May 14, 2010

Financial Results for the Fiscal Year Ended March 31, 2010

The Dai-ichi Life Insurance Company, Limited (the "Company" or the "Parent Company"; President: Koichiro Watanabe) announces its financial results for the fiscal year ended March 31, 2010.

*The Company reorganized from a mutual life insurance company to a joint stock corporation ("demutualized") on April 1, 2010

[Contents]

For further information please contact:

Investor Relations Center, Corporate Planning Department
The Dai-ichi Life Insurance Company, Limited
TEL: +81-(0)50-3780-7731/6942

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 March 31, 2009			
	Number of policies		Amount	
	(thousands)	% of March 31, 2008 total	(billions of yen)	% of March 31, 2008 total
Individual insurance	11,051	98.5	159,072.0	95.0
Individual annuities	1,202	100.1	6,975.8	99.3
Individual insurance and annuities	12,254	98.6	166,047.8	95.2
Group insurance	-	-	54,769.4	100.6
Group annuities	-	-	6,140.6	95.4

	As of March 31, 2010			
	Number of policies		Amount	
	(thousands)	% of March 31, 2009 total	(billions of yen)	% of March 31, 2009 total
Individual insurance	10,970	99.3	150,575.1	94.7
Individual annuities	1,233	102.6	7,196.6	103.2
Individual insurance and annuities	12,203	99.6	157,771.8	95.0
Group insurance	-	-	54,051.1	98.7
Group annuities	-	-	6,192.2	100.8

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

	Year ended March 31, 2009					
	Number of policies		Amount			
	(thousands)	% of March 31, 2008 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2008 total
Individual insurance	1,060	101.8	6,922.5	7,127.2	(204.6)	81.5
Individual annuities	35	83.0	247.4	257.4	(10.0)	75.9
Individual insurance and annuities	1,096	101.1	7,170.0	7,384.7	(214.7)	81.3
Group insurance	-		749.2	749.2		172.8
Group annuities	-		1.3	1.3		139.5

	Year ended March 31, 2010					
	Number of policies		Amount			
	(thousands)	% of March 31, 2009 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2009 total
Individual insurance	1,073	101.2	6,397.8	6,778.4	(380.5)	92.4
Individual annuities	64	180.0	437.9	449.0	(11.1)	177.0
Individual insurance and annuities	1,138	103.8	6,835.8	7,227.5	(391.7)	95.3
Group insurance	-		221.5	221.5		29.6
Group annuities	-		1.9	1.9		144.3

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

(Reference) Surrenders and lapses in individual insurance and annuities

(billions of yen except percentages)

	Year ended March 31, 2009	Year ended March 31, 2010
Amount of surrenders and lapses	10,094.7	9,306.2
Surrender and lapse rate (%)	5.79	5.60

Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.
2. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force contracts.

(2) Annualized Net Premium

Policies in Force

(billions of yen except percentages)

	As of March 31, 2009	% of March 31, 2008 total	As of March 31, 2010	% of March 31, 2009 total
Individual insurance	1,766.8	96.9	1,722.8	97.5
Individual annuities	285.5	103.0	297.5	104.2
Total	2,052.4	97.7	2,020.4	98.4
Medical and survival benefits	492.7	100.8	494.8	100.4

New Policies

(billions of yen except percentages)

	Year Ended March 31, 2009	% of March 31, 2008 total	Year Ended March 31, 2010	% of March 31, 2009 total
Individual insurance	108.1	95.2	103.8	96.0
Individual annuities	12.3	61.8	15.8	128.6
Total	120.4	90.2	119.6	99.3
Medical and survival benefits	40.6	92.4	36.4	89.7

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

(3) Profit and Loss Items

(millions of yen except percentages)

	Year Ended March 31, 2009	% of March 31, 2008 total	Year Ended March 31, 2010	% of March 31, 2009 total
Premium and other income	2,904,336	93.7	2,837,251	97.7
Investment income	1,178,355	114.8	1,153,480	97.9
Benefits and claims	2,753,596	104.0	2,610,535	94.8
Investment expense	1,414,800	250.9	330,067	23.3
Net surplus from operations	109,146	54.4	193,620	177.4

(4) Statements of Surplus

(millions of yen except percentages)

	Year Ended March 31, 2009	% of March 31, 2008 total	Year Ended March 31, 2010	% of March 31, 2009 total
Unappropriated net surplus	133,766	93.3	-	-
Reserve for policyholders dividends	64,963	72.8	-	-
Net surplus	68,947	127.1	-	-

(5) Total Assets

(millions of yen except percentages)

	As of March 31, 2009	% of March 31, 2008 total	As of March 31, 2009	% of March 31, 2009 total
Total Assets	30,022,243	94.3	30,822,467	102.7

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

		Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
		Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits									
	general	10,449	134,687.4		0.0	26,379	54,043.3	36,828	188,730.7
	accidental	[5,370]	[20,956.2]	[368]	[392.4]	[3,292]	[2,242.3]	[9,031]	[23,591.0]
	others	[0]	[0.0]	[-]	[-]	[81]	[105.9]	[81]	[106.0]
Survival benefits		521	15,887.7	1,233	7,196.6	10	7.8	1,765	23,092.1
Hospitalization benefits									
	accidental	[8,705]	[40.2]	[94]	[0.4]	[1,753]	[1.1]	[10,553]	[41.9]
	illness	[8,618]	[39.9]	[95]	[0.4]	[0]	[0.0]	[8,715]	[40.4]
	others	[4,792]	[23.6]	[76]	[0.3]	[63]	[0.0]	[4,933]	[24.0]
Injury benefits		[9,289]	-	[96]	-	[3,063]	-	[12,449]	-
Surgery benefits		[6,459]	-	[95]	-	-	-	[6,555]	-

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	13,959	6,192.2	104	277.9	53	129.7	14,116	6,599.9

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	587	0.9

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	48	3.2

Note:
1. Figures in [ ] show numbers and amounts of additional benefits and of benefits to be paid from riders.
2. Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
3. Amounts in 'Survival benefits' show the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced for individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
4. Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
5. Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
6. Amount in group disability insurance shows the amount of disability benefits paid per month.
7. The number of insureds and amount of policies for reinsurance written were 893 thousand and 3,534.3 billion yen, respectively.

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

The global economies emerged from the worst of the economic crisis thanks to the economic and financial stimulus measures adopted by various governments, and the recovery was led by the developing economies.

The Japanese economy also bottomed out during the fiscal year 2009 thanks to an economic stimulus package including supplementary income payments and a reduction in tolls on the national highway system. An improvement in external demand from Asia also fueled the recovery.

The large scale economic stimulus package by the U.S. government revived employment and investment in housing in the U.S., and the U.S. economy continued its recovery.

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

[Domestic interest rates]

Yield on ten year government bonds once rose over 1.5% on the back of economic recovery and subsequently on concerns over the fiscal deficit. The interest rates hovered between 1.2% and 1.4% towards the end of the fiscal year as the Bank of Japan continued to loosen monetary policy and as deflationary pressures mounted throughout the economy.

Yield on ten-year government bonds:	March 31, 2009	1.345%
	March 31, 2010	1.390%

[Domestic Stocks]

The Nikkei 225 Stock Average regained ground and exceeded the 10,000 mark during the first half of fiscal 2009, reflecting expectation that eventually the domestic and overseas economic would recover. It hovered around 10,000 as the market discounted the impact of deflation and appreciating yen on corporate earnings. The index rose above 11,000 for the first time since October 2008 as investors appreciated firm external demands from developing economies and as the Yen stabilized towards the end of fiscal year.

Nikkei 225 Stock Average:	March 31, 2009	8,109
	March 31, 2010	11,089
TOPIX:	March 31, 2009	773
	March 31, 2010	978

[Foreign Currency]

Confronted by the deterioration in the fiscal balance in the U.S. and financial instability in the Middle East and Southern European economies, risk-averse investors began to avoid currencies other than the Japanese Yen, and the currency was appreciated to ¥84 against the U.S. dollar or the highest level in 14 years. The inflationary pressure on the Yen eased by the end of fiscal year as the Bank of Japan further eased its monetary policy and as the market began to factor in the possibility of the reversal of interest rate trends in the U.S. But overall, the Yen remained stronger against the U.S. dollar throughout the fiscal year.

The yen appreciated against the euro, again, as more investors took cautious view on the direction of European economies in light of financial instability in the Middle East and Southern European economies.

Yen/U.S. dollar:	March 31, 2009	¥98.23
	March 31, 2010	¥93.04
Yen/Euro:	March 31, 2009	¥129.84
	March 31, 2010	¥124.92

B. Investment Results

[Asset Composition]

The Company continued to set fixed income investments, including bonds and loans, as the core of its asset portfolio, consistent with its mid- to long-term investment policies. The Company actively increased its position in policy-reserve-matching bonds by purchasing long-term and super-long-term domestic bonds, in order to further enhance its Asset Liability Management (ALM) strategy and to improve profitability.

The Company has managed risk associated with its risk assets (such as domestic stocks and foreign securities intended to promote diversification of risks and to improve its profitability) by taking the market trends into account.

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

Assets	Investment results
Domestic bonds	Increase The Company actively replaced low-yield bonds with longer duration high-yield bonds and also increased investment in policy-reserve-matching bonds (mainly long-term and super-long-term bonds) based on its ALM strategy. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products, including corporate bonds and asset backed securities, in accordance with its internal guidelines on risk-adjusted credit-spread.
Loans	Decrease The Company made efforts to maintain high profitability by setting adequate risk-adjusted spreads, while paying attention to the credit spread changes in the bond market. However, its total balance of loans decreased due to maturities.
Domestic stocks	Increase Although the Company carried out sales of a part of this asset category for risk-control purposes during the period, the balance increased because the valuation of remaining stocks in the portfolio rose, following the market recovery, more than enough to offset the decline due to sales. Stocks of certain companies and sectors were replaced by those with more competitiveness and growth potential based on in-house analyses.
Foreign bonds	Increase The Company decreased its exposure to bonds without currency hedges as a risk control measure. Meanwhile, the Company increased its investment in foreign currency-denominated bonds with currency hedges aiming for an improved investment return in the fixed income asset category, resulting in an increase in the total balance of foreign bonds. Also, the Company made efforts to improve return on investments and to control risk by diversifying its portfolio by sector and currency.
Foreign stocks	Increase As a result of global stock market recovery, the balance of foreign stocks in the Company's portfolio increased. The Company accelerated diversification of geographic allocation and styles of foreign stock investment, utilizing both independent advisors and in-house managers.
Real estate	Flat The Company made efforts to improve profitability, which include renegotiating rents, improving vacancy rates of its real estate portfolio. The Company also made efforts to increase the value of existing real estate by refurbishment and housing rehabilitation.

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

[Investment income and expenses]

Interest and dividend income decreased due to a decrease in foreign interest income triggered by the appreciation of the yen against other currencies, together with a decrease in dividends from domestic stocks caused by poor market conditions, as well as decreased gains on sales of marketable securities. Investment income for the period decreased by ¥151.9 billion from the prior year to ¥1,178.3 billion. On the other hand, investment losses decreased by ¥784.2 billion to ¥330.0 billion, mainly due to decreases in losses on sales of marketable securities and devaluation losses on stocks.

As a result, net investment income increased by ¥566.2 billion to ¥630.2 billion for the fiscal year ended March 31, 2010.

C. Investment Environment Outlook for the Fiscal Year Ending March 31, 2011

There are encouraging aspects that demand for exports, especially to Asian countries, could keep enjoying a steady development in the coming fiscal year. Nevertheless, it is most likely that the recovery of the Japanese economy overall still be a moderate one given the country's weak domestic demand suffering from the fading of government's economic stimulus effect and remaining pressure for both inventory and employment adjustments.

[Domestic interest rates]

Signs of Japan's economic recovery and concerns about additional issuance of Japanese government bonds may put upward pressure on interest rates at some point during the period. However, the Company believes any increase of interest rates in Japan will stay in a certain range because the Bank of Japan is expected to continue its monetary easing.

[Domestic stocks]

A decline in economic recovery pace led by the diminishing effect of economic stimulus measures discourages optimism for domestic corporate performance and limits the rise of those stocks. On the other hand, stably growing export demand and a yen-depreciation trend will support the market's moderate recovery.

[Foreign currency]

With regard to yen/dollar exchange rates, there remain concerns over growth of the U.S. budget deficit, but optimism for the U.S. economy and possible interest spread in the foreseeable future will likely eventually lead to yen depreciation against the U.S.'s currency.

As for yen/euro exchange rates, too, potential interest spread between these two currencies is expected to grow to play a role in yen depreciation against the euro in several months time, once the sovereign debt default crises in eurozone nations has stabilized.

