(Unofficial Translation)
# Consolidated Summary Report under Japanese GAAP for the Fiscal Year Ended March 31, 2010

May 14, 2010

Company Name: The Dai-ichi Life Insurance Company, Limited Stock exchange listings: Tokyo
Code Number: 8750 URL: http://www.dai-ichi-life.co.jp
Representative Koichiro Watanabe, President, Representative Director

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General meeting of shareholders: June 28, 2010 Securities report issuing date: June 28, 2010
Dividend payment date: -

(Amounts of less than one million yen are truncated.)

## 1. Consolidated Financial Data for the Fiscal Year Ended March 31, 2010

### (1) Consolidated results of operations

(% represents the change from the same period in the previous fiscal year)

| | Ordinary Revenue | | Net Surplus from Oeprations | | Net Income | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended | millions of yen | % | millions of yen | % | millions of yen | % |
| March 31, 2010 | 5,294,004 | 1.3 | 188,211 | 197.1 | 55,665 | 154.8 |
| March 31, 2009 | 5,225,262 | 14.8 | 63,351 | (67.2) | 21,849 | (48.0) |

| | Net Income Per Share | Diluted Net Income per Share | Ratio of Net Income to Shareholders' Equity | Ratio of Ordinary Profits to Total Assets | Ratio of Ordinary Profits to Ordinary Income |
|---|---|---|---|---|---|
| Fiscal Year Ended | yen | yen | % | % | % |
| March 31, 2010 | 5,566.50 | - | 7.3 | 0.6 | 3.6 |
| March 31, 2009 | 2,184.96 | - | 2.0 | 0.2 | 1.2 |

Income from investment in affiliates (Equity method) March 31, 2010: 892 million yen March 31, 2009: (28,235) million yen

Note 1. The Company reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010. 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. Thus, net income for the fiscal year ended March 31, 2009 represents the adjusted amount of net surplus for the period after provision for reserve for policyholder dividends as a separate expense as if the Company were a joint stock company. Moreover, provision for reserve for policyholder dividends equivalent to provision for allowance for policyholder dividends was recorded as an extraordinary loss in the statement of earnings for the fiscal year ended March 31, 2010.

2. Net income per share represents net income for the period divided by the 10 million shares outstanding at the Company's demutualization.

### (2) Consolidated financial condition

| | Total Assets | Total Net Assets | Ratio of Shareholders' Equity to Total Assets | Total Net Assets per Share |
|---|---|---|---|---|
| As of | millions of yen | millions of yen | % | yen |
| March 31, 2010 | 32,104,248 | 964,193 | 3.0 | 95,238.94 |
| March 31, 2009 | 30,444,624 | 579,928 | 1.9 | 57,351.63 |

(Reference) Shareholders' equity as of Mach 31, 2010 and March 31, 2009 was 952,389 million yen and 573,516 million yen, respectively.

Note Total net assets per share represents [net assets less minority interest] divided by the 10 million shares outstanding at the Company's demutualization.

### (3) Consolidated cash flows

| | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at the end of the period |
|---|---|---|---|---|
| Fiscal year ended | millions of yen | millions of yen | millions of yen | millions of yen |
| March 31, 2010 | 933,254 | (851,402) | (117,586) | 437,308 |
| March 31, 2009 | 784,789 | (973,947) | 190,614 | 472,975 |

## 2. Dividends on Common Stock

| | Dividends per Share | | | | | Total dividends (Annual) | Dividend payout ratio (Consolidated) | Dividend on net assets ratio (Consolidated) |
|---|---|---|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Annual | | | |
| Fiscal Year Ended | yen | yen | yen | yen | yen | million yen | % | % |
| March 31, 2009 | - | - | - | - | - | - | - | - |
| March 31, 2010 | - | - | - | - | - | - | - | - |
| March 31, 2011 (Forecast) | - | 0.00 | - | 1,600.00 | 1,600.00 | | 32.0 | |

Note With respect to the year ended March 31, 2010 and in accordance with Article 2, Supplementary Provisions of its Articles of Incorporation, the Company plans to pay its first shareholder dividend with a record date as of April 16, 2010. The first shareholder dividend is planned to be 1,000 yen per share.

## 3. Consolidated Earnings Forecasts for the Fiscal Year ending March 31, 2011

( % represents the change from the same period in the previous fiscal year)

| | Ordinary Revenue | | Ordinary Income | | Net Income | | Net Income per Share |
|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | yen |
| Six months ending September 30, 2010 | 2,103,000 | (23.5) | 74,000 | (45.0) | 11,000 | - | 1,100.00 |
| Fiscal year ending March 31, 2011 | 4,326,000 | (18.3) | 195,000 | 3.6 | 50,000 | (10.2) | 5,000.00 |

Note In the six months ending September 30, 2010, the Company will not record provision for allowance for policyholder dividends. Therefore, no information on change of net income for the six months ending September 30, 2010 from the same period in the previous fiscal year is provided.

## 4. Other

(1) Changes in significant subsidiaries (changes in "Specified Subsidiaries" (Tokutei Kogaisha) accompanying changes in scope of consolidation) during the period: None

(2) Changes in accounting policies, procedures and presentation rules applied in the preparation of the consolidated financial statements:

(A) There was no change due to revision of accounting standards.

