000	20,000
Net loss	46,104	8,357
Changes for the year	68,895	11,642
Ending balance as of March 31, 2010	104,596	116,239
Valuation and translation adjustments		
Net unrealized gains on securities, net of tax		
Beginning balance as of March 31, 2009	160	348
Changes for the year		
Net changes of items other than shareholders' equity	187	843
Changes for the year	187	843
Ending balance as of March 31, 2010	348	1,191
Total		
Beginning balance as of March 31, 2009	35,861	104,945
Changes for the year		
Issuance of new shares	115,000	20,000
Net loss	46,104	8,357
Net changes of items other than shareholders' equity	187	843
Changes for the year	69,083	12,486
Ending balance as of March 31, 2010	104,945	117,431

Notes to Non-Consolidated Statement of Changes in Net assets

1. Number of outstanding shares by class

	No. shares as of March 31, 2009	Increase in number of shares	Decrease in number of shares	No. shares as of March 31, 2010
Outstanding shares				
Common stock	1,650	200	0	1,850

Note: The 200 share increase in outstanding common stock is due to issuance of new shares for a private placement.

8. Disclosed Claims by Obligor Category

Not applicable

9. Risk-Monitored Loans

Not applicable

10. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Total solvency margin (A)	129,974	224,341
Common stock, etc.	104,596	116,239
Reserve for price fluctuations	25	75
Contingency reserve	4,328	44,759
General reserve for possible loan losses	5	16
Net unrealized gains on securities (before tax) × 90% *1	491	1,681
Net unrealized gains (losses) on real estate × 85% *1	-	-
Policy reserves in excess of surrender values	20,527	61,570
Qualifying subordinated debt	-	-
Excluded items	-	-
Other	-	-
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	17,491	37,789
Insurance risk R1	-	-
3rd sector insurance risk R8	-	-
Assumed investment yield risk R2	0	7
Investment risk R3	1,289	(6,175)
Business risk R4	509	1,100
Guaranteed minimum benefit risk R7 *2	15,692	42,855
Solvency margin ratio (A) $\frac{(A)}{(1/2) \times (B)} \times 100$	1,486.1%	1,187.3%

*1: Multiplied by 100% if losses.

*2: Calculated by the standard method.

Note: 1. The above figures were calculated pursuant to Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Ministry of Finance Official Notification No. 50 of 1996. ("Policy reserves in excess of surrender values" was calculated pursuant to Article 1, paragraph 3-1, of said notification.)

2. Derivative trades attributable to money held in trust and investments in foreign securities (investment trusts) are used to mitigate guaranteed minimum benefit risk on individual variable annuities. Derivative transactions reduced guaranteed minimum benefit risk by 9,105 million yen in the fiscal year ended March 31, 2010, and this amount is included in "Investment risk" above.

11. Separate Account Status for the Fiscal Year Ended March 31,2010

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Individual variable insurance	-	-
Individual variable annuities	382,926	1,178,615
Group annuities	-	-
Separate account total	382,926	1,178,615

(2) Individual Variable Insurance (Separate Account)

Not applicable

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

	As of March 31, 2009		As of March 31, 2010	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Individual variable annuities	73	452,674	208	1,208,546

Notes: 1. Total policy amount in force for individual variable annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. Policy amounts not placed into separate accounts as of the end of the fiscal period are included in policies in force.

B. Breakdown of separate account assets for individual variable annuities (millions of yen except percentages)

	As of March 31,2009		As of March 31,2010	
	Amount	%	Amount	%
Cash, deposits,and call loans	3,731	1.0	5,302	0.4
Securities	377,188	98.5	1,171,487	99.4
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	377,188	98.5	1,171,487	99.4
Loans	-	-	-	-
Other	2,006	0.5	1,825	0.2
Reserve for possible loan losses	-	-	-	-
Total	382,926	100.0	1,178,615	100.0

C. Investment gains and losses on separate accounts for individual variable annuities

(millions of yen)

	As of March 31,2009	As of March 31,2010
Interest and dividends	-	429
Gains on sales of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	34	96,231
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sales of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	50,137	-
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	-	197
Net investment income	(50,102)	96,463

12. Consolidated Financial Summary

Not applicable.