D. Investment Policies for the Fiscal Year Ending March 31, 2011

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

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

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

(2) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	359,046	1.2	356,433	1.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	14,954	0.1	-	-
Monetary claims bought	281,371	1.0	289,885	1.0
Trading account securities	52,597	0.2	-	-
Money held in trust	13,265	0.0	22,258	0.1
Securities	21,588,974	74.7	22,793,303	77.1
Domestic bonds	12,620,231	43.7	12,989,979	44.0
Domestic stocks	2,846,053	9.9	3,258,143	11.0
Foreign securities	5,908,767	20.5	6,325,956	21.4
Foreign bonds	4,459,828	15.4	4,782,266	16.2
Foreign stocks and other securities	1,448,938	5.0	1,543,689	5.2
Other securities	213,921	0.7	219,225	0.7
Loans	4,248,438	14.7	3,834,365	13.0
Policy loans	604,706	2.1	571,443	1.9
Ordinary loans	3,643,732	12.6	3,262,921	11.0
Real estate	1,235,122	4.3	1,238,898	4.2
Real estate for rent	778,840	2.7	782,788	2.6
Deferred tax assets	640,990	2.2	337,687	1.1
Others	459,888	1.6	699,925	2.4
Reserve for possible loan losses	(10,916)	(0.0)	(21,095)	(0.1)
Total	28,883,735	100.0	29,551,663	100.0
Foreign currency-denominated assets	4,404,129	15.2	5,027,866	17.0

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

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

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, and call loans	20,505	(2,613)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	(32,318)	(14,954)
Monetary claims bought	(35,395)	8,513
Trading account securities	5,934	(52,597)
Money held in trust	(11,958)	8,993
Securities	(1,330,853)	1,204,329
Domestic bonds	433,471	369,747
Domestic stocks	(1,662,710)	412,089
Foreign securities	(17,010)	417,188
Foreign bonds	(80,838)	322,437
Foreign stocks and other securities	63,827	94,750
Other securities	(84,604)	5,304
Loans	(398,760)	(414,073)
Policy loans	(24,828)	(33,262)
Ordinary loans	(373,932)	(380,811)
Real estate	1,140	3,775
Real estate for rent	(1,427)	3,948
Deferred tax assets	478,598	(303,303)
Others	(176,366)	240,036
Reserve for possible loan losses	1,405	(10,179)
Total	(1,478,070)	667,928
Foreign currency-denominated assets	(536,673)	623,737

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

(4) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2009		Year ended March 31, 2010	
	Amount	%	Amount	%
Interest and dividends	741,330	62.9	708,082	73.7
Interest from deposits	6,316	0.5	2,832	0.3
Interest and dividends from securities	557,911	47.3	533,908	55.6
Interest from loans	97,400	8.3	91,517	9.5
Rental income	69,534	5.9	70,333	7.3
Other interest and dividends	10,165	0.9	9,489	1.0
Gains on trading account securities	1,484	0.1	1,336	0.1
Gains on money held in trust	-	-	3,295	0.3
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	382,670	32.5	242,556	25.3
Gains on sale of domestic bonds	130,575	11.1	16,603	1.7
Gains on sale of domestic stocks	52,221	4.4	109,425	11.4
Gains on sale of foreign securities	199,873	17.0	116,528	12.1
Others	-	-	-	-
Gains on redemption of securities	11,223	1.0	4,472	0.5
Derivative transaction gains	41,172	3.5	-	-
Foreign exchange gains	-	-	-	-
Other investment income	473	0.0	566	0.1
Total	1,178,355	100.0	960,310	100.0

(5) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2009		Year ended March 31, 2010	
	Amount	%	Amount	%
Interest expenses	9,402	0.8	12,725	3.9
Losses on trading account securities	-	-	-	-
Losses on money held in trust	6,729	0.6	-	-
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	504,840	45.3	207,894	63.0
Losses on sale of domestic bonds	23,091	2.1	19,655	6.0
Losses on sale of domestic stocks	54,194	4.9	51,171	15.5
Losses on sale of foreign securities	427,555	38.4	137,067	41.5
Others	-	-	-	-
Losses on valuation of securities	441,948	39.7	10,502	3.2
Losses on valuation of domestic bonds	179	0.0	-	-
Losses on valuation of domestic stocks	217,817	19.5	7,121	2.2
Losses on valuation of foreign securities	222,970	20.0	3,380	1.0
Others	980	0.1	-	-
Losses on redemption of securities	2,240	0.2	2,470	0.7
Derivative transaction losses	-	-	16,772	5.1
Foreign exchange losses	91,499	8.2	18,528	5.6
Provision for reserve for possible loan losses	-	-	10,288	3.1
Provision for reserve for possible investment losses	-	-	1,123	0.3
Write-down of loans	905	0.1	573	0.2
Depreciation of rental real estate and others	15,110	1.4	15,016	4.5
Other investment expenses	41,687	3.7	34,171	10.4
Total	1,114,363	100.0	330,067	100.0

(6) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Net investment income	63,992	630,242

(7) 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	0.63	0.24
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.52	0.10
Monetary claims bought	1.76	2.31
Trading account securities	1.74	1.85
Money held in trust	(29.26)	22.39
Securities	(0.29)	2.31
Domestic bonds	2.85	1.85
Domestic stocks	(3.33)	3.22
Foreign securities	(3.48)	2.72
Foreign bonds	(2.25)	2.37
Foreign stocks and other securities	(7.77)	3.85
Loans	2.17	2.03
Ordinary loans	1.75	1.55
Real estate	4.73	4.47
Total	0.22	2.17
Foreign investments	(3.24)	2.68

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

B. Average daily balance (general account)

(billions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, and call loans	399.7	281.3
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	21.9	30.8
Monetary claims bought	269.6	279.5
Trading account securities	78.8	70.6
Money held in trust	23.0	14.4
Securities	21,922.2	22,100.6
Domestic bonds	11,384.7	12,343.1
Domestic stocks	3,304.7	2,875.2
Foreign securities	6,942.4	6,661.3
Foreign bonds	5,387.5	5,109.0
Foreign stocks and other securities	1,554.8	1,552.2
Loans	4,448.0	4,005.2
Ordinary loans	3,825.5	3,417.2
Real estate	785.2	785.8
Total	29,644.0	29,095.3
Foreign investments	7,282.1	6,942.9

Note: "Foreign investments" include yen-denominated assets.

C. 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	64,687	(1,139)	22,258	3,359
Trading account securities	52,597	(178)	-	56
Money held in trust	12,089	(961)	22,258	3,303

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

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

(millions of yen)

	Book value	Fair value	Gains (losses)	Gains	Losses
As of March 31, 2009					
Bonds held to maturity	173,462	177,974	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	-	-	-	-	-
As of March 31, 2010					
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	17,209	24,415	7,206	7,206	0
Securities available for sale	14,921,552	15,642,718	721,166	1,016,728	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,126,575	5,179,708	53,133	152,490	99,357
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	467,156	444,451	(22,705)	28,233	50,938
Other securities	111,595	110,630	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	20,876,095	21,731,260	855,165	1,165,572	310,406
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,189,931	5,253,489	63,558	162,915	99,357
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	483,503	468,005	(15,498)	35,440	50,938
Other securities	112,458	111,492	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-

Note: 1. The table above includes assets 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 March 31, 2010, the Company had no such money held in trust.

* Carrying values of securities whose market prices are deemed extremely difficult to obtain are as follows:

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	190,887	202,902
Unlisted domestic stocks (except over-the-counter stocks)	171,210	182,680
Unlisted foreign stocks (except over-the-counter stocks)	10,842	12,192
Others	8,834	8,029
Other securities	1,555,715	1,305,728
Unlisted domestic stocks (except over-the-counter stocks)	165,162	135,623
Unlisted foreign stocks (except over-the-counter stocks)	1,019,345	1,063,784
Unlisted foreign bonds	0	0
Others	371,207	106,320
Total	1,746,602	1,508,631

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.
2. The amounts of foreign exchange valuation losses on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows: 3,714 million yen as of March 31, 2010 and 3,191 million yen as of March 31, 2009.

(Reference) Fair value information of securities, taking into account foreign exchange valuation gains (losses) of foreign securities whose market prices are deemed extremely difficult to obtain and which are listed on the table above, in addition to the figures in the table D, is as

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2009					
Bonds held to maturity	173,462	177,941	4,479	5,842	1,362
Domestic bonds	123,697	123,767	70	1,433	1,362
Foreign bonds	49,765	54,174	4,408	4,408	-
Policy-reserve-matching bonds	5,161,684	5,391,451	229,767	233,682	3,915
Domestic bonds	5,161,684	5,391,451	229,767	233,682	3,915
Stocks of subsidiaries and affiliates	207,232	203,809	(3,423)	-	3,423
Domestic stocks	171,210	171,210	-	-	-
Foreign stocks	33,365	29,942	(3,422)	-	3,422
Other securities	2,656	2,656	(0)	-	0
Securities available for sale	16,492,208	16,417,966	(74,242)	571,903	646,145
Domestic bonds	7,160,812	7,334,849	174,037	195,947	21,910
Domestic stocks	2,771,637	2,674,843	(96,794)	277,480	374,274
Foreign securities	5,963,646	5,825,636	(138,009)	97,181	235,190
Foreign bonds	4,465,666	4,410,063	(55,603)	86,170	141,774
Foreign stocks and other securities	1,497,979	1,415,573	(82,406)	11,010	93,416
Other securities	224,741	211,264	(13,476)	1,293	14,770
Monetary claims bought	281,371	281,371	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	22,034,588	22,191,169	156,580	811,428	654,847
Domestic bonds	12,446,194	12,850,068	403,874	431,063	27,188
Domestic stocks	2,942,848	2,846,053	(96,794)	277,480	374,274
Foreign securities	6,046,776	5,909,753	(137,022)	101,590	238,613
Foreign bonds	4,515,431	4,464,237	(51,194)	90,579	141,774
Foreign stocks and other securities	1,531,344	1,445,516	(85,828)	11,010	96,839
Other securities	227,398	213,921	(13,476)	1,293	14,770
Monetary claims bought	281,371	281,371	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
As of March 31, 2010					
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	220,112	223,306	3,194	7,335	4,141
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	35,156	38,351	3,194	7,335	4,140
Other securities	2,275	2,274	(0)	-	0
Securities available for sale	16,227,281	16,948,744	721,463	1,017,025	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,552,887	3,075,462	522,575	702,945	180,369
Foreign securities	6,190,359	6,243,790	53,430	152,788	99,358
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	1,530,941	1,508,533	(22,408)	28,530	50,938
Other securities	217,916	216,950	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	22,384,726	23,236,177	851,450	1,165,998	314,547
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,735,567	3,258,143	522,575	702,945	180,369
Foreign securities	6,272,525	6,332,369	59,843	163,342	103,498
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	1,566,097	1,546,884	(19,213)	35,866	55,079
Other securities	220,191	219,225	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-

Note: 1. The table above includes assets 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 March 31, 2010, the Company had no money held in trust.

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

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2009	13,265	13,265	(961)	6,162	7,123
As of March 31, 2010	22,258	22,258	3,303	7,288	3,984

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 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
Money held in trust for investment purpose	12,089	(961)	22,258	3,303

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

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2009					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	1,176	1,176	-	-	-
As of March 31, 2010					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	-	-	-	-	-

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

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

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Securities	156,580	851,450
Domestic bonds	403,874	265,770
Domestic stocks	(96,794)	522,575
Foreign securities	(137,022)	59,843
Foreign bonds	(51,194)	79,056
Foreign stocks and other securities	(85,828)	(19,213)
Other securities	(13,476)	(966)
Others	-	4,227
Real estate	161,203	90,879
Total (including others not listed above)	319,242	942,030

Note: 1. Only foreign exchange valuation gains (losses) are taken into account for foreign securities whose market prices are deemed extremely difficult to obtain.
2. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

4. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2009	As of March 31, 2010		As of March 31, 2009	As of March 31, 2010
(ASSETS)			(LIABILITIES)		
Cash and deposits	222,407	168,804	Policy reserves and others	27,527,576	27,803,736
Cash	1,019	931	Reserves for outstanding claims	172,940	149,682
Bank deposits	221,388	167,872	Policy reserves	27,006,977	27,324,838
Call loans	171,100	228,800	Reserve for policyholder dividends	347,658	329,214
Deposit paid for securities borrowing transactions	14,954	-	Reinsurance payables	512	525
Monetary claims bought	281,371	289,885	Subordinated bonds	49,102	46,510
Trading account securities	52,597	-	Other liabilities	1,169,969	1,206,894
Money held in trust	13,265	22,258	Collateral for securities lending transactions	484,550	390,728
Securities	22,667,846	23,987,934	Long-term debt and other borrowings	313,025	313,014
Government bonds	10,147,344	10,688,290	Corporate income tax payable	320	571
Local government bonds	343,529	324,082	Accounts payable	33,832	282,582
Corporate bonds	2,462,903	2,324,075	Accrued expenses	39,438	36,974
Stocks	3,139,601	3,598,019	Unearned revenue	1,623	1,410
Foreign securities	6,220,487	6,678,934	Deposits received	55,398	55,342
Other securities	353,980	374,532	Guarantee deposits received	36,396	34,761
Loans	4,248,438	3,834,365	Differential account for futures trading	143	57
Policy loans	604,706	571,443	Trading account securities borrowed	1,022	-
Ordinary loans	3,643,732	3,262,921	Derivatives	202,802	87,677
Ordinary loans	3,618,169	3,237,583	Lease liabilities	242	642
Trust loans	25,562	25,337	Suspense receipt	986	3,080
Tangible fixed assets	1,239,487	1,243,607	Other liabilities	185	51
Land	814,730	814,807	Reserve for employees' retirement benefits	403,662	409,639
Buildings	417,454	408,325	Reserve for retirement benefits of directors, executive officers	3,464	3,307
Leased assets	242	642	and corporate auditors		
Construction in progress	2,937	15,766	Reserve for possible reimbursement of prescribed claims	1,000	1,100
Other tangible fixed assets	4,122	4,065	Allowance for policyholder dividends	-	92,500
Intangible fixed assets	107,423	106,602	Reserve for price fluctuations	101,453	115,453
Software	73,427	73,078	Deferred tax liabilities for land revaluation	125,535	124,706
Other intangible fixed assets	33,996	33,524	Acceptances and guarantees	20,138	17,787
Reinsurance receivables	148	1,309	**Total liabilities**	**29,402,415**	**29,822,160**
Other assets	352,988	605,642	(NET ASSETS)		
Accounts receivable	109,437	293,417	Foundation funds	120,000	-
Prepaid expenses	14,136	15,251	Accumulated redeemed foundation funds	300,000	420,000
Accrued revenue	129,934	129,893	Revaluation reserve	248	248
Deposits	44,340	43,079	Surplus	309,690	184,448
Margin money for futures trading	12,753	16,413	Reserve for future losses	5,400	5,600
Differential account for futures trading	6	-	Other surplus	304,290	178,848
Derivatives	8,475	76,141	Reserve for redemption of foundation funds	81,300	-
Suspense payment	18,804	15,164	Fund for risk allowance	43,139	43,139
Other assets	15,099	16,281	Fund for price fluctuation allowance	30,000	55,000
Deferred tax assets	640,990	337,687	Reserve for tax basis adjustments of real estate	15,961	16,420
Customers' liabilities for acceptances and guarantees	20,138	17,787	Other reserves	122	132
Reserve for possible loan losses	(10,916)	(21,095)	Unappropriated net surplus for the period	133,766	64,157
Reserve for possible investment losses	-	(1,123)	Total of Foundation Funds and surplus	729,938	604,697
			Net unrealized gains on securities, net of tax	(47,456)	461,158
			Deferred hedge gains / losses	(357)	(2,008)
			Reserve for land revaluation	(62,297)	(63,540)
			Valuation and translation adjustments	(110,111)	395,609
			Total net assets	**619,827**	**1,000,307**
Total assets	**30,022,243**	**30,822,467**	**Total liabilities and net assets**	**30,022,243**	**30,822,467**

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

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiaries including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

(1) Trading Securities

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

(2) Held-to-maturity Securities

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

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

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

(4) Stocks of Subsidiaries and Affiliated Companies

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

(5) Available-for-sale Securities

i. Available-for-sale Securities with Market Value

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

ii. Available-for-sale Securities whose market prices are deemed extremely difficult to obtain

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

Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment, are valued at the amortized cost, determined by the moving average method.

b. Others

All others are valued at cost using the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statements of earnings.