(B) There was no change due to the reasons other than item (A) above.

For details, please refer to (Changes in Accounting Policies) on page 28 of this report.

(3) Number of shares of common stock outstanding at the end of the period

| | As of March 31, 2010 | As of March 31, 2009 |
|---|---|---|
| (A) Total shares outstanding including treasury shares: | - | - |
| (B) Treasury shares: | - | - |

Note The Company issued 10 million shares of common stock upon its demutualization (April 1, 2010).

## (Reference) Non-consolidated financial data

## 1. Non-consolidated Financial Data for the Fiscal Year Ended March 31, 2010

(1) Non-consolidated results of operations

(% represents the change from the same period in the previous fiscal year)

| | Ordinary Revenue | | Net Surplus from Operations | | Net Income | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended | millions of yen | % | millions of yen | % | millions of yen | % |
| March 31, 2010 | 4,331,560 | (16.4) | 193,620 | 77.4 | 60,807 | (7.3) |
| March 31, 2009 | 5,182,814 | 16.4 | 109,146 | (45.6) | 65,572 | 30.6 |

| | Net Income Per Share | Diluted Net Income per Share |
|---|---|---|
| Fiscal Year Ended | yen | yen |
| March 31, 2010 | 6,080.74 | - |
| March 31, 2009 | 6,557.21 | - |

Income from investment in affiliates (Equity method) March 31, 2010: 892 million yen March 31, 2009: (28,235) million yen

Note 1. The Company reorganized from a mutual life insurance company to a joint stock corporation as of April 1, 2010. 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. Thus, net income for the fiscal year ended March 31, 2009 represents the adjusted amount of net surplus for the period after provision for reserve for policyholder dividends as a separate expense as if the Company were a joint stock company. Moreover, provision for reserve for policyholder dividends equivalent to provision for allowance for policyholder dividends was recorded as an extraordinary loss in the statement of earnings for the fiscal year ended March 31, 2010.

2. Net income per share represents net income for the period divided by the 10 million shares outstanding at the Company's demutualization.

(2) Non-consolidated financial condition

| | Total Assets | Total Net Assets | Ratio of Shareholders' Equity to Total Assets | Total Net Assets per Share |
|---|---|---|---|---|
| As of | millions of yen | millions of yen | % | yen |
| March 31, 2010 | 30,822,467 | 1,000,307 | 3.2 | 100,030.71 |
| March 31, 2009 | 30,022,243 | 619,827 | 2.1 | 61,982.75 |

(Reference) Shareholders' equity as of Mach 31, 2010 and March 31, 2009 was 1,000,307 million yen and 619,827 million yen, respectively.

## 2. Non-consolidated Earnings Forecasts for the Fiscal Year ending March 31, 2011

( % represents the change from the same period in the previous fiscal year)

| | Ordinary Revenue | | Ordinary Income | | Net Income | | Net Income per Share |
|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | yen |
| Six months ending September 30, 2010 | 1,931,000 | (9.9) | 81,000 | (40.4) | 17,000 | - | 1,700.00 |
| Fiscal year ending March 31, 2011 | 3,972,000 | (8.3) | 209,000 | 7.9 | 62,000 | 2.0 | 6,200.00 |

Note In the six months ending September 30, 2010, the Company will not record provision for allowance for policyholder dividends. Therefore, no information on change of net income for the six months ending September 30, 2010 from the same period in the previous fiscal year is provided.

*Note regarding forward-looking statements

This report contains forward-looking statements, such as earnings forecasts, regarding the intent, beliefs and current expectations of the Company and its management with respect to the expected financial condition and results of operations of the Company. These statements necessarily depend upon information currently available to the Company and its management and on assumptions that the Company and its management believe are appropriate. Forward-looking statements are not guarantees of future performance and actual results may differ materially from any future results expressed or implied by forward-looking statements. Forward-looking statements are subject to various risks and uncertainties, such as fluctuations in market conditions, including changes in the value of equity securities and changes in interest rates and forward exchange rates, the occurrence of illegal acts, operational and system risks, risks associated with an economic downturn in Japan and other factors. Important factors which may affect the Company's financial condition, results of operations and business performance are not limited to the factors described above. In light of the risks and uncertainties relating to forward-looking statements, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this release.