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

2. Policy-reserve-matching Bonds

(1) Book Value and Fair Market Value

The total of policy-reserve-matching bonds as of March 31, 2010 amounted to ¥5,766,069 million. The market value of these bonds as of March 31, 2010 was ¥5,889,306 million.

(2) Risk Management Policy

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

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

with the exception of certain types.

(3) Redefinition of Sub-group

Effective the fiscal year ended March 31, 2010, in order to achieve integrated 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 redefinition did not have any impact on profits and losses of the Company for the fiscal year ended March 31, 2010.

3. Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), the Company revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.

The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2010 was ¥8,994 million.

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Lease Assets

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

i. Buildings (excluding leasehold improvements and structures)

a. Acquired on or before March 31, 2007
Calculated by the previous straight-line method.

b. Acquired on or after April 1, 2007
Calculated by the straight-line method.

ii. Assets other than buildings

a. Acquired on or before March 31, 2007
Calculated by the previous declining balance method.

b. Acquired on or after April 1, 2007
Calculated by the declining balance method.

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

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

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value.

(4) Accumulated Depreciation of Tangible Fixed Assets
Accumulated depreciation of tangible fixed assets as of March 31, 2010 was ¥644,389 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the year. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

7. Reserve for Possible Loan Losses

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

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

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

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2010 was ¥4,206 million.

8. Accounting for Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Company in August 2000, amounted to ¥53,995 million as of March 31, 2010 and are included as loans in the non-consolidated balance sheet. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balance of the underlying loans in the trust as of March 31, 2010 was ¥25,337 million.

9. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount calculated in accordance with the accounting standards for retirement benefits ("Statement on Establishing Accounting Standards for Retirement Benefits" issued on June 16, 1998 by the Business Accounting Council) is provided, based on projected benefit obligations and pension assets as of March 31, 2010.

Gains/losses on plan amendments are amortized by the straight-line method through a certain period of 7 years, which is within the employees' average remaining service period.

Actuarial differences are amortized by the straight-line method through a certain period of 7 years starting from the following year, which is within the employees' average remaining service period.

The funding status of employees' retirement benefits of the Company as of March 31, 2010 was as follows:

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

		(millions of yen)
a.	Projected benefit obligations	¥ (654,701)
b.	Pension assets	216,558
	Retirement benefit trust	111,546
c.	Unfunded benefit obligations (a + b)	(438,142)
d.	Unrecognized actuarial differences	33,879
e.	Unrecognized gains on plan amendments	(5,376)
f.	Net amount recognized on the non-consolidated balance sheet (c + d + e)	(409,639)
g.	Prepaid pension expenses	-
h.	Reserve for employees' retirement benefits (f - g)	¥ (409,639)

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

Effective the fiscal year ended March 31, 2010, the Company adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" issued on July 31, 2008 by the Accounting Standards Board of Japan (ASBJ). This change did not have any impact on profits and losses of the Company.

10. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Company is established for securities whose market prices are deemed extremely difficult to obtain. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

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

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

12. Reserve for possible reimbursement of prescribed claims

In order to provide for future possible losses resulting from reimbursement of claims for which prescription periods ran out and whose amounts were recognized as profit, a reserve for possible reimbursement of prescribed claims is established, which is estimated based on past reimbursement experience.

13. Reserve for policyholder dividends and allowance for policyholder dividends

Allowance for policyholder dividends is provided for paying out policyholder dividends deemed appropriate after demutualization of the Company.

Transfers to reserve for policyholder (member) dividends by mutual life insurance companies constitute dispositions of net surplus. On the other hand, the equivalent of such transfer in the case of life insurance companies that are joint stock corporations is the allowance for policyholder dividends, which is reflected as a separate expense in the statement of earnings.

As the Company reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010, the Company recorded the allowance for policyholder dividends as a reserve to prepare for paying out policyholder dividends after the demutualization to its policyholders.

However, the Company's reserve for policyholder dividends as of March 31, 2010 represents a combined amount of its allowance for policyholder dividends and reserve for policyholder dividends.

14. Reserve for Price Fluctuations

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

15. Lease Transactions

Financial leases, other than those whose ownership transfers to the lessees and which commenced before April 1, 2008, are accounted for in the same manner applicable to ordinary operating leases.

16. Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" issued on March 10, 2008 by the Accounting Standards Board of Japan. Primarily, special hedge accounting for interest rate swaps and the deferral hedge method are used for cash flow hedges of certain ordinary loans, government and corporate bonds, and debt and bonds payable; the currency allotment method is used for cash flow hedges by foreign currency swaps and foreign currency forward contracts against exchange rate fluctuations in certain foreign currency-denominated loans and term deposits; and the fair value hedge method is used for hedges by currency options and foreign currency forward contracts against exchange rate fluctuations in the value of certain foreign currency-denominated securities.

(2) Hedging Instruments and Hedged Instruments

Hedging instruments	Hedged instruments
Interest rate swaps ---	Ordinary loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps -----------------------------------	Foreign currency-denominated loans and deposits
Currency options ---	Foreign currency-denominated securities

(3) Hedging Instruments and Hedged Instruments

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines

(4) Hedging Instruments and Hedged Instruments

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

17. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

18. Policy Reserves

Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
(2) Reserves for other policies are established based on the net level premium method.

For whole life insurance contracts acquired on or before March 31, 1996 premium payments for which were already completed at the end of the fiscal year ended March 31, 2008 (including lump-sum payment), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided evenly in the following nine years. As a result, provision for policy reserves for the year ended March 31, 2010 was ¥96,154 million.

19. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheets. The total balance of securities lent as of March 31, 2010 was ¥436,743 million.

20. Problem Loans

As of March 31, 2010, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were ¥35,981 million. The amount of credits to bankrupt borrowers was ¥5,259 million, the amount of delinquent loans was ¥28,338 million, the Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,383 million as of March 31, 2010.

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Law. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

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

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

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

As a result of the direct write-off of loans, credits to bankrupt borrowers and delinquent loans decreased by, ¥736 million and ¥3,469 million, respectively, in the year ended March 31, 2010.

21. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act was ¥1,292,250 million. Separate account liabilities were the same amount as separate account assets.

22. Receivables from and Payables to Subsidiaries

The amounts of receivables from and payables to subsidiaries and affiliated companies were ¥33,048 million and ¥4,418 million, respectively.

23. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2010

	millions of yen
Deferred tax assets:	
Insurance policy reserve	
Insurance policy reserve	¥ 349,598
Reserve for employees’ retirement benefits	178,872
Reserve for price fluctuations	41,655
Losses on valuation of securities	29,059
Tax Losses Carried Forward	27,510
Others	40,286
Subtotal	666,982
Valuation allowances	(34,666)
Total	¥ 632,316
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(263,647)
Reserve for tax basis adjustments of real estate	(9,268)
Dividend receivables from stocks	(8,867)
Others	(12,844)
Total	(294,628)
Net deferred tax assets	¥ 337,687

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2010

Statutory tax rate	36.08 %
(Adjustments)	
Decrease in valuation allowances	(15.44)%
Others	0.84 %
Actual effective tax rate after considering deferred taxes	21.48 %

24. Leased Computers

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

25. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

(millions of yen)

Balance at the end of previous fiscal year	¥	347,658
Transfer from surplus in previous fiscal year		64,963
Dividends paid in fiscal year		93,808
Interest accrual in fiscal year		10,401
Balance at the end of fiscal year	¥	329,214

26. Stocks of Subsidiaries

The amounts of stocks of non-consolidated subsidiaries and affiliated companies DL held as of March 31, 2010 were ¥220,111 million.

27. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were as follows.

(millions of yen)

Securities (Government bonds)	¥	390,274
Securities (Foreign securities)		8,791
Cash/deposits		86
Securities and cash/deposits pledged as collateral		399,153

The amounts of secured liabilities were as follows:

(millions of yen)

Cash collateral for securities lending transactions	¥	390,728
Loan		14
Securities and cash/deposits pledged as collateral		390,743

Among the amounts, “Securities (Government bonds)” for securities lending transactions as of March 31, 2010 were ¥389,085 million.

28. Reinsurance

Reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter “reserve for outstanding claims reinsured”) was ¥12 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter “policy reserve reinsured”) was ¥0 million.

29. Resolution of Redemption of Foundation Funds

In accordance with the Plan for Demutualization approved at the 108th general meeting of representative policyholders, in demutualization the Company redeemed the whole unredeemed balance of its foundation funds amounting to ¥100,000 million (¥40,000 million of the unredeemed portion, at that point, of ¥60,000 million foundation fund issued in the year ended March 31, 2005 and the whole ¥60,000 million foundation fund issued in the year ended March 31, 2007) on March 26, 2010, before their maturity dates, in accordance with Article 89 of the Insurance Business Act.

On the redemption of ¥120,000 million foundation funds (including ¥20,000 million foundation fund redeemed in August 2009), ¥120,000 million of reserve for redemption of foundation funds was transferred to accumulated redeemed foundation funds.

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

The total amount of adjustment items for redemption of foundation funds and appropriation of net surplus, defined in Article 30, Paragraph 2 of the Enforcement Regulations of the Insurance Business Act, was ¥459,398 million.

31. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥6,529 million.

32. Subordinated Debt

As of March 31, 2010, long-term debt and other borrowings included subordinated debt of ¥313,000 million whose repayment is subordinated to other obligations.

33. Subordinated Bonds

Subordinated bonds of ¥46,510 million shown in liabilities were foreign currency-denominated subordinated bonds of US$499 million whose repayment is subordinated to other obligations.

34. Assets Denominated in Foreign Currencies

Assets of the Company denominated in foreign currencies totaled ¥5,382,291 million. The principal foreign currency asset amounts were US$27,224 million and €17,327 million.

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

As of March 31, 2010, the estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥61,661 million. These obligations will be recognized as operating expenses in the years in which they are paid.

II. Subsequent Events

The Company reorganized from a mutual life insurance company to a joint stock corporation named The Dai-ichi Life Insurance Company, Limited as of April 1, 2010, in accordance with Article 85, Paragraph 1 of the Insurance Business Act.

(1) Amount of net assets

Based on its plan for demutualization and others in accordance with Article 86 of the Insurance Business Act, the Company realigned its net assets in the balance sheet as follows:

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	420,000	Capital stock	210,200
Revaluation reserve	248	Capital surplus	210,200
Surplus	184,448	Legal capital surplus	210,200
Reserve for future losses	5,600	Retained earnings	184,297
Other surplus	178,848	Legal retained earnings	5,600
Fund for risk allowance	43,139	Other retained earnings	178,697
Fund for price fluctuation allowance	55,000	Fund for risk allowance	43,120
Subsidy for social public enterprise	9	Fund for price fluctuation allowance	55,000
Fund for Public Health Awards	8	Reserve for tax basis adjustments of real estate	16,420
Funds for Environmental Green Design Award	14	Retained earnings brought forward	64,157
Reserve for tax basis adjustments of real estate	16,420	Shareholders' equity	604,697
Other reserves	100	Valuation difference on available-for-sale securities	461,158
Unappropriated net surplus for the period	64,157	Deferred gains or losses on hedges	(2,008)
Total of Foundation Funds and surplus	604,697	Revaluation reserve for land	(63,540)
Net unrealized gains on securities, net of tax	461,158	Valuation and translation adjustments	395,609
Deferred hedge gains / losses	(2,008)		
Reserve for land revaluation	(63,540)		
Valuation and translation adjustments	395,609		
Total net assets	1,000,307	Total net assets	1,000,307

5. Non-Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
ORDINARY REVENUES	**5,182,814**	**4,331,560**
Premium and other income	2,904,336	2,837,251
Premium income	2,903,640	2,836,231
Reinsurance income	696	1,019
Investment income	1,178,355	1,153,480
Interest and dividends	741,330	708,082
Interest from bank deposits	6,316	2,832
Interest and dividends from securities	557,911	533,908
Interest from loans	97,400	91,517
Rental income	69,534	70,333
Other interest and dividends	10,165	9,489
Gains on trading account securities	1,484	1,336
Gains on money held in trust	-	3,295
Gains on sale of securities	382,670	242,556
Gains on redemption of securities	11,223	4,472
Derivative transaction gains	41,172	-
Other investment income	473	566
Gains on investment in separate accounts	-	193,170
Other ordinary revenues	1,100,122	340,828
Fund receipt for annuity rider of group insurance	1,004	1,036
Fund receipt for claim deposit payment	341,631	295,673
Transfer from reserves for outstanding claims	-	23,257
Transfer from policy reserves	737,755	-
Other ordinary revenues	19,730	20,861
ORDINARY EXPENSES	**5,073,668**	**4,137,940**
Benefits and claims	2,753,596	2,610,535
Claims	934,190	777,001
Annuities	441,857	478,704
Benefits	504,349	533,811
Surrender values	668,096	661,715
Other refunds	204,034	158,160
Ceding reinsurance commissions	1,067	1,141
Provision for policy reserves and others	27,138	328,262
Provision for reserves for outstanding claims	16,248	-
Provision for policy reserves	-	317,861
Provision for interest on policyholder dividends	10,890	10,401
Investment expenses	1,414,800	330,067
Interest expenses	9,402	12,725
Losses on money held in trust	6,729	-
Losses on sale of securities	504,840	207,894
Losses on valuation of securities	441,948	10,502
Losses on redemption of securities	2,240	2,470
Derivative transaction losses	-	16,772
Foreign exchange losses	91,499	18,528
Provision for reserve for possible loan losses	-	10,288
Provision for reserve for possible investment losses	-	1,123
Write-down of loans	905	573
Depreciation of rented real estate and others	15,110	15,016
Other investment expenses	41,687	34,171
Losses on investment in separate accounts	300,436	-
Operating expenses	444,015	438,729
Other ordinary expenses	434,117	430,345
Claim deposit payments	359,544	358,828
National and local taxes	23,952	23,592
Depreciation	30,661	31,563
Provision for reserve for employees' retirement benefits	9,314	5,976
Other ordinary expenses	10,646	10,384
NET SURPLUS FROM OPERATIONS	**109,146**	**193,620**
EXTRAORDINARY GAINS	**122,449**	**329**
Gains on disposal of fixed assets	897	159
Reversal of reserve for possible loan losses	1,108	-
Gains on collection of loans and claims written off	236	169
Reversal of reserve for price fluctuations	120,000	-
Gains on establishment of retirement benefit trust	207	-
EXTRAORDINARY LOSSES	**11,864**	**116,509**
Losses on disposal of fixed assets	3,715	1,833
Impairment losses on fixed assets	3,002	4,897
Provision for reserve for retirement benefits of directors,executive officers and corporate auditors	2,712	-
Provision for allowance for policyholder dividends	-	92,500
Provision for reserve for price fluctuations	-	14,000
Losses on accelerated redemption of foundation funds	-	2,372
Other extraordinary losses	2,433	906
Net surplus before adjustment for taxes, etc.	**219,731**	**77,439**
Corporate income taxes-current	**859**	**317**
Corporate income tax-deferred	**88,335**	**16,315**
Total of corporate income taxes	**89,195**	**16,632**
Net surplus for the year	**130,535**	**60,807**

III. Notes to the Non-Consolidated Statement of Earnings for the fiscal year ended March 31, 2010

1. Revenues and Expenses from Transactions with Subsidiaries

Total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥7,754 million and ¥23,899 million, respectively.

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

Gains on sale of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥16,603 million, ¥109,425 million and ¥116,528 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥19,655 million, ¥51,171 million and ¥137,067 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥7,121 million and ¥3,380 million, respectively.

3. Reinsurance

In calculating reversal of reserves for outstanding claims, provision for reserve for outstanding claims reinsured of ¥12 million was deducted. In calculating provision for policy reserves, reversal of policy reserve reinsured of ¥0 million was deducted.

4. Gains/Losses on Trading Account Securities

Gains on trading account securities included (1) interest and dividends, (2) gains on sale of securities and (3) losses on the valuation of securities of ¥531 million, ¥906 million and ¥94 million, respectively.

5. Gains/Losses on Money Held in Trust

Gains on money held in trust included gains on valuation of securities of ¥3,303 million.

6. Derivative Transaction Gains/Losses

Derivative transaction losses included valuation gains of ¥9,182 million.

7. Retirement Benefit Expenses

Retirement benefit expenses of the Company were ¥43,006 million and consisted of the following:

		(millions of yen)
Service cost	¥	23,972
Interest cost		10,740
Estimated investment income		(1,642)
Amortization of unrecognized actuarial differences		15,312
Amortization of unrecognized gains on plan amendments		(5,376)
Retirement benefit expenses	¥	43,006

8. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2010 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and real estate not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant decline in profitability or market value in some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported the reduced amount as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the year ended March 31, 2010 were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasing Rights	Buildings	Total
			(millions of yen)			
Real estate for rent	Assets including Yao City, Osaka Prefecture	6	¥ 341	¥ 200	¥ 605	¥ 1,147
Real estate not in use	Assets including Hiroshima City, Hiroshima Prefecture	56	2,733	-	1,016	3,749
Total		62	¥ 3,074	¥ 200	¥ 1,621	¥ 4,897

(4) Calculation of Recoverable Value

Value in use or net sales value is used as recoverable value of real estate for rent, and net sales value is used as the recoverable value of real estate not in use. A discount rate of 2.96% was applied for discounting future cash flows in calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as the net sales value.

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

(millions of yen)

		Year ended March 31, 2009	Year ended March 31, 2010
Fundamental revenues		4,388,574	4,084,372
Premium and other income		2,904,336	2,837,251
Investment income		753,027	906,291
[Interest and dividends]		741,330	708,082
Other ordinary revenues		731,210	340,828
[Reversal to policy reserve]		368,842	-
Fundamental expense		4,027,745	3,754,220
Benefits and claims		2,753,596	2,610,535
Provision for policy reserves and others		27,138	212,853
Investment expenses		368,876	61,755
Operating expenses		444,015	438,729
Other ordinary expenses		434,117	430,345
Fundamental profit	***A***	360,829	330,152
Capital gains		425,327	247,188
Gains on money held in trust		-	3,295
Gains on investments in trading securities		-	-
Gains on sale of securities		382,670	242,556
Derivative transaction gains		41,172	-
Foreign exchange gains		-	-
Gains on trading account securities		1,484	1,336
Others		-	-
Capital losses		1,045,018	253,697
Losses on money held in trust		6,729	-
Losses on investments in trading securities		-	-
Losses on sale of securities		504,840	207,894
Losses on valuation of securities		441,948	10,502
Derivative transaction losses		-	16,772
Foreign exchange losses		91,499	18,528
Losses on trading account securities		-	-
Others		-	-
Net capital gains	***B***	(619,690)	(6,509)
Fundamental profit plus net capital gains	***A + B***	(258,861)	323,642
Other one-time gains		478,018	-
Reinsurance income		-	-
Reversal of contingency reserve		478,018	-
Others		-	-
Other one-time losses		110,011	130,022
Ceding reinsurance commissions		-	-
Provision for contingency reserve		-	18,000
Provision for specific reserve for possible loan losses		-	12,916
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		905	573
Others		109,105	98,532
Other one-time profits	***C***	368,007	(130,022)
Net surplus from operations	***A + B + C***	109,146	193,620

Note 1: "Others" in "Other one-time losses" for the fiscal year ended March 31, 2009 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 (109,105 million yen).

2: "Others" in "Other one-time losses" for the fiscal year ended March 31, 2010 represents the amount of the additional policy reserves provided (97,408 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act and provision for reserve for possible investment losses (1,123 million yen).

7. Non-Consolidated Statement of Changes in Net Assets

(1) Non-Consolidated Statement of Changes in Net Assets for the Fiscal Year Ended March 31, 2010

(millions of yen)

	Year ended March 31, 2010
Foundation Funds and surplus	
Foundation funds	
Beginning balance as of March 31, 2009	120,000
Changes for the year	
Redemption of foundation funds	(120,000)
Changes for the year	(120,000)
Ending balance as of March 31, 2010	-
Accumulated redeemed foundation funds	
Beginning balance as of March 31, 2009	300,000
Changes for the year	
Transfer to accumulated redeemed foundation funds	120,000
Changes for the year	120,000
Ending balance as of March 31, 2010	420,000
Revaluation reserve	
Beginning balance as of March 31, 2009	248
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2010	248
Surplus	
Reserve for future losses	
Beginning balance as of March 31, 2009	5,400
Changes for the year	
Transfer to reserve for future losses	200
Changes for the year	200
Ending balance as of March 31, 2010	5,600
Other surplus	
Reserve for redemption of foundation funds	
Beginning balance as of March 31, 2009	81,300
Changes for the year	
Transfer to accumulated redeemed foundation funds	(120,000)
Transfer to reserve for redemption of foundation funds	38,700
Changes for the year	(81,300)
Ending balance as of March 31, 2010	-
Reserve for interest payment for foundation funds	
Beginning balance as of March 31, 2009	-
Changes for the year	
Transfer to reserve for interest payment for foundation funds	1,263
Transfer from reserve for interest payment for foundation funds	(1,263)
Changes for the year	-
Ending balance as of March 31, 2010	-
Fund for risk allowance	
Beginning balance as of March 31, 2009	43,139
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2010	43,139
Fund for price fluctuation allowance	
Beginning balance as of March 31, 2009	30,000
Changes for the year	
Transfer to fund for price fluctuation allowance	25,000
Changes for the year	25,000
Ending balance as of March 31, 2010	55,000
Subsidy for social public enterprise	
Beginning balance as of March 31, 2009	9
Changes for the year	
Transfer to subsidy for social public enterprise	826
Transfer from subsidy for social public enterprise	(826)
Changes for the year	-
Ending balance as of March 31, 2010	9
Fund for Public Health Awards	
Beginning balance as of March 31, 2009	4
Changes for the year	
Transfer to fund for Public Health Awards	40
Transfer from fund for Public Health Awards	(36)
Changes for the year	3
Ending balance as of March 31, 2010	8
Fund for Environmental Green Design Award	
Beginning balance as of March 31, 2009	9
Changes for the year	
Transfer to fund for Environmental Green Design Award	50
Transfer from fund for Environmental Green Design Award	(44)
Changes for the year	5
Ending balance as of March 31, 2010	14
Reserve for tax basis adjustments of real estate	
Beginning balance as of March 31, 2009	15,961
Changes for the year	
Transfer to reserve for tax basis adjustments of real estate (*1)	540
Transfer to reserve for tax basis adjustments of real estate (*2)	200
Transfer from reserve for tax basis adjustments of real estate (*1)	(145)
Transfer from reserve for tax basis adjustments of real estate (*2)	(137)
Changes for the year	458
Ending balance as of March 31, 2010	16,420
Other reserves	
Beginning balance as of March 31, 2009	100
Changes for the year	
Changes for the year	-
Ending balance as of March 31, 2010	100

	Year ended March 31, 2010
Unappropriated net surplus for the year	
Beginning balance as of March 31, 2009	133,766
Changes for the year	
Transfer to reserve for policyholder dividends	(64,963)
Transfer to reserve for future losses	(200)
Interest payment for foundation funds	(2,328)
Net surplus for the year	60,807
Transfer to reserve for redemption of foundation funds	(38,700)
Transfer to reserve for interest payment for foundation funds	(1,263)
Transfer from reserve for interest payment for foundation funds	1,263
Transfer to fund for price fluctuation allowance	(25,000)
Transfer to subsidy for social public enterprise	(826)
Transfer from subsidy for social public enterprise	826
Transfer to fund for Public Health Awards	(40)
Transfer from fund for Public Health Awards	36
Transfer to fund for Environmental Green Design Award	(50)
Transfer from fund for Environmental Green Design Award	44
Transfer to reserve for tax basis adjustments of real estate (*1)	(540)
Transfer to reserve for tax basis adjustments of real estate (*2)	(200)
Transfer from reserve for tax basis adjustments of real estate (*1)	145
Transfer from reserve for tax basis adjustments of real estate (*2)	137
Transfer from reserve for land revaluation	1,242
Changes for the year	(69,609)
Ending balance as of March 31, 2010	64,157
Total of surplus	
Beginning balance as of March 31, 2009	309,690
Changes for the year	
Transfer to reserve for policyholder dividends	(64,963)
Transfer to accumulated redeemed foundation funds	(120,000)
Interest payment for foundation funds	(2,328)
Net surplus for the year	60,807
Transfer from reserve for land revaluation	1,242
Changes for the year	(125,241)
Ending balance as of March 31, 2010	184,448
Total of foundation funds and surplus	
Beginning balance as of March 31, 2009	729,938
Changes for the year	
Transfer to reserve for policyholder dividends	(64,963)
Interest payment for foundation funds	(2,328)
Net surplus for the year	60,807
Redemption of foundation funds	(120,000)
Transfer from reserve for land revaluation	1,242
Changes for the year	(125,241)
Ending balance as of March 31, 2010	604,697
Valuation and translation adjustments	
Net unrealized gains on securities, net of tax	
Beginning balance as of March 31, 2009	(47,456)
Changes for the year	
Net changes of items other than foundation funds and surplus	508,614
Changes for the year	508,614
Ending balance as of March 31, 2010	461,158
Deferred hedge gains / losses	
Beginning balance as of March 31, 2009	(357)
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,651)
Changes for the year	(1,651)
Ending balance as of March 31, 2010	(2,008)
Reserve for land revaluation	
Beginning balance as of March 31, 2009	(62,297)
Changes for the year	
Net changes of items other than foundation funds and surplus	(1,242)
Changes for the year	(1,242)
Ending balance as of March 31, 2010	(63,540)
Total of valuation and translation adjustments	
Beginning balance as of March 31, 2009	(110,111)
Changes for the year	
Net changes of items other than foundation funds and surplus	505,721
Changes for the year	505,721
Ending balance as of March 31, 2010	395,609
Total	
Beginning balance as of March 31, 2009	619,827
Changes for the year	
Transfer to reserve for policyholder dividends	(64,963)
Interest payment for foundation funds	(2,328)
Net surplus for the year	60,807
Redemption of foundation funds	(120,000)
Transfer from reserve for land revaluation	1,242
Net changes of items other than foundation funds and surplus	505,721
Changes for the year	380,479
Ending balance as of March 31, 2010	1,000,307

*1: The general meeting of representative policyholders of the Company approved the surplus appropriation of those items as above.

*2: Until the prior fiscal year, those items were appropriated at the general meeting of representative policyholders, as is the case for mutual companies. However, in light of the Company's demutualization on April 1, 2010, they were recorded in the fiscal year ended March 31, 2010, as is the case for stock companies.