## 1. Results of Operations and Financial Condition

(1) Results of Operations

(i) Results of operations for the fiscal year ended March 31, 2010

- Consolidated ordinary revenues of the Dai-ichi Life Insurance Company, Limited (hereinafter the "Company" or "the Parent Company") and its consolidated subsidiaries (collectively, the "Group" or "Dai-ichi Group") for the fiscal year ended March 31, 2010 increased by 68.7 billion yen, or 1.3%, to 5,294.0 billion yen, consisting of (1) 3,704.2 billion yen (12.5% increase) of premium and other income, (2) 1,247.2 billion yen (5.9% increase) of investment income, and (3) 342.5 billion yen (54.5% decrease) of other ordinary revenues, compared to the prior fiscal year.
- The increase in premium and other income was mainly attributable to steady growth in sales of annuities by The Dai-ichi Frontier Life Insurance Co., Ltd. (hereinafter "Dai-ichi Frontier"). On the other hand, other ordinary revenues decreased mainly because of a temporary increase in other ordinary revenues in the prior fiscal year as a result of a reversal of policy reserves of the Company in response to the financial turmoil.
- Meanwhile, the Company's consolidated ordinary expenses for the fiscal year ended March 31, 2010 decreased by 56.1 billion yen, or 1.1%, to 5,105.7 billion yen, consisting of (1) 2,656.9 billion yen (3.9% decrease) of benefits and claims, (2) 1,194.2 billion yen (4,201.9% increase) of provision for policy reserves and others, (3) 340.3 billion yen (76.3% decrease) of investment expenses, (4) 475.8 billion yen (2.3% increase) of operating expenses, and (5) 438.4 billion yen (6.7% decrease) of other ordinary expenses, compared to the prior fiscal year.
- The increase in provision for policy reserves and others was mainly attributable to steady growth in sales of annuities by Dai-ichi Frontier. Investment expenses decreased mainly due to decreases in (1) losses on valuation of securities and (2) losses on investment in separate accounts, as a result of improved conditions in the financial markets.
- Consequently, the Company's consolidated net surplus from operations for the fiscal year ended March 31, 2010, compared to the prior fiscal year, increased by 124.8 billion yen, or 197.1% to 188.2 billion yen. Moreover, net income for the fiscal year ended March 31, 2010, which is net surplus from operations after extraordinary gains and losses, corporate income taxes, and minority interest in gain (loss) of subsidiaries, increased by 104.8 billion yen, or 75.1%.
- During the fiscal year ended March 31, 2009, we reversed some of our reserve for price fluctuations and recorded extraordinary gains to mitigate losses on valuation of securities.
- In light of the Company's demutualization on April 1, 2010, provision for reserve for policyholder dividends equivalent to provision for allowance for policyholder dividends (92.5 billion yen) was recorded as an extraordinary loss in the statement of earnings for the fiscal year ended March 31, 2010.

Note: Although it was a mutual company as of March 31, 2010, the Company uses the term "net income" instead of "net surplus" in this report. For details, please refer to note 1 of "1. Consolidated Financial Data for the Fiscal Year Ended March 31, 2010" on page 1.

(ii) Earnings forecasts for the fiscal year ending March 31, 2011

| | Ordinary Revenue | | Ordinary Income | | Net Income | |
|---|---|---|---|---|---|---|
| | billions of yen | % | billions of yen | % | billions of yen | % |
| Six months ending September 30, 2010 | 2,103.0 | (23.5) | 74.0 | (45.0) | 11.0 | - |
| Fiscal year ending March 31, 2011 | 4,326.0 | (18.3) | 195.0 | 3.6 | 50.0 | (10.2) |

Note % represents the change from the same period in the previous fiscal year. In the six months ending September 30, 2010, the Company will not record provision for allowance for policyholder dividends. Therefore, no information on change of net income for the six months ending September 30, 2010 from the same period in the previous fiscal year is provided.

- Although the financial and capital markets are expected to keep recovering, the Company anticipates that they will not improve as they did in the fiscal year ended March 31, 2010 and that it will take time for consumer sentiment to recover. Therefore, on the Company forecast basis, ordinary revenue, ordinary income and net income for the fiscal year ending March 31, 2011 are expected to be 4,326.0 billion yen (18.3% decrease), 195.0 billion (3.6% increase) yen and 50.0 billion yen (10.2% decrease), respectively.
- The forecasts contained in this report are made based on the recent economic environment, details of which include:

  Nikkei 225 Index ………………………… 11,000
  Yield on ten-year government bonds ……. 1.39%
  Yen/U.S.dollar …………………………..... ¥91
  Yen/euro ………………………………….. ¥122

(2) Financial Condition

(i) Condition of assets, liabilities, and net assets

- The Company's consolidated total assets as of March 31, 2010, compared to March, 31, 2009, increased by 5.5%, to 32,104.2 billion yen, mainly consisting of (a) 25,147.3 billion yen (9.4% increase) of securities, (b) 3,834.9 billion yen (9.7% decrease) of loans, 1,244.0 billion yen (0.3% increase) of tangible fixed assets and 188.2 billion yen (23.5% decrease) of cash and deposits.
- The Company's consolidated total liabilities as of March 31, 2010 increased by 4.3% to 31,140.0 billion yen, mainly consisting of 29,112.2 billion yen (4.1% increase) of policy reserves and others, compared to March, 31, 2009.
- The Company's consolidated total net assets as of March 31, 2010 increased by 66.3%, to 964.1 billion yen. Net unrealized gains on securities, net of tax, as of March 31, 2010, which are included in the Company's total net assets, amounted to 462.2 billion yen.
- 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.

(ii) Consolidated cash flows

- The Company's consolidated net cash flows provided by operating activities for the fiscal year ended March 31, 2010, compared to the prior fiscal year, increased from 784.7 billion yen to 933.2 billion yen, reflecting the increase in premium and other income.
- The Company's consolidated net cash flows used in investing activities for the fiscal year ended March 31, 2010 decreased from 973.9 billion yen to 851.4 billion yen, mainly due to a decrease in purchase of securities.
- The Company's consolidated net cash flows used in financing activities for the fiscal year ended March 31,

2010 increased by 308.2 billion yen to 117.5 billion yen, compared to the prior fiscal year. The increase was mainly attributable to a decrease in financing and an increase in redemption of foundation funds.

- As a result, the balance of cash and cash equivalents as of March 31, 2010 decreased by 35.6 billion yen to 437.3 billion yen from 472.9 billion yen as of March 31, 2009.

(Reference) Ratio of shareholders' equity to total assets and market value based ratio of shareholders' equity to total assets.

| | As of March 31, 2009 | As of March 31, 2010 |
|---|---|---|
| Ratio of Shareholders' Equity to Total Assets (*1) | 1.9% | 3.0% |
| Ratio of Shareholders' Equity to Total Assets (market value basis) (*2) | - | - |

(*1) Shareholders' equity / total assets

(*2) The Company was a mutual company as of March 31, 2010 and had not issued any common shares. Therefore, information on ratio of shareholders' equity to total Assets (market value basis) is omitted.

(iii). Basic Policy on profit distribution and dividends

Our fundamental policy is to enhance our corporate value, balancing payment of policyholder dividends to holders of participating policies and appropriate distribution of profits to shareholders with paying attention to the cost of capital, while securing retained earnings which are necessary for ensuring financial soundness for future environmental changes and our growth strategy.

We seek to realize stable returns to shareholders over the mid- to long-term, and attach importance to factors such as a dividend payout ratio. Specifically, we intend to decide a dividend level, seeking to achieve a dividend payout ratio of 20-30% based on our consolidated adjusted net income, while taking into account factors including consolidated and non-consolidated financial results, market environment and regulatory changes.

The Company intends to propose a payment of 1,000 yen per share of common stock of the Company as a year-end cash dividend for the fiscal year ended March 31, 2010, setting the record date of April 16, 2010, in accordance with the Article 2 of the Supplementary Provisions of the Articles of Incorporation. As for the fiscal year ending March 31, 2011, the Company currently expects to pay a dividend of 1,600 yen per share.

We intend to make an annual dividend payment approved by the general meeting of shareholders based on the fiscal year end, taking such factors as consolidated financial results into account, although semiannual interim dividend payment as provided in Article 454-5 of the Japanese Company Law may be made by the resolution of the Board of Directors according to the Articles of Incorporation.

Note Consolidated adjusted net income is an indicator which represents the Company's real profitability, and is calculated by adding items such as provision of contingency reserve to consolidated net income (after-tax).

(Reference) Qualitative Information of the Company and Dai-ichi Frontier

**1. The Company (Non-consolidated Basis)**

(1) Results of operations

(i) Results of operations for the fiscal year ended March 31, 2010

- The Company's non-consolidated ordinary revenues decreased by 851.2 billion yen, or 16.4%, compared to the prior fiscal year, to 4,331.5 billion yen, consisting of (1) 2,837.2 billion yen (2.3% decrease) of premium and other income, (2) 1,153.4 billion yen (2.1% decrease) of investment income, and (3) 340.8 billion yen (69.0% decrease) of other ordinary revenues.
- On the other hand, the Company's non-consolidated ordinary expenses decreased by 935.7 billion yen, or 18.4%, to 4,137.9 billion yen, consisting of (1) 2,610.5 billion yen (5.2% decrease) of benefits and claims, (2) 328.2 billion yen (1,109.6% increase) of provision for policy reserves and others, (3) 330.0 billion yen (76.7% decrease) of investment expenses, (4) 438.7 billion yen (1.2% decrease) of operating expenses, and (5) 430.3 billion yen (0.9% decrease) of other ordinary expenses.
- Consequently, the Company's non-consolidated net surplus from operations for the fiscal year ended March 31, 2010 increased by 84.4 billion yen, or 77.4%, to 193.6 billion yen, compared to the prior fiscal year.
- During the fiscal year ended March 31, 2009, we reversed some of our reserve for price fluctuations and recorded extraordinary gains to mitigate losses on valuation of securities.
- In light of the Company's demutualization on April 1, 2010, provision for reserve for policyholder dividends equivalent to provision for allowance for policyholder dividends (92.5 billion yen) was recorded as an extraordinary loss in the statement of earnings for the fiscal year ended March 31, 2010.
- The Company's fundamental profit, an indicator of profitability from the core life insurance business, for the fiscal year ended March 31, 2010 decreased by 30.6 billion yen, or 8.5%, to 330.1 billion yen due mainly to (a) a decline in interest and dividend income as a result of deterioration of the financial markets and (b) reduction in net revenue of life insurance business as a result of a decline in sum insured.

Note: Although it was a mutual company as of March 31, 2010, the Company uses the term "net income" instead of "net surplus" in this report. For details, please refer to note 1 of "1. Consolidated Financial Data for the Fiscal Year Ended March 31, 2010" on page 1.

(ii) Earnings forecasts for the fiscal year ending March 31, 2011

| | Ordinary Revenue | | Ordinary Income | | Net Income | |
|---|---|---|---|---|---|---|
| | billions of yen | % | billions of yen | % | billions of yen | % |
| Six months ending September 30, 2010 | 1,931.0 | (9.9) | 81.0 | (40.4) | 17.0 | - |
| Fiscal year ending March 31, 2011 | 3,972.0 | (8.3) | 209.0 | 7.9 | 62.0 | 2.0 |

Note % represents the change from the same period in the previous fiscal year. In the six months ending September 30, 2010, the Company will not record provision for allowance for policyholder dividends. Therefore, no information on change of net income for the six months ending September 30, 2010 from the same period in the previous fiscal year is provided.