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

（millions of yen）

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

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

8. Non-Consolidated Statements of Surplus

(thousands of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Unappropriated net surplus for the year:	133,766,274	-
Transfer from general reserve	145,080	-
Transfer from reserve for tax basis adjustments of real estate	145,080	-
Total	133,911,355	-
Appropriation of unappropriated net surplus:	133,911,355	-
Reserve for policyholder dividends	64,963,472	-
Net surplus:	68,947,882	-
Reserve for future losses	200,000	-
Interest payment for foundation funds	2,328,000	-
General reserve:	66,419,882	-
Reserve for redemption of foundation funds	38,700,000	-
Reserve for interest payment for foundation funds	1,263,145	-
Fund for price fluctuation allowance	25,000,000	-
Subsidy for social public enterprise	826,000	-
Fund for Public Health Awards	40,000	-
Fund for Environmental Green Design Award	50,000	-
Transfer to reserve for tax basis adjustments of real estate	540,737	-

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

9. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Claims against bankrupt and quasi-bankrupt obligors	6,028	5,829
Claims with collection risk	11,114	27,769
Claims for special attention	2,528	2,383
Subtotal (I)	19,670	35,981
[Percentage (I)/(II)]	[0.41]	[0.83]
Claims against normal obligors	4,748,469	4,274,266
Total (II)	4,768,140	4,310,248

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

10. Risk-Monitored Loans

(millions of yen)

		As of March 31, 2009	As of March 31, 2010
Credits to bankrupt borrowers	(I)	5,493	5,259
Delinquent loans	(II)	11,648	28,338
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	2,528	2,383
Total ((I)+(II)+(III)+(IV))		19,670	35,981
[Percentage of total loans]		[0.46%]	[0.94%]

Note:
1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2009 and March 31, 2010 were 976 million yen and 736 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2009 and March 31, 2010 were 3,169 million yen and 3,469 million yen, respectively.
2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

11. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2009	As of March 31, 2010
Total solvency margin	*(A)*	2,786,154	3,525,861
Foundation funds and surplus *1		660,468	594,697
Reserve for price fluctuations		101,453	115,453
Contingency reserve		509,093	527,093
General reserve for possible loan losses		7,481	4,853
Net unrealized gains on securities (before tax) × 90% *2		(74,242)	649,316
Net unrealized gains (losses) on real estate × 85% *2		137,022	77,247
Policy reserves in excess of surrender values		1,148,880	1,245,466
Qualifying subordinated debt		346,282	328,906
Excluded items		(158,381)	(169,881)
Others		108,095	152,707
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	*(B)*	725,395	739,535
Insurance risk	R_1	105,703	102,331
3rd sector insurance risk	R_8	147,184	150,182
Assumed investment yield risk	R_2	136,819	130,566
Investment risk	R_3	516,918	538,537
Business risk	R_4	18,265	18,556
Guaranteed minimum benefit risk	R_7 *3	6,626	6,209
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		768.1%	953.5%

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

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

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

12. Status of Separate Account 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	43,670	48,107
Individual variable annuities	157,410	174,050
Group annuities	958,041	1,070,091
Separate account total	1,159,122	1,292,250

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2009		As of March 31, 2010	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	242	1,187	220	1,107
Variable insurance (whole life)	48,817	305,169	48,160	300,010
Total	49,059	306,357	48,380	301,118

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen except percentages)

	As of March 31, 2009		As of March 31, 2010	
	Amount	%	Amount	%
Cash, deposits, and call loans	11	0.0	1	0.0
Securities	36,243	89.9	45,335	94.2
Domestic bonds	12,249	28.1	13,615	28.3
Domestic stocks	14,008	32.1	17,152	35.7
Foreign securities	12,985	29.7	14,567	30.3
Foreign bonds	5,607	12.8	5,605	11.7
Foreign stocks and other securities	7,378	16.9	8,962	18.6
Other securities	-	-	-	-
Loans	-	-	-	-
Others	4,414	10.1	2,771	5.8
Reserve for possible loan losses	-	-	-	-
Total	43,670	100.0	48,107	100.0

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

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Interest and dividends	1,117	889
Gains on sales of securities	1,575	2,204
Gains on redemption of securities	-	-
Gains on valuation of securities	6,130	11,334
Foreign exchange gains	356	215
Derivative transaction gains	59	88
Other investment income	1	50
Losses on sales of securities	9,905	4,195
Losses on redemption of securities	-	-
Losses on valuation of securities	11,353	2,632
Foreign exchange losses	276	144
Derivative transaction losses	152	64
Other investment expenses	2	2
Net investment income	(12,449)	7,742

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

* Valuation gains (losses) of trading securities

(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	39,243	(5,223)	45,335	8,702

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

* Fair value information on money held in trust

The Company had no balance as of March 31, 2009 or March 31, 2010.

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2009		As of March 31, 2010	
	Number	Amount	Number	Amount
Individual variable annuities	49,673	146,677	46,803	162,411

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	2,121	1.3	1,645	0.9
Securities	153,064	97.2	170,423	97.9
Domestic bonds	4,870	3.1	4,971	2.9
Domestic stocks	2,775	1.8	3,804	2.2
Foreign securities	5,358	3.4	6,340	3.6
Foreign bonds	2,789	1.8	2,391	1.4
Foreign stocks and other securities	2,569	1.6	3,948	2.3
Other securities	140,059	89.0	155,307	89.2
Loans	-	-	-	-
Others	2,223	1.4	1,982	1.1
Reserve for possible loan losses	-	-	-	-
Total	157,410	100.0	174,050	100.0

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

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Interest and dividends	2,229	733
Gains on sales of securities	271	487
Gains on redemption of securities	-	-
Gains on valuation of securities	7,200	46,245
Foreign exchange gains	7	7
Derivative transaction gains	0	0
Other investment income	0	8
Losses on sales of securities	1,522	676
Losses on redemption of securities	-	-
Losses on valuation of securities	57,607	13,724
Foreign exchange losses	13	7
Derivative transaction losses	0	0
Other investment expenses	2,419	1,493
Net investment income	(51,853)	31,579

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

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 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	153,064	(50,407)	170,423	32,520

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

* Fair value information on money held in trust

The Company had no balance as of March 31, 2009 or March 31, 2010.

13. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Ordinary revenues	5,225,262	5,294,004
Net surplus from operations	63,351	188,211
Net surplus for the year	86,813	55,665

	As of March 31, 2009	As of March 31, 2010
Total assets	30,444,624	32,104,248

(2) Scope of Consolidation and Application of Equity Method

	Year ended March 31, 2009	Year ended March 31, 2010
Number of consolidated subsidiaries	3	3
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	32	30

(3) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
(ASSETS)		
Cash and deposits	245,895	188,208
Call loans	206,580	249,100
Deposit paid for securities borrowing transactions	14,954	-
Monetary claims bought	281,371	289,885
Trading account securities	52,597	-
Money held in trust	31,603	55,685
Securities	22,995,047	25,147,356
Loans	4,248,799	3,834,955
Tangible fixed assets	1,239,843	1,244,006
Land	814,730	814,807
Buildings	417,490	408,356
Leased assets	247	646
Construction in progress	2,937	15,766
Other tangible fixed assets	4,437	4,428
Intangible fixed assets	106,771	105,381
Software	72,765	71,850
Other intangible fixed assets	34,005	33,531
Reinsurance receivables	13,874	45,828
Other assets	355,473	608,753
Deferred tax assets	642,595	339,534
Customers' liabilities for acceptances and guarantees	20,138	17,787
Reserve for possible loan losses	(10,921)	(21,111)
Reserve for possible investment losses	-	(1,123)
Total assets	**30,444,624**	**32,104,248**

	As of March 31, 2009	As of March 31, 2010
(LIABILITIES)		
Policy reserves and others	27,970,307	29,112,220
Reserves for outstanding claims	173,590	150,313
Policy reserves	27,449,059	28,632,692
Reserve for policyholder dividends	347,658	329,214
Reinsurance payables	587	871
Subordinated bonds	49,102	46,510
Other liabilities	1,187,288	1,213,370
Reserve for employees' retirement benefit	405,571	411,440
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,486	3,336
Reserve for possible reimbursement of prescribed claim	1,000	1,100
Allowance for policyholder dividends	-	92,500
Reserve for price fluctuations	101,478	115,528
Deferred tax liabilities	197	682
Deferred tax liabilities for land revaluation	125,535	124,706
Acceptances and guarantees	20,138	17,787
Total liabilities	**29,864,695**	**31,140,054**
(NET ASSETS)		
Foundation funds	120,000	-
Accumulated redeemed foundation funds	300,000	420,000
Revaluation reserve	248	248
Consolidated surplus	265,787	138,469
Total of foundation funds and surplus	686,035	558,718
Net unrealized gains on securities, net of tax	(47,349)	462,289
Deferred hedge gains (losses)	(357)	(2,008)
Reserve for land revaluation	(62,297)	(63,540)
Foreign currency translation adjustments	(2,514)	(3,069)
Total of valuation and translation adjustments	(112,519)	393,671
Minority interests	6,412	11,804
Total net assets	**579,928**	**964,193**
Total liabilities and net assets	**30,444,624**	**32,104,248**

(4) Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31,2009	Year ended March 31,2010
ORDINARY REVENUES	**5,225,262**	**5,294,004**
Premium and other income	3,293,646	3,704,259
Investment income	1,178,070	1,247,203
Interest and dividends	740,859	708,453
Gains on trading account securities	1,484	1,336
Gains on sale of securities	382,856	242,745
Gains on redemption of securities	11,223	4,472
Derivative transaction gains	41,172	-
Other investment income	473	561
Gains on investment in separate accounts	-	289,633
Other ordinary revenues	753,544	342,542
ORDINARY EXPENSES	**5,161,911**	**5,105,793**
Benefits and claims	2,763,750	2,656,900
Claims	934,443	777,372
Annuities	441,921	478,855
Benefits	505,717	538,923
Surrender values	670,297	671,927
Other refunds	211,369	189,822
Provision for policy reserves and others	27,761	1,194,284
Provision for reserves for outstanding claims	16,871	-
Provision for policy reserves	-	1,183,883
Provision for interest on policyholder dividends	10,890	10,401
Investment expenses	1,435,620	340,350
Interest expenses	9,402	12,725
Losses on money held in trust	6,891	9,616
Loss on trading securities	-	2,930
Losses on sale of securities	504,847	207,894
Losses on valuation of securities	412,416	7,824
Losses on redemption of securities	2,240	2,470
Derivative transaction losses	-	16,772
Foreign exchange losses	91,473	18,510
Provision for reserve for possible loan losses	-	10,299
Provision for reserve for possible investment losses	-	1,123
Write-down of loans	905	573
Depreciation of rented real estate and others	15,110	15,016
Other investment expenses	41,793	34,591
Losses on investment in separate accounts	350,539	-
Operating expenses	465,112	475,835
Other ordinary expenses	469,665	438,423
NET SURPLUS FROM OPERATIONS	**63,351**	**188,211**
EXTRAORDINARY GAINS	**122,424**	**336**
Gains on disposal of fixed assets	897	166
Reversal of reserve for possible loan losses	1,102	-
Gains on collection of loans and claims written off	236	169
Reversal of reserve for price fluctuations	119,980	-
Gains on establishment of retirement benefit trust	207	-
Other extraordinary gains	1	0
EXTRAORDINARY LOSSES	**11,891**	**116,583**
Losses on disposal of fixed assets	3,742	1,857
Impairment losses on fixed assets	3,002	4,897
Provision for reserve for retirement benefits of directors, executive officers and corporate auditors	2,712	-
Provision for allowance for policyholder dividends	-	92,500
Provision for reserve for price fluctuations	-	14,050
Losses on accelerated redemption of foundation funds	-	2,372
Other extraordinary losses	2,433	906
Net surplus before adjustment for taxes, etc.	**173,884**	**71,964**
Corporate income taxes-current	**1,204**	**911**
Corporate income tax-deferred	**88,235**	**16,092**
Total of corporate income taxes	**89,439**	**17,003**
Total of minority interests in loss of subsidiaries	**2,368**	**703**
Net surplus for the year	**86,813**	**55,665**

(5) Consolidated Statements of Cash Flows

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Ⅰ. CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus before adjustment for taxes, etc.	173,884	71,964
Depreciation of rented real estate and others	15,110	15,016
Depreciation	30,437	31,253
Impairment losses on fixed assets	3,002	4,897
Gains on contribution of securities to retirement benefit trust	(207)	-
Increase (decrease) in reserves for outstanding claims	16,871	(23,276)
Increase (decrease) in policy reserves	(389,201)	1,183,883
Provision for interest on policyholder dividends	10,890	10,401
Increase (decrease) in reserve for possible loan losses	(1,399)	10,189
Increase (decrease) in reserve for possible investment losses	(3,955)	1,123
Gains on collection of loans and claims written off	(236)	(169)
Write-down of loans	905	573
Increase (decrease) in reserve for employees' retirement benefits	(76,719)	5,869
Contribution to retirement benefit trust	86,126	-
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	2,308	(150)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	-	100
Increase (decrease) in allowance for policyholder dividends	-	92,500
Increase (decrease) in reserve for price fluctuations	(119,980)	14,050
Interest and dividends	(740,859)	(708,453)
Securities related losses (gains)	874,478	(317,067)
Interest expenses	9,402	12,725
Foreign exchange losses (gains)	91,473	18,510
Losses(gains) on disposal of fixed assets	2,845	1,690
Equity in income of affiliates	28,235	(892)
Decrease (increase) in trading account securities	(5,934)	52,597
Decrease (increase) in reinsurance receivables	(13,750)	(31,954)
Decrease (increase) in other assets	33,885	8,084
Increase (decrease) in reinsurance payables	40	284
Incerase (decrease) in other liabilities	(37,974)	(23,951)
Others, net	5,646	78,453
Subtotal	**(4,672)**	**508,252**
Interest and dividends received	780,024	732,474
Interest paid	(9,426)	(11,463)
Policyholder dividends paid	(105,997)	(93,808)
Others, net	250,855	(258,298)
Corporate income taxes paid	(125,993)	56,097
Net cash flows provided by operating activities	**784,789**	**933,254**
Ⅱ. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(42,326)	(42,135)
Proceeds from sale and redemption of monetary claims bought	52,738	17,849
Purchases of money held in trust	(18,500)	(60,400)
Proceeds from decrease in money held in trust	5,160	26,611
Purchases of securities	(17,224,921)	(11,307,321)
Proceeds from sale and redemption of securities	15,948,309	10,226,631
Origination of loans	(585,667)	(391,340)
Proceeds from collection of loans	979,872	802,825
Others, net	(34,793)	(70,363)
Ⅱ.① **Subtotal**	**(920,128)**	**(797,643)**
[Ⅰ.＋Ⅱ.①]	**[(135,338)]**	**[135,611]**
Acquisition of tangible fixed assets	(29,128)	(32,962)
Proceeds from sale of tangible fixed assets	2,062	653
Acquisition of intangible fixed assets	(26,764)	(21,454)
Proceeds from sale of intangible fixed assets	11	3
Net cash flows used in investing activities	**(973,947)**	**(851,402)**
Ⅲ. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	183,000	-
Repayment of borrowings	(6)	(11)
Repayment of lease obligations	(48)	(107)
Redemption of foundation funds	-	(120,000)
Interest paid on foundation funds	(2,328)	(5,963)
Proceeds from stock issuance to minority shareholders	10,000	8,500
Others, net	(3)	(4)
Net cash flows provided by (used in) financing activities	**190,614**	**(117,586)**
Ⅳ. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(1,632)**	**66**
Ⅴ. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(176)**	**(35,667)**
Ⅵ. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**479,951**	**472,975**
Ⅶ. INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DUE TO CHANGES IN THE SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION	**(6,799)**	**-**
Ⅷ. CASH AND CASH EQUIVALENTS AT END OF YEAR	**472,975**	**437,308**

(6) Consolidated Statements of Changes in Net Assets

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Foundation funds and surplus		
Foundation funds		
Beginning balance	120,000	120,000
Changes for the year		
Redemption of foundation funds	-	(120,000)
Changes for the year	-	(120,000)
Ending balance	120,000	-
Accumulated redeemed foundation funds		
Beginning balance	300,000	300,000
Changes for the year		
Transfer to accumulated redeemed foundation funds	-	120,000
Changes for the year	-	120,000
Ending balance	300,000	420,000
Revaluation reserve		
Beginning balance	248	248
Changes for the year		
Changes for the year	-	-
Ending balance	248	248
Consolidated surplus		
Beginning balance	269,339	265,787
Changes for the year		
Transfer to reserve for policyholder dividends	(89,227)	(64,963)
Transfer to accumulated redeemed foundation funds	-	(120,000)
Interest payment for foundation funds	(2,328)	(2,328)
Net surplus for the year	86,813	55,665
Transfer from reserve for land revaluation	797	1,242
Decrease due to changes in the scope of consolidation	(904)	-
Changes by capital increase of consolidated subsidiaries	1,297	2,457
Others	-	607
Changes for the year	(3,551)	(127,317)
Ending balance	265,787	138,469
Total of foundation funds and surplus		
Beginning balance	689,587	686,035
Changes for the year		
Transfer to reserve for policyholder dividends	(89,227)	(64,963)
Transfer to accumulated redeemed foundation funds	-	-
Interest payment for foundation funds	(2,328)	(2,328)
Net surplus for the year	86,813	55,665
Redemption of foundation funds	-	(120,000)
Transfer from reserve for land revaluation	797	1,242
Decrease due to changes in the scope of consolidation	(904)	-
Changes by capital increase of consolidated subsidiaries	1,297	2,457
Others	-	607
Changes for the year	(3,551)	(127,317)
Ending balance	686,035	558,718
Valuation and translation adjustments		
Net unrealized gains on securities, net of tax		
Beginning balance	957,565	(47,349)
Changes for the year		
Net changes of items other than foundation funds and surplus	(1,004,914)	509,639
Changes for the year	(1,004,914)	509,639
Ending balance	(47,349)	462,289
Deferred hedge gains /losses		
Beginning balance	-	(357)
Changes for the year		
Net changes of items other than foundation funds and surplus	(357)	(1,651)
Changes for the year	(357)	(1,651)
Ending balance	(357)	(2,008)
Reserve for land revaluation		
Beginning balance	(61,500)	(62,297)
Changes for the year		
Net changes of items other than foundation funds and surplus	(797)	(1,242)
Changes for the year	(797)	(1,242)
Ending balance	(62,297)	(63,540)
Foreign currency translation adjustments		
Beginning balance	(553)	(2,514)
Changes for the year		
Net changes of items other than foundation funds and surplus	(1,961)	(554)
Changes for the year	(1,961)	(554)
Ending balance	(2,514)	(3,069)
Total of valuation and translation adjustments		
Beginning balance	895,510	(112,519)
Changes for the year		
Net changes of items other than foundation funds and surplus	(1,008,030)	506,190
Changes for the year	(1,008,030)	506,190
Ending balance	(112,519)	393,671
Minority interests		
Beginning balance	917	6,412
Changes for the year		
Net changes of items other than foundation funds and surplus	5,495	5,391
Changes for the year	5,495	5,391
Ending balance	6,412	11,804
Total net assets		
Beginning balance	1,586,016	579,928
Changes for the year		
Transfer to reserve for policyholder dividends	(89,227)	(64,963)
Transfer to accumulated redeemed foundation funds	-	-
Interest payment for foundation funds	(2,328)	(2,328)
Net surplus for the year	86,813	55,665
Redemption of foundation funds	-	(120,000)
Transfer from reserve for land revaluation	797	1,242
Decrease due to changes in the scope of consolidation	(904)	-
Changes by capital increase of consolidated subsidiaries	1,297	2,457
Others	-	607
Net changes of items other than foundation funds and surplus	(1,002,535)	511,582
Changes for the year	(1,006,087)	384,264
Ending balance	579,928	964,193

Notes to Consolidated Financial Statements

I. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of consolidated subsidiaries in the fiscal year ended March 31, 2010: 3
The Dai-ichi Life Information Systems Co., Ltd.
Dai-ichi Frontier Life Insurance Co., Ltd. ("DFLI")
Dai-ichi Life Insurance Company of Vietnam, Limited

(2) Number of non-consolidated subsidiaries: 12

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

(3) Special Purpose Entities subject to disclose

(A). Securitization of Foundation Funds and Subordinated Obligations

The Parent Company securitized foundation funds and subordinated obligations to broaden a range of investors and to secure a stable base for raising capital. For the securitization, the Parent Company utilizes Tokutei Mokuteki Kaishas (the "TMKs", specified purpose company) regulated by the Asset Liquidation Act. The TMKs raise capital by issuing specified company bonds backed by assets transferred to the TMKs by contributors of foundation funds and subordinated loans. The Parent Company holds non-voting shares of Cayman-based special purpose companies (the "SPCs"), which in turn hold specified shares in TMKs. The Parent Company monitors the TMKs' financial situation and appropriately recognizes those non-voting shares in accordance with the "Accounting Standard for Financial Instruments" issued on March 10, 2008 regarding those non-voting preference shares in its financial statements.

As per the resolution made at the 108th general meeting of representative policyholders with regards to its plan for demutualization, the Parent Company implemented one-time pre-maturity redemption of its foundation funds prior to the organizational conversion (demutualization). Therefore, the two TMKs engaged in such foundation funds are scheduled to go into liquidation.

By March 31, 2010, the Parent Company had implemented four capital rasings through securitization (SPCs), three of which were still engaged in transactions with the Parent Company. The total of assets and liabilities of those three companies at the end of their fiscal year (September 30, 2009) were ¥131,388 million and ¥130,383 million, respectively.

The Parent Company held no ordinary shares in those three companies and none of the three companies had directors, officers, or employees transferred from the Parent Company.

The amounts involved in the principle transactions between the Parent Company and the TMKs for the fiscal year ended March 31, 2010 were as follows:

	Amounts as of March 31, 2010 (millions of yen)		**Fiscal year ended March 31, 2010** (millions of yen)
Foundation funds obligation	¥ -	Interests for foundation funds	¥ 5,963
Subordinated obligation	30,000	Interest expenses	618
Undrawn commitment line balance related to loans	1,129	-	-

(B). Investment in Securitized Real Estate

To diversify investments in real estate and stabilize its investment returns, the Parent Company had an exposure to an investment project to securitize real estate as of March 31, 2010. The Parent Company had three special purpose companies (the "SPCs") to be disclosed as of March 31, 2010 and the Parent Company invested in the SPCs under an anonymous association contract based on the Commercial Code. The investment in the anonymous association contract was fairly accounted for based on the fair value of real estate owned by the SPCs in accordance with the "Accounting Standards for Financial Instruments" issued on March 10, 2008. The Parent Company anticipates no obligation in the future to cover possible losses of the SPCs. Even if the fair value of the real estate declines, the loss of the Parent Company is limited to the amount of investment in the anonymous association contract. Total assets and liabilities of the SPCs at the ends of their fiscal years (December 31, 2009 and January 31, 2010) amounted to ¥141,124 million and ¥94,396 million, respectively.

As of March 31, 2010, the Parent Company had no management authority in the SPCs and the SPCs had no directors, officers, and employees transferred from the Parent Company.

The amounts involved in transactions between the Parent Company and the SPCs for the fiscal year ended March 31, 2010 were as follows:

	Amounts as of March 31, 2010 (millions of yen)		**Fiscal year ended March 31, 2010** (millions of yen)
Investment in anonymous association	¥ 29,952	Dividends	¥ 2,273
Preferred investments	2,900	Dividends	179

2. Application of the Equity Method

(1) Number of subsidiaries accounted for under the equity method for the fiscal year ended March 31, 2010: 0

(2) Number of affiliated companies accounted for under the equity method for the fiscal year ended March 31, 2010: 30

Names of the primary affiliated companies are as follows:

DIAM Co., Ltd.
DIAM U.S.A., Inc.
DIAM International Ltd
DIAM SINGAPORE PTE. LTD.
DIAM Asset Management (HK) Limited
Mizuho-DL Financial Technology Co., Ltd.
Japan Real Estate Asset Management Co., Ltd.
Trust & Custody Services Bank Ltd.
Corporate-pension Business Service Co., Ltd.
Japan Excellent Asset Management Co., Ltd.
NEOSTELLA CAPITAL CO., LTD.
Ocean Life Insurance Co., Ltd.
Tower Australia Group Limited
Star Union Dai-ichi Life Insurance Company Limited

The Company ceased to account for two of the subsidiaries of Tower Australia Group Limited under the equity method during the fiscal year ended March 31, 2010 as Tower Australia Group Limited disposed of its interest in the subsidiaries.

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

3. Year-end Dates of Consolidated Subsidiaries

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

4. Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries acquired were recorded at fair value at the acquisition dates.

5. Amortization of Goodwill on Consolidation

Goodwill on consolidation which is immaterial is charged to operations as incurred.

II. NOTES TO CONSOLIDATED BALANCE SHEETS

1. Valuation Methods of Securities

Securities held by DL and its consolidated subsidiaries including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

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

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

(3) Policy-reserve- matching Bonds in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA)
Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

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

ii. Available-for-sale Securities Whose Market Prices Are Deem Extremely Difficult to Obtain

a. Government/Corporate bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment
Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment, are valued at the amortized cost, determined by the moving average method.

b. Others
All others are valued at cost using the moving average method. Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statements of earnings.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statements of earnings.

2. Policy-reserve-matching Bonds

(1) Book Value and Fair Market Value
The total of policy-reserve-matching bonds as of March 31, 2010 amounted to ¥5,766,069 million. The market value of these bonds as of March 31, 2010 was ¥5,889,306 million.

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

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

with the exception of certain types.

(3) Redefinition of Sub-group

Effective the fiscal year ended March 31, 2010, in order to achieve integrated 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 redefinition did not have any impact on profits and losses of DL for the fiscal year ended March 31, 2010.

3. Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), the Parent Company revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.

The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2010 was ¥8,994 million. Of such amount, the excess (deficit in case of negative amount) attributable to real estate for rent was minus 39,087 million.

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets
Depreciation of tangible fixed assets excluding leased assets is calculated by the following method.

i. Buildings (excluding leasehold improvements and structures)

a. Acquired on or before March 31, 2007
Calculated by the previous straight-line method.
b. Acquired on or after April 1, 2007
Calculated by the straight-line method.

ii. Assets other than buildings
a. Acquired on or before March 31, 2007
Calculated by the previous declining balance method.
b. Acquired on or after April 1, 2007
Calculated by the declining balance method.

Estimated useful lives of major assets are as follows:

Buildings:	two to sixty years
Other tangible fixed assets:	two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated by equal amounts over three years.

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

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

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2010 was ¥645,081 million.

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

The Parent Company translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the fiscal year. Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition.

Assets, liabilities, revenues, and expenses of its consolidated overseas subsidiaries are translated to yen at the exchange rates at the end of their fiscal year. Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheets.

7. Reserve for Possible Loan Losses

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

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

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

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2010 was ¥4,206 million.

8. Accounting for Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Parent Company in August 2000, amounted to ¥25,337 million as of March 31, 2010 and are included as loans in the consolidated balance sheet. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balance of the underlying loans in the trust as of March 31, 2010 was ¥53,995 million.

9. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount calculated in accordance with the accounting standards for retirement benefits ("Statement on Establishing Accounting Standards for Retirement Benefits" issued on June 16, 1998 by the Business Accounting Council) is provided, based on the estimation of projected benefit obligations and pension assets as of March 31, 2010.

Gains on plan amendments are amortized by the straight-line method over certain years (between 3 and 7 years) based on employees' average remaining length of service.

Actuarial differences are amortized by the straight-line method from the following fiscal year over certain years (between 3 and 7 years) based on employees' average remaining length of service.

The funding status of employees' retirement benefits of the Parent Company and its consolidated subsidiaries as of March 31, 2010 was as follows:

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

		(millions of yen)
a.	Projected benefit obligations	¥ (657,806)
b.	Pension assets	217,921
	Retirement benefit trust	111,546
c.	Unfunded benefit obligations (a + b)	(439,884)
d.	Unrecognized actuarial differences	33,820
e.	Unrecognized gains on plan amendments	(5,376)
f.	Net amount recognized on the non-consolidated balance sheet (c + d + e)	(411,440)
g.	Prepaid pension expenses	-
h.	Reserve for employees' retirement benefits (f - g)	¥ (411,440)

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

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

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

Effective the fiscal year ended March 31, 2010, the Parent Company and its consolidated subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" issued on July 31, 2008 by the Accounting Standards Board of Japan (ASBJ) . This change did not have any impact on profits and losses of the Parent Company.

10. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Parent Company is established for securities whose market prices are deemed extremely difficult to obtain. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

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

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

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

12. Reserve for Possible Reimbursement of Prescribed Claims

In order to provide for future possible losses resulting from reimbursement of claims for which prescription periods ran out and the amounts were recognized as profit, a reserve for possible reimbursement of prescribed claims is established, which is estimated based on past reimbursement experience.

13. Reserve for policyholder dividends and allowance for policyholder dividends

Allowance for policyholder dividends is provided for paying out policyholder dividends deemed appropriate after demutualization of the Parent Company.

Transfers to reserve for policyholder (member) dividends by mutual life insurance companies constitute dispositions of net surplus. On the other hand, the equivalent of such transfer in the case of life insurance companies that are joint stock corporations is the allowance for policyholder dividends, which is reflected as a separate expense in the statement of earnings.

As the Parent Company reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010, the Parent Company recorded the allowance for policyholder dividends as a reserve to prepare for paying out policyholder dividends after the demutualization to its policyholders.

However, the Parent Company’s reserve for policyholder dividends as of March 31, 2010 represents a combined amount of its allowance for policyholder dividends and reserve for policyholder dividends.

14. Reserve for Price Fluctuations

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

15. Lease Transactions

Finance leases, other than those whose ownership transfers to the lessees and which commenced before April 1, 2008, are accounted for in the same manner applicable to ordinary operating leases.

16. Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” issued on March 10, 2008 by the Accounting Standards Board of Japan. Primarily, special hedge accounting for interest rate swaps and the deferral hedge method are used for cash flow hedges of certain ordinary loans, government and corporate bonds, and debt and bonds payable; the currency allotment method is used for cash flow hedges by foreign currency swaps and foreign currency forward contracts against exchange rate fluctuations in certain foreign currency-denominated loans and term deposits; and the fair value hedge method is used for hedges by currency options and foreign currency forward contracts against exchange rate fluctuations in the value of certain foreign currency denominated securities.

(2) Hedging Instruments and Hedged Instruments

Hedging instruments	Hedged instruments
Interest rate swaps	Ordinary loans, government and corporate bonds, loans payable and bonds payable
Foreign currency swaps	Foreign currency-denominated loans
Foreign currency forward contracts	Foreign currency-denominated securities and foreign currency-denominated term deposits
Currency options	Foreign currency-denominated securities

(3) Hedging Policies

The Parent Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

17. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

18. Policy Reserves

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

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
(2) Reserves for other policies are established based on the net level premium method.

For whole life insurance contracts acquired on or before March 31, 1996 premium payments for which were already completed at the end of the fiscal year ended March 31, 2008 (including lump-sum payment), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided evenly in the following nine years. As a result, provision for policy reserves for the fiscal year ended March 31, 2010 was ¥96,154 million.

19. Financial Instruments, Securities, and Money Held in Trust

(1) Financial instruments

(a) Policies in Utilizing Financial Instrument

In an effort to manage our investment assets in a manner appropriate to our liabilities, which arise from the insurance policies we underwrite, we engage in asset liability management, or ALM, which considers the long-term balance between assets and liabilities in an effort to ensure stable returns. With such strategy, the Parent Company sets fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Parent Company holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

With respect to financing, the Parent Company has raised capital directly from the capital markets by issuing subordinated bonds and securitizing subordinated loans as well as indirectly from banks in order to strengthen its capital base and to invest such capital in growth areas. To avoid impacts from interest-rate fluctuations, the Parent Company utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

We use derivatives primarily to hedge the risks associated with our existing asset portfolio to supplement our investment objectives.

Moreover, DFLI, one of consolidated subsidiaries of the Parent Company, utilizes derivatives included in its money held in trust and foreign securities (investment trust funds) to mitigate the risks associated with guaranteed minimum benefits.

(b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Parent Company, mainly stocks and bonds, are categorized by their investment objectives such as held-to-maturity, policy-reserve-,matching and available-for-sale. Loans are exposed to credit risk arising from the defaults of obligors. Such securities and loans are exposed to (1) market fluctuation risk, (2) credit risk, and (3) interest-rate risk.

In certain circumstances, the Parent Company and its subsidiaries might be exposed to liquidity risk, in which they cannot access the financial market and make timely payments of principal, interest or other amounts. Also, some of our loans payable are floating interest rate based and, thus, we are exposed to interest-rate risk, though some of such risk is hedged by utilizing interest rate swaps.

The Parent Company utilizes interest rate swaps to hedge interest rate risk associated with its loans and adopts hedge accounting. Hedge effectiveness of such interest rate swaps is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged and hedging instruments.

In addition, we conduct foreign currency forward contracts and currency options to hedge foreign currency risks associated with bonds in our asset portfolio and adopts fair value hedge method, in which adjustments (gains and losses) are made directly to the underlying assets. Also, we utilize foreign currency forward contracts and currency swaps to hedge foreign currency risks of our foreign currency denominated term deposits and loans. Some derivative transactions that do not meet requirements of hedge accounting are exposed to currency and interest-rate risks.

(c) Risk Management

(i) Market risk management

Under its internal investment policy and risk management policy, the Parent Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups by the investment purpose and manages them taking into account each of their risk characteristics.

- Interest rate risk

The Parent Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports them to its board of directors. It utilizes interest rate swaps to hedge some of interest rate risk associated with its financial assets.

- Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports them to its board of directors. It utilizes derivatives such as currency forward contracts and currency options to hedge some of the currency risk.

- Fluctuation in market values

The Company defines risk management policies for each component of its overall portfolio, including securities, and specific risk management procedures, In such policies and procedures, it sets and manages upper limits of each asset balance and risk exposure.

Such management conditions are periodically reported by Risk Management Department of the Parent Company to the board of directors, management meetings, and ALM committee.

- Derivative transactions

For derivative transactions, the Parent Company has established internal check system by segregating (i) executing department, (ii) department which engages in assessment of hedge effectiveness, and (iii) back-office. Additionally, in order to limit speculative use of derivatives, the Parent Company has put restrictions on utilization purpose such as hedging and establishes position limits for each asset class.

DFLI has managed gains and losses from derivative transactions within its money held in trust and foreign securities (mutual funds) on a daily basis, and, moreover, has strictly controlled risks by (i)periodically checking its progress on reducing the risk associated with its guaranteed minimum maturity benefits and (ii)measuring VaR (value-at-risk). In controlling its risks, DFLI has established internal regulations to manage the risks associated with its guaranteed minimum maturity benefits. The regulations clearly stipulate its specific approaches to such risks as well as fundamental policies on risk management. The Financial Planning and Actuarial Department of DFLI is in charge of controlling such risk, while its Compliance and Risk Management Department is in charge of managing overall risks including risks associated with its guaranteed minimum maturity benefits, and periodically reports the status of such management to the Board of Directors and the Internal Control Committee.

(ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Parent Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the Credit Department sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk taking is restricted since executing departments such as Fixed Income Investment Department and Foreign Fixed Income Investment Department make investment within those caps. That credit management has been conducted by Credit Department and Risk Management Department, and has been periodically reported to Board of Directors and other management. Additionally, Internal Control and Auditing Department has checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the Credit Department which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the Risk Management Department which periodically calculates current exposures.

(d) Supplementary explanation for fair values of financial instruments

As well as the values based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in “2. Fair values of financial instruments”, the contract value itself does not indicate market risk related to derivative transactions.

(2) Fair values of financial instruments

Carrying value on the consolidated balance sheet, fair value and differences between carrying value and fair value as of March 31, 2010 are as follows.

The following table does not include financial instruments whose fair values are extremely difficult to be recognized.

	Carrying amount (millions of yen)	Fair value (millions of yen)	Differences (millions of yen)
(1) Cash and deposits	188,208	188,222	14
(2) Call loans	249,100	249,100	-
(3) Monetary claims bought	289,885	289,885	-
(4) Money held in trust	55,685	55,685	-
(5) Securities			
1. Trading securities	2,371,687	2,371,687	-
2. Held-to-maturity bonds	171,263	174,819	3,556
3. Policy-reserve-matching bonds	5,766,069	5,889,306	123,236
4. Stocks of subsidiaries and affiliates	15,784	24,415	8,631
5. Securities available for sale	15,466,378	15,466,378	-
(6) Loans	3,834,955		
Reserves for possible loan losses (*1)	(19,478)		
	3,815,476	3,914,618	99,141
Total assets	28,389,540	28,624,119	234,579
(1) Bonds	46,510	48,112	1,602
(2) Long-term borrowings	313,014	331,171	18,156
Total liabilities	359,524	379,283	19,758
Derivative transactions (*2)			
1. Hedge accounting not applied	[4,582]	[4,582]	-
2. Hedge accounting applied	[6,952]	[4,109]	2,842
Total derivative transactions	[11,534]	[8,691]	2,842

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*2) Credits/debts from derivative transactions are net base. Figures in [ ] are net debts.

(Note) Notes to methods for calculating fair values financial of instruments, and securities and derivative transactions

- Assets

(1) Cash and deposits

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying value for each segment based on the term, using deposit interest rate which is assumed to be applied to new deposit. As for deposits close to maturity and deposits without maturity, fair value is based on carrying value since fair value is close to carrying value.

(2) Call loans

Since all call loans are close to due date and their fair value is close to carrying values, fair value of call loans is based on their carrying value.

(3) Monetary claims bought

Fair value of monetary claims bought is based on the price presented by counterparty financial institutions.

(4) Money held in trust

Fair value of stocks is based on the price on stock exchanges and that of bonds is based on price on bond markets or price presented by counterparty financial institutions. Fair value of mutual funds is based on constant value.

Fair value of derivative transactions within money held in trust is based on prices in the derivatives market.

(5) Securities

Fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. Fair value of mutual funds is based on constant value. As for ownership stakes in partnerships, after measuring fair value of the assets in the partnership available for mark-to-market, the amount equivalent to partnership interest is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in “(Securities)”.

(6) Loans

Fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and fair value is close to the carrying value on the balance sheet at the end of the fiscal year minus reserve for possible loan losses. Therefore, that amount (carrying value minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without due date, because of its characteristics that the amount is limited to collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, its book value is recorded as the fair value.

- Liabilities

(1) Bonds

Fair value of bonds issued by the Parent Company is based on the price on the bond market.

(2) Long-term borrowings

Fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining period which are assumed to be applied to new borrowing.

- Derivative Instruments

We use derivative instruments including currency related instruments (such as foreign currency forward contracts and currency options), interest related instruments (such as interest rate futures and interest rate swaps), stock related instruments (such as stock index futures, both yen denominated and foreign currency denominated), and bond related instruments (such as bond futures, both yen denominated and foreign currency denominated). Derivative instruments are valued at fair value based on the closing exchange-traded prices or prices offered by financial institutions.

(Note) 2 Available-for-sale securities not recorded at market value are as follows and are not included in the market value of (5)Securities.

	Carrying value (millions of yen)
1. Unlisted domestic stocks (*1)(*2)	165,015
2. Unlisted foreign stocks (*1)(*2)	17,409
3. Other foreign securities (*1)(*2)	1,066,014
4. Other securities (*1)(*2)	107,733
Total	1,356,172

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of market value information

(*2) We recorded impairment charges of ¥1,373 million for the year ended March 31, 2010.

(Note) 3 Scheduled redemptions of money held in trust and securities with maturities

	Due in 1 year or less (millions of yen)	Due after 1 year through 5 years (millions of yen)	Due after 5 years through 10 years (millions of yen)	Due after 10 years (millions of yen)
Cash and deposits	187,858	150	200	-
Call loans	249,100	-	-	-
Monetary claims bought (*1)	210	15,251	2,953	267,232
Money held in trust	-	1,489	-	-
Securities				
Held-to-maturity bonds	20,900	60,400	-	47,900
Held-to-maturity bonds(foreign bonds)	-	46,520	-	-
Policy-reserve-matching bonds	-	496,756	350,080	4,970,559
Available-for-sale securities with maturities (bonds)	473,594	1,878,038	2,211,457	2,526,402
Available-for-sale securities with maturities (foreign securities)	107,485	1,841,140	1,076,072	1,478,756
Available-for-sale securities with maturities (other securities)	4	55,852	23,473	31,986
Loans (*2)	350,274	1,295,445	1,114,006	407,609

(*1) Monetary claims bought without maturities amount to ¥54,195 million and are not included.

(*2) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amount to ¥29,801 million and are not included. Also, ¥637,371 million of loans without maturities are not included.

(Note) 4 Scheduled maturities of bonds and long term borrowings

	Due within one year (millions of yen)	Due after 1 year through 2 years (millions of yen)	Due after 2 year through 3 years (millions of yen)	Due after 3 year through 4 years (millions of yen)	Due after 4 year through 5 years (millions of yen)	Due after 5 years (millions of yen)
Bonds	-	-	-	46,520	-	-
Long term borrowings	2	2	2	30,002	1	283,002

Effective April1, 2009, we had adopted Accounting Standard for Financial Instruments and its Implementation Guidance (ASBJ Statement No. 10) and ASBJ Guidance No. 19 Guidance on Disclosures about Fair Value of Financial Instruments, both released on March 10, 2008.

(3) Securities

(a) Trading securities

Gains (losses) on valuation of trading securities . . . . ¥309,530 million

(b) Held-to-maturity bonds with market value

	Carrying amount (millions of yen)	Market value (millions of yen)	Unrealized (millions of yen)
Held-to-maturity bonds with unrealized gains:			
(1) Bonds	80,351	82,037	1,686
1. Government bonds	80,351	82,037	1,686
2. Local Government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	47,009	50,227	3,218
1. Foreign bonds	47,009	50,227	3,218
Subtotal	127,360	132,265	4,904
Held-to-maturity bonds with unrealized losses:			
(1) Bonds	43,902	42,554	(1,348)
1. Government bonds	43,902	42,554	(1,348)
2. Local Government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
1. Foreign bonds	-	-	-
Subtotal	43,902	42,554	(1,348)
Total	171,263	174,819	3,556

(c) Policy-reserve-matching bonds with market value

	Carrying amount (millions of yen)	Market value (millions of yen)	Unrealized (millions of yen)
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	4,119,105	4,255,837	136,732
1. Government bonds	3,709,800	3,826,857	117,056
2. Local Government bond	166,394	174,155	7,761
3. Corporate bonds	242,910	254,824	11,914
(2) Foreign securities	-	-	-
1. Foreign bonds	-	-	-
Subtotal	4,119,105	4,255,837	136,732
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	1,646,964	1,633,469	(13,495)
1. Government bonds	1,646,964	1,633,469	(13,495)
2. Local Government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
1. Foreign bonds	-	-	-
Subtotal	1,646,964	1,633,469	(13,495)
Total	5,766,069	5,889,306	123,236

(d) Available-for-sale securities with market value

	Carrying amount (millions of yen)	Purchase cost (millions of yen)	Gains (losses) (millions of yen)
Available for sale securities with gains:			
(1) Bonds	5,948,102	5,797,438	150,663
1. Government bonds	3,859,496	3,781,637	77,859
2. Local Government bonds	151,599	146,429	5,169
3. Corporate bonds	1,937,006	1,869,371	67,634
(2) Domestic stocks	2,228,949	1,526,004	702,945
(3) Foreign securities	3,890,328	3,737,672	152,656
1. Foreign bonds	3,753,565	3,629,147	124,418
2. Other foreign securities	136,762	108,525	28,237
(4) Other securities	258,179	245,783	12,396
Subtotal	12,325,560	11,306,899	1,018,661
Available for sale securities with losses:			
(1) Bonds	1,266,061	1,272,811	(6,750)
1. Government bonds	1,109,300	1,113,592	(4,291)
2. Local Government bonds	2,920	2,930	(9)
3. Corporate bonds	153,839	156,289	(2,449)
(2) Domestic stocks	710,889	891,259	(180,369)
(3) Foreign securities	1,311,417	1,410,789	(99,372)
1. Foreign bonds	1,003,678	1,052,108	(48,429)
2. Other foreign securities	307,738	358,681	(50,943)
(4) Other securities	165,335	174,470	(9,134)
Subtotal	3,453,703	3,749,330	(295,626)
Total	15,779,263	15,056,229	723,034

Note 1. Item "(4) Other securities" above includes certificate of deposit and trust beneficiary rights which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively. The aggregate purchase cost and carrying amount of such certificate of deposits were ¥23,000 million and ¥22,999 million, respectively. The aggregate purchase cost and carrying amount of such trust beneficiary rights were ¥285,657 million and ¥289,885 million, respectively.