Although the financial and capital markets are expected to keep recovering, the Company anticipates that they will not improve as they did in the fiscal year ended March31, 2010 and that it will take time for consumer sentiment to recover. Therefore, on the Company forecast basis, ordinary revenue, ordinary income and net income for the fiscal year ending March 31, 2011 are expected to be 3,972.0 billion yen (8.3% decrease), 209.0 billion (7.9% increase) yen and 62.0 billion yen (2.0% decrease), respectively.

This forecast are made based on the recent economic environment, details of which is same as "(ii)

Earnings forecasts for the fiscal year ending March 31, 2011” on page 4.

(2) Financial condition

- The Company’s non-consolidated total assets as of March 31, 2010, compared to March, 31, 2009, increased by 2.7% to 30,822.4 billion yen, mainly consisting of (a) 23,987.9 billion yen (5.8% increase) of securities, (b) 3,834.3 billion yen (9.7% decrease) of loans, 1,243.6 billion yen (0.3% increase) of tangible fixed assets, and 168.8 billion yen of cash and deposits (24.1% decrease).
- The Company’s non-consolidated total liabilities as of March 31, 2010 increased by 1.4%, to 29,822.1 billion yen, mainly consisting of 27,803.7 billion yen (1.0% increase) of policy reserves.
- The Company’s non-consolidated total net assets as of March 31, 2010 increased by 61.4%, to 1,000.3 billion yen. Net unrealized gains on securities, net of tax, as of March 31, 2010, which is included in total net assets, amounted to 461.1 billion yen.
- The Company’s solvency margin ratio, an indicator of the margin of solvency regarding insurance claim payments, increased by 185.4 points to 953.5% as of March 31, 2010.

(3) Sales results

- Reflecting declining customer needs for death benefit products as a result of the aging society, low birth rate and changing lifestyles in Japan, the Company’s sum insured from new business of individual insurance and annuities for the fiscal year ended March 31, 2010 decreased by 334.1 billion yen, or 4.7%, compared to the prior fiscal year, to 6,835.8 billion yen. On the other hand, as a result of campaign to visit all policyholders in line with demutualization of the Company, decreases due to maturity, lapse and surrender of policies improved compared to the prior fiscal year. Consequently, its sum insured of policies in force as of March 31, 2010 decreased by 8,276.0 billion yen, or 5.0%, to 157,771.8 billion yen, compared to March 31, 2009.
- Annualized net premiums (ANP) from the Company’s new business for the fiscal year ended March 31, 2010 decreased by 0.8 billion yen, or 0.7%, compared to the prior fiscal year, to 119.6 billion yen due mainly to a decline in sales of death protection products. ANP from the Company’s policies in force as of March 31, 2010, compared to March 31, 2009, decreased by 31.9 billion yen, or 1.6%, to 2,020.4 billion yen due mainly to the decrease in ANP from the Company’s new business. ANP from the Company’s third sector policies in force, such as medical, survivor benefits, and others for the fiscal year ended March 31, 2010, compared to the prior fiscal year, increased by 0.4% to 494.8 billion yen.
- Sum insured of the Company’s group insurance policies in force as of March 31, 2010 decreased by 718.3 billion yen, or 1.3%, to 54,051.1 billion yen, compared to that of March 31, 2009 due mainly to a decrease in sum insured of the Company’s group credit life insurance. Sum insured of the Company’s group annuity policies in force as of March 31, 2010 increased by 51.6 billion yen, or 0.8%, to 6,192.2 billion yen, compared to March 31, 2009, due mainly to an increase in assets in its separate account.

**2. Dai-ichi Frontier**

(1) Results of operations

(i) Results of operations for the fiscal year ended March 31, 2010

- Dai-ichi Frontier’s ordinary revenues for the fiscal year ended March 31, 2010 increased by 574.1 billion yen, or 148.3%, compared to the prior fiscal year, to 961.3 billion yen, consisting of (1) 863.2 billion yen (123.5% increase) of premium and other income and (2) 97.9 billion yen (12,765.4% increase) of investment income.
- The increase in premium and other income was mainly because (a) the number of agencies of Dai-ichi

Frontier increased, (b) Dai-ichi Frontier introduced new products and (c) several life insurers exited from the individual variable annuity market, which provided Dai-ichi Frontier with survivor's benefit. The increase in investment income was mainly attributable to an increase in gains on investment in separate accounts as a result of improved conditions in the financial markets.