(e) Held-to-maturity bonds sold

The Parent Company and its consolidated subsidiaries sold no held-to-maturity bonds during the year ended March 31, 2010.

(f) Policy-reserve-matching Bonds Sold

	Amounts sold (millions of yen)	Gains (millions of yen)	Losses (millions of yen)
(1) Bonds	732,964	2,193	10,028
1. Government bonds	729,167	2,069	10,028
2. Local Government bonds	-	-	-
3. Corporate bonds	3,797	123	-
(2) Foreign securities	-	-	-
1. Foreign bonds	-	-	-
2. Other foreign securities	-	-	-
Total	732,964	2,193	10,028

(g) Available-for-sale Securities Sold

	Amounts sold (millions of yen)	Gains (millions of yen)	Losses (millions of yen)
(1) Bonds	1,567,782	14,598	9,626
1. Government bonds	1,316,536	10,330	8,758
2. Local Government bonds	6,366	64	0
3. Corporate bonds	244,879	4,204	867
(2) Domestic stocks	398,087	103,379	51,171
(3) Foreign securities	5,166,457	116,528	137,067
1. Foreign bonds	5,052,264	87,735	136,415
2. Other foreign securities	114,193	28,792	651
(4) Other securities	31,555	6,045	-
Total	7,163,883	240,552	197,865

(h) Impairments of Securities

We recorded a ¥6,450 million charge to write down the fair value of other available for sale securities for the year ended March 31, 2010.

We recognize impairments in the value of securities other than trading securities if the fair value of a security at a measurement date has declined by 50% or more. If the fair value of a security at a measurement date had declined by 30% or more, but less than 50%, compared to its acquisition cost, and the creditworthiness of the issuer remains below a certain level, we will write down the fair value of the security by a charge to income unless it is deemed that there is a possibility that the fair value of the security will recover sufficiently to equal or exceed the acquisition cost.

(4) Money held in trust

(a) Money Held in Trust for Trading

	Carrying amount (millions of yen)	Gains (losses) on valuation of money held in trust (millions of yen)
Money held in trust for trading	55,685	(9,608)

20. Real Estate for Rent

We own a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the year ended March 31, 2010 was ¥35,256 million. The rental income was included in investment income and the rental expense was included in investment expenses. We have recorded extraordinary loss of ¥4,587 million for impairment loss on rental real estate.

The carrying value and the market value of such rental real estate as of March 31, 2010 were as follows;

Carrying Value			Market Value as of March 31, 2010
Beginning of fiscal year (millions of yen)	Net change during fiscal year (millions of yen)	End of fiscal year (millions of yen)	(millions of yen)
807,666	4,579	812,246	900,371

(Notes) 1. The carrying value of rental real estate on the balance sheets was net of acquisition costs after deducting accumulated depreciation and impairments.

2. Net change in carrying value includes cost of acquisition of the real estate for ¥14,939 million and the depreciation expense of ¥15,001 million during the year ended March 31, 2010.

3. We calculate the market value of the majority of the rental real estate based on real estate appraisal standards by the independent appraiser, and others based on the internal but reasonable estimates.

Effective the fiscal year ended March 31, 2010, we have adopted the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23), both released on November 28, 2008.

21. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheets. The total balance of securities lent as of March 31, 2010 was ¥436,743 million.

22. Problem Loans

The total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, amounted to ¥35,981 million. The amount of credits to bankrupt borrowers was ¥5,259 million, the amount of delinquent loans was ¥28,338 million, the Parent Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,383 million (US$25 million) as of March 31, 2010, respectively.

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Law. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

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

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

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

As a result of the direct write-off of loans, credits to bankrupt borrowers and delinquent loans decreased by, ¥736 million and ¥3,469 million respectively, in the year ended March 31, 2010.

23. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2010 was ¥2,470,865 million. Separate account liabilities were the same amount as separate account assets.

24. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2010

	millions of yen
Deferred tax assets:	
Insurance policy reserve	¥ 365,837
Reserve for employees' retirement benefits	179,689
Reserve for price fluctuations	41,682
Tax Losses Carried Forward	34,305
Losses on valuation of securities	29,059
Others	43,298
Subtotal	693,873
Valuation allowances	(59,621)
Total	¥ 634,252
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(264,324)
Reserve for tax basis adjustments of real estate	(9,268)
Dividend receivables from stocks	(8,867)
Others	(12,939)
Total	(295,400)
Net deferred tax assets	¥ 338,852

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2010

Statutory tax rate	36.08 %
(Adjustments)	
Decrease in valuation allowances	(12.47)%
Others	0.02 %
Actual effective tax rate after considering deferred taxes	23.63 %

25. Leased Computers

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

26. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(millions of yen)
Balance at the end of previous fiscal year	¥ 347,658
Transfer from surplus in previous fiscal year	64,963
Dividends paid in fiscal year	93,808
Interest accrual in fiscal year	10,401
Balance at the end of fiscal year	¥ 329,214

27. Stocks of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Parent Company held was as follows:

	(millions of yen)
Stocks	56,808
Other investments	2,274
Total	59,083

28. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash/deposits pledged as collateral were as follows.

		(millions of yen)
Securities (Government bonds)	¥	390,274
Securities (Foreign securities)		8,791
Cash/deposits		86
Securities and cash/deposits pledged as collateral		399,153

The amounts of secured liabilities were as follows:

		(millions of yen)
Cash collateral for securities lending transactions	¥	390,728
Loan		14
Securities and cash/deposits pledged as collateral		390,743

Among the amounts, "Securities (Government bonds)" for securities lending transactions as of March 31, 2010 were ¥389,085 million.

29. Reinsurance

As of March 31, 2010, reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter, "reserves for outstanding claims reinsured") was ¥27 million.

As of March 31, 2010, the amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter, "policy reserves reinsured") was ¥1,498 million.

30. Resolution of Redemption of Foundation Funds

In accordance with the Plan for Demutualization approved at the 108th general meeting of representative policyholders, in preparation for demutualization the Company redeemed the whole unredeemed balance of its foundation funds amounting to ¥100,000 million (¥40,000 million of the unredeemed portion, at that point, of ¥60,000 million foundation fund issued in the year ended March 31, 2005 and the whole ¥60,000 million foundation fund issued in the year ended March 31, 2007) on March 26, 2010, before their maturity dates, in accordance with Article 89 of the Insurance Business Act.

On the redemption of ¥120,000 million foundation funds (including ¥20,000 million foundation fund redeemed in August 2009), ¥120,000 million of reserve for redemption of foundation funds was transferred to accumulated redeemed foundation funds.

31. Commitment Line

There were unused commitment line agreements under which the Parent Company is the lender of ¥6,529 million.

32. Subordinated Debt

As of March 31, 2010, other liabilities included subordinated debt of ¥313,000 million, the repayment of which is subordinated to other obligations.

33. Subordinated Bonds

Subordinated bonds of ¥46,510 million shown in liabilities as of March 31, 2010 were foreign currency-denominated subordinated bonds of US$499 million, the repayment of which is subordinated to other obligations.

34. Assets Denominated in Foreign Currencies

Assets of the Parent Company denominated in foreign currencies totaled ¥5,382,291 million. The principal foreign currency asset amounts were US$27,224 million and € 17,327 million euros.

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

The estimated future obligations of the Parent Company and its consolidated subsidiaries that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥62,175 million. These obligations will be recognized as operating expenses in the years in which they are paid.

III. SUBSEQUENT EVENTS

The Parent Company reorganized from a mutual life insurance company to a joint stock corporation named The Dai-ichi Life Insurance Company, Limited as of April 1, 2010, in accordance with Article 85, Paragraph 1 of the Insurance Business Act.

(1) Amount of net assets

Based on its plan for demutualization and others in accordance with Article 86 of the Insurance Business Act, the Parent Company realigned its net assets in the non-consolidated balance sheet as follows:

(millions of yen)

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	420,000	Capital stock	210,200
Revaluation reserve	248	Capital surplus	210,200
Surplus	184,448	Legal capital surplus	210,200
Reserve for future losses	5,600	Retained earnings	184,297
Other surplus	178,848	Legal retained earnings	5,600
Fund for risk allowance	43,139	Other retained earnings	178,697
Fund for price fluctuation allowance	55,000	Fund for risk allowance	43,120
Subsidy for social public enterprise	9	Fund for price fluctuation allowance	55,000
Fund for Public Health Awards	8	Reserve for tax basis adjustments of real estate	16,420
Funds for Environmental Green Design Award	14	Retained earnings brought forward	64,157
Reserve for tax basis adjustments of real estate	16,420	Shareholders' equity	604,697
Other reserves	100	Net unrealized gains on securities, net of tax	461,158
Unappropriated net surplus for the period	64,157	Deferred hedge gains / losses	(2,008)
Total of Foundation Funds and surplus	604,697	Reserve for land revaluation	(63,540)
Net unrealized gains on securities, net of ta	461,158	Valuation and translation adjustments	395,609
Deferred hedge gains / losses	(2,008)		
Reserve for land revaluation	(63,540)		
Valuation and translation adjustments	395,609		
Total net assets	1,000,307	Total net assets	1,000,307

On consolidated basis, net assets of the Parent Company can be summarized as follows:

(millions of yen)

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	420,000	Capital stock	210,200
Revaluation reserve	248	Capital surplus	210,200
Consolidated surplus	138,469	Retained earnings	138,318
Total of foundation funds and surplus	558,718	Shareholders' equity	558,718
Net unrealized gains on securities, net of tax	462,289	Net unrealized gains on securities, net of tax	462,289
Deferred hedge gains / losses	(2,008)	Deferred hedge gains / losses	(2,008)
Reserve for land revaluation	(63,540)	Reserve for land revaluation	(63,540)
Foreign currency translation adjustments	(3,069)	Foreign currency translation adjustments	(3,069)
Total of valuation and translation adjustments	393,671	Total of valuation and translation adjustments	393,671
Minority interests	11,804	Minority interests	11,804
Total net assets	964,193	Total net assets	964,193

IV. NOTES TO CONSOLIDATED STATEMENT OF EARNINGS

1. Retirement Benefit Expenses

Retirement benefit expenses were ¥43,177 million, comprised of the following:

	(millions of yen)
Service cost	¥ 24,201
Interest cost	10,790
Estimated investment income	(1,653)
Amortization of unrecognized actuarial differences	15,215
Amortization of unrecognized gains on plan amendments	(5,376)
Retirement benefit expenses	43,177

2. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2010 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and real estate not in use, which is not used for insurance business purposes, is deemed as an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant decline in profitability or market value in some asset groups, the Parent Company wrote down the book value of these assets to the recoverable value, and reported the reduced amount as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the year ended March 31, 2010 were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasing Rights	Buildings	Total
			(millions of yen)			
Real estate for rent	Assets including Yao City, Osaka Prefecture	6	¥ 341	¥ 200	¥ 605	¥ 1,147
Real estate not in use	Assets including Hiroshima City, Hiroshima Prefecture	56	2,733	-	1,016	3,749
Total		62	¥ 3,074	¥ 200	¥ 1,621	¥ 4,897

(4) Calculation of Recoverable Value

Value in use or net sales value is used as recoverable value of real estate for rent, and net sale value is used as recoverable value of real estate not in use. A discount rate of 2.96% is applied for discounting future cash flows in calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as net sales value.

V. NOTES TO CONSOLIDATED STATEMENT 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 March 31, 2010 was as follows:

	(millions of yen)
a. Cash and cash deposits	¥ 188,208
b. Call loans	249,100
Cash and cash equivalents (a. + b.)	¥ 437,308

VI. NOTES TO CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS

1. Minority Interest

Increase in minority interest in consolidated subsidiaries of the Parent Company during the fiscal year ended March 31, 2010 is due to the increase in their capital stock by ¥6,042 million.

(7) Risk-Monitored Loans

(millions of yen)

		As of March 31, 2009	As of March 31, 2010
Credits to bankrupt borrowers	(I)	5,493	5,259
Delinquent loans	(II)	11,648	28,338
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	2,528	2,383
Total	((I)+(II)+(III)+(IV))	19,670	35,981
[Percentage of total loans]		[0.46%]	[0.94%]

Note: 1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2009 and March 31, 2010 were 976 million yen and 736 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2009 and March 31, 2010 were 3,169 million yen and 3,469 million yen, respectively.

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

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

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

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

(Reference) Disclosed claims based on categories of obligors

(millions of yen)

	As of March 31, 2009	As of March 31, 2010
Claims against bankrupt and quasi-bankrupt obligors	6,028	5,829
Claims with collection risk	11,114	27,769
Claims for special attention	2,528	2,383
Subtotal	19,670	35,981
Claims against normal obligors	4,748,830	4,274,857
Total	4,768,501	4,310,839

Note: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.

4. Claims against normal obligors are all other loans.

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

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

		As of March 31, 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		-	-
Others		-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	***(B)***	17,491	37,789
Insurance risk	R_1	-	-
3rd sector insurance risk	R_8	-	-
Assumed investment yield risk	R_2	0	7
Investment risk	R_3	1,289	(6,175)
Business risk	R_4	509	1,100
Guaranteed minimum benefit risk	R_7	15,692	42,855
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		1,486.1%	1,187.3%

*1: Multiplied by 100% if losses.

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

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

3. 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.

(9) Segment Information

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

14. Selected Financial Information by Insurance Product

(millions of yen)

	Individual insurance and annuities	Group insurance	Group annuities	Others	Total
Policies in force at the beginning of the year	166,047,843	54,769,451	6,140,650	-	-
Policies in force at the end of the year	157,771,800	54,051,114	6,192,257	-	-
Net increase in policies in force	(8,276,043)	(718,337)	51,606	-	-
Ordinary revenues	-	-	-	-	4,331,560
a. Premium and other income	1,912,805	163,814	716,387	44,244	2,837,251
Premium	1,912,458	163,141	716,387	44,244	2,836,231
b. Ordinary revenues other than a. above	-	-	-	-	1,494,309
Ordinary expenses	-	-	-	-	4,137,940
c. Benefits and claims	1,591,178	92,952	873,823	52,580	2,610,535
Claims	683,361	90,048	1,613	1,978	777,001
Annuities	197,508	1,004	272,213	7,977	478,704
Benefits	191,020	227	338,096	4,467	533,811
Surrender values	485,845	559	137,222	38,087	661,715
d. Ordinary expenses other than c. above	-	-	-	-	1,527,405
Provision for policy reserves	257,413	700	51,606	(9,858)	317,861
Net surplus from operations	-	-	-	-	193,620

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

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

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