- On the other hand, Dai-ichi Frontier's ordinary expenses, compared to the prior fiscal year, increased by 536.3 billion yen, or 123.8%, to 969.6 billion yen, consisting of (1) 45.5 billion yen (381.9% increase) of benefits and claims, (2) 864.0 billion yen (148.7% increase) of provision for policy reserves and others, (3) 16.2 billion yen (67.7% decrease) of investment expenses, (4) 38.6 billion yen (69.5% increase) of operating expenses, and (5) 5.0 billion yen (60.7% increase) of other ordinary expenses.
- The increase in benefits and claims, operating expenses (mainly commission to sales agencies), and provision for policy reserves and others was attributable to steady growth in sales of annuities by Dai-ichi Frontier.
- Consequently, Dai-ichi Frontier's ordinary loss for the fiscal year ended March 31, 2010 decreased by 37.7 billion yen to 8.3 billion yen, compared to the prior fiscal year. Moreover, its net loss for the fiscal year ended March 31, 2010 decreased by 37.7 billion yen to 8.3 billion yen.
- Dai-ichi Frontier's fundamental profit, an indicator of profitability from the core life insurance business, for the fiscal year ended March 31, 2010 increased by 90.4 billion yen to 47.7 billion yen.

(ii) Earnings forecasts for the fiscal year ending March 31, 2011

| | Ordinary Revenue | | Ordinary Income (loss) | | Net Income (loss) | |
|---|---|---|---|---|---|---|
| | Billions of yen | % | Billions of yen | % | billions of yen | % |
| Six months ending September 30, 2010 | 170.0 | (72.0) | (8.0) | - | (8.0) | - |
| Fiscal year ending March 31, 2011 | 350.0 | (63.6) | (16.0) | - | (16.0) | - |

- The survivor's benefit is expected to be reduced for some reasons, which is likely to decrease premium income of the Dai-ichi Frontier.. Moreover, recovery of the financial market is forecasted to be rather moderate and, thus, investment income of Dai-ichi Frontier is expected to decrease compared to the prior fiscal year. As a result, ordinary revenue of Dai-ichi Frontier is forecasted to decrease by 63.6% to 350.0 billion yen, compared to the prior fiscal year.
- In addition, as Dai-ichi Frontier has operated for only a few years, fixed expenses to maintain the business are expected to be greater than net income from new business. As a result, its ordinary loss and net loss for the fiscal year ending March 31, 2011 are expected to be 16.0 billion yen and 16.0 billion yen, respectively.
- This forecast are made based on the recent economic environment, details of which is same as "(ii) Earnings forecasts for the fiscal year ending March 31, 2011" on page 4.

(2) Financial condition

- Dai-ichi Frontier's total assets as of March 31, 2010, compared to March, 31, 2009, increased by 155.8% to 1,423.1 billion yen, mainly consisting of (a) 1,313.5 billion yen (177.0% increase) of securities and (b) 9.7 billion yen (30.3% increase) of cash and deposits.
- Dai-ichi Frontier's total liabilities as of March 31, 2010, compared to March, 31, 2009, increased by 189.2%, to 1,305.7 billion yen, mainly consisting of 1,300.2 billion yen (198.1% increase) of policy reserves.
- Dai-ichi Frontier's total net assets as of March 31, 2010, compared to March, 31, 2009, increased by 11.9% to 117.4 billion yen.
- Dai-ichi Frontier's solvency margin ratio, an indicator of the margin of solvency regarding insurance claim

payments, decreased by 298.8 points to 1,187.3% as of March 31, 2010, compared to March, 31, 2009.

(3) Sales results

- Owing to steady growth in sales of its annuities, Dai-ichi Frontier's sum insured of new business for the fiscal year ended March 31, 2010 increased by 440.1 billion yen, or 119.8%, to 807.4 billion yen, compared to the prior fiscal year. Consequently, its sum insured of policies in force as of March 31, 2010 increased by 828.2 billion yen, or 183.0%, to 1,280.9 billion yen, compared to March 31, 2009.

  Dai-ichi Frontier's ANP from new business for the fiscal year ended March 31, 2010 increased by 49.8 billion yen, or 138.2%, to 85.9 billion yen, compared to the prior fiscal year. Its ANP from policies in force as of March 31, 2010, compared to March 31, 2009, increased by 84.1 billion yen, or 190.0%, to 128.4 billion yen.

## 2. Information on the Dai-ichi Group

The Dai-Ichi Group of companies comprises the Company, 15 subsidiaries (of which 3 are consolidated), and 37 affiliates (of which 30 are accounted for under the equity method), each conducting life insurance or life insurance ancillary or related business, as of March 31, 2010. The subsidiaries and affiliates are characterized as follows:

- Life Insurance and Related Business:

Companies under the Life Insurance and Related Business group conduct mainly life insurance business (such as Dai-ichi Frontier Life Insurance Co., Ltd.) or related businesses such as corporate pension services (such as Corporate-pension Business Services Co., Ltd.).

- Asset Management Business:

Ancillary to our life insurance business, DIAM Co., Ltd. provides investment advisory services and investment trust management services to domestic and overseas third-party customers. NEOSTELLA Capital Co., Ltd. conducts venture capital investments. Trust & Custody Services Bank, Ltd. offers trust and defined contribution pension services.

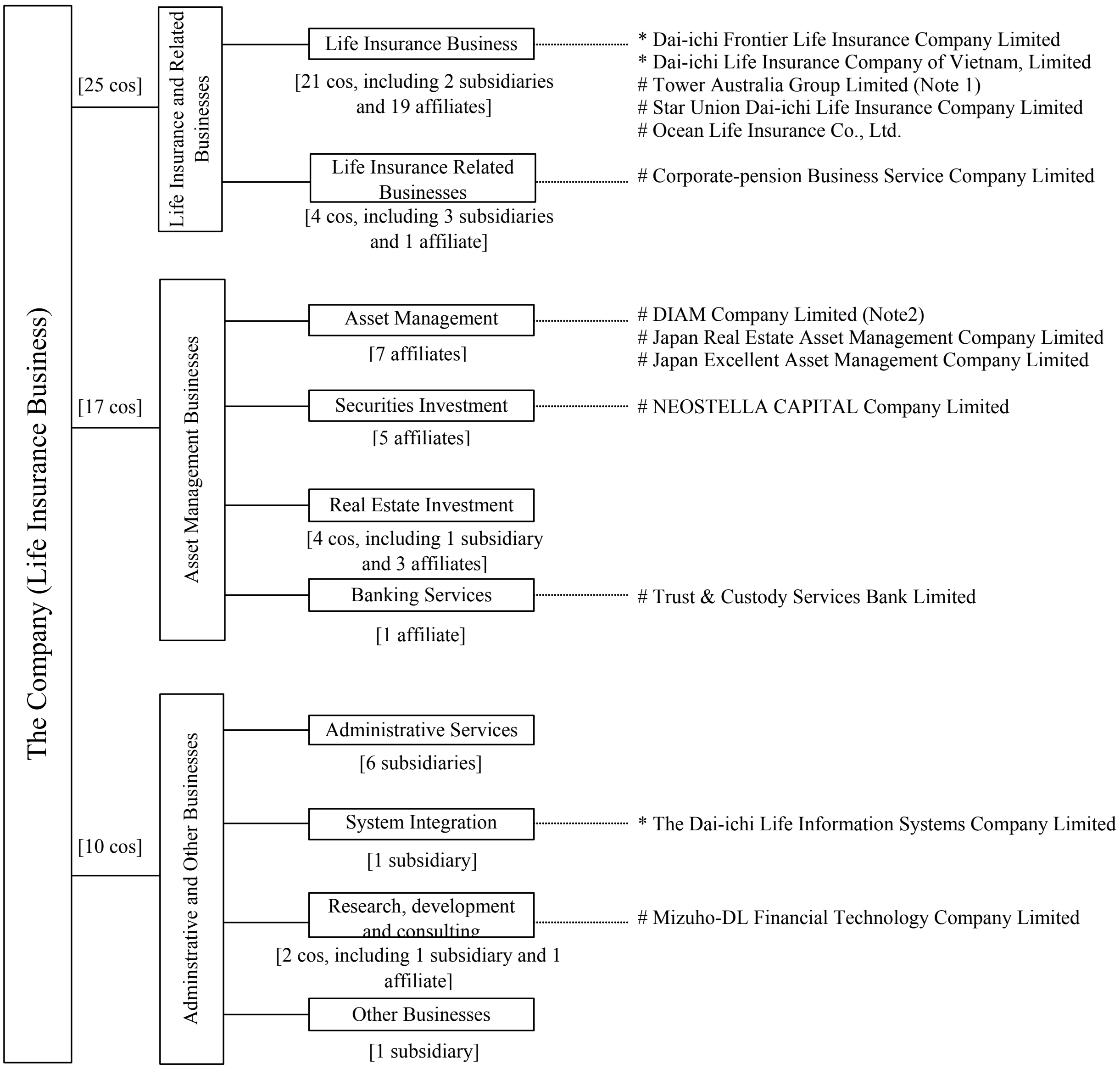
- Administrative and Other Businesses:

The Company spun off its administrative and information technology services function as independent companies. These companies accumulate administrative know-how and systems integration technologies and the Group companies outsource administration and information technology services to these companies such as Dai-ichi Life Information Systems Co., Ltd.

The following chart in the next page represents the overall organization of the Group's main related companies.

[Organization Chart of the Group's main related companies]

Outlined below is the list of subsidiaries and affiliates as of March 31, 2010. Companies marked "*" are the Company's consolidated subsidiaries and companies marked with "#" are the company's affiliates accounted under the equity method.




(Note 1) Tower Australia Group Limited is a holding company which holds 16 consolidated subsidiaries and affiliates which in turn are affiliates accounted for under the equity method
These subsidiaries and affiliates are grouped into Life Insurance and Related Business Group.

(Note 2) DIAM Company Limited holds four asset management and investment advisory subsidiaries outside Japan which are affiliates accounted for under the equity method of the Company.

2. Management Policy

(1) Our principle management policy

Since its foundation, the company has maintained the management philosophy of “Policyholder First.” We continue to abide by this philosophy and continue being our policyholders’ life-time partner. Our basic management policy obviously reflects the philosophy.

The Dai-ichi Group of companies has positioned its demutualization and public listing as its "Second Foundation." As a symbolic first step of the second foundation, we have promulgated our group vision that reads “Thinking People First.” “Thinking People First” enhances the management philosophy and dictates to us that we sincerely think of our policyholders, shareholders, employees, and all the stakeholder of the company. By pursuing the management philosophy and the group vision, and by continuing to offer the best products and services based on our “Declaration of Quality Assurance,” we will strive to become the most trusted life insurance company.

- Our Management Philosophy:

  “Policyholder First”

- Our Basic Management Policy:

Maximizing policyholders’ satisfaction,
Pursuing a sustainable growth in shareholder value,
Being a trusted company, and
Contributiing to our employees and society

- Our Group Vision:

“Thinking People first”

- Our “Declaration of Quality Assurance”

We will maintain the management philosophy of “Policyholder First,” which has been our philosophy since the company was founded in 1902,
We will maintain and strengthen our financial soundness that assures long term underwriting business,
We will maintain strict quality control of our products and services,
At any time from the signing of the contract, throughout the policy term, until making payment, we will explain any thing customers want to or should know with plain language,
We will make sure that our payments of claims and benefits are always accurate and fair,
We will listen to all the stakeholders and will actively reflect policyholders’ viewpoint,
We will continue to improve our business process by listening sincerely to opinions and comments raised to us, and,
We will be ready to make relevant information available to the public to become trusted, well supported company.

(2) Management goals

The Company focuses on the sustainable growth in shareholder value through the maintenance of “Declaration of Quality Assurance” and improvement of operating productivity. The management believes its goal is to enhance embedded value (Note), an alternative method of measuring the corporate value and profitability of a life insurance company.

(Note) EV (Embedded Value) is the sum of "adjusted net worth", which is calculated by making necessary adjustments to total net assets on the balance sheet, and "value of in-force business", which is calculated as present value of future after-tax profits on in-force business less present value of cost of capital. EV is one of the indicators that represents corporate value for shareholders.

Under current statutory accounting practices applicable to life insurance companies in Japan, there is a time lag between the sale of policies and recognition of profits. The use of EV allows the contribution of future profit from new business to be recognized at the time of sale. We believe it therefore serves as a valuable supplement to statutory financial information.

(3) The mid-term business plan

The year ending March 31, 2011 is an important year since it is the last fiscal year under our mid-term business plan “Value up 2010” and at the same time it is the first “Second Foundation” year after the demutualization. We will focus on following strategies:

(i) Building a base for sustainable growth through quality assurance and productivity gains:

The sale of life insurance policies through our sales representatives continues to be our core business. We have been successful in improving our sales representatives’ quality and productivity. We will further strengthen our sales franchise and introduce more attractive medical / living benefits policies and individual annuity products. At the same time, we will improve the expense ratio by establishing competitive a cost structure. In the overseas business, we will aggressively expand our presence in Asian economies where life insurance needs are growing. We believe these initiatives will contribute to a sustainable growth in shareholder value.

(ii) Securing financial soundness and improving capital efficiency:

The Company will further promote ALM and risk asset control so as to enhance our ability to face a changing economic environment. We continue to enhance our capital and improve our capital efficiency so that we can enhance embedded value as an indicator of shareholder value.

(iii). Establishing strict internal controls as a public company:

The Company will establish group-wide internal controls that meet the standard for listed companies. The Company will maintain timely and fair disclosure. The Company will adopt international accounting standards. The Company will introduce strict compliance and risk management policies.

(iv). Strengthening human resources:

The Company believes that our employees are the source of our competitiveness and thus the most valuable assets of the company. We will introduce measures that enhance each employee’s value.

(4) The challenges we face

The Japanese economy is on track for a recovery from the financial crisis in 2008. However, the recovery has made a limited impact on household income as wages are squeezed and unemployment remains high. That translates into a tough business environment for the life insurance industry; the Company will further enhance risk management and improve our financial soundness.

The Company continues to improve our business process of executing payment of claims and benefits. The Company is improving our business process at every stage from signing and maintenance of the contracts with full awareness of our policyholders' viewpoints.

On April 1, 2010 the Company successfully went through demutualization and listed our shares. Under the new group vision of "Thinking People First," all of us at Dai-ichi Life aim to create the company that offers "the highest quality", "the highest productivity" and "the highest growth potential" with "the most energetic employees." With that, our mid-term business plan "Value up 2010" should conclude successfully and we would be able to enhance shareholders' value.

# 4. Consolidated Financial Statements

## (1) 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 |

(millions of yen)

| | 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 |
| Reserves under the special laws | 101,478 | 115,528 |
| 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 |

(2) Consolidated Statements of Earnings

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| | | (millions of yen) |
| 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 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| 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 |

(3) 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 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| 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 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| 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 |

(4) 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 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| 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 |

● Notes on going-concern assumptions

Not applicable

## BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 1. Scope of Consolidation

(1) Number of consolidated subsidiaries in the fiscal year ended March 31, 2009: 3
The Dai-ichi Life Information Systems Co., Ltd.
Dai-ichi Frontier Life Insurance Co., Ltd. (“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

Overview of special purpose entities of the Company (SPEs) and transactions with such SPEs are explained in “(Special Purpose Entities)” on page 63 of this report.

### 2. Application of the Equity Method

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

(2) Number of affiliated companies accounted for under the equity method for the fiscal year ended March 31, 2009: 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) Names of primary non-consolidated subsidiaries and affiliates

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. Accounting Policies

(1) Valuation method of significant assets

(i) 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:

a. Trading Securities

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

b. Held-to-maturity Securities

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

c. 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.

d. 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.

e. Available-for-sale Securities

(a) 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.

(b) Available-for-sale Securities Whose Market Prices Are Deem Extremely Difficult to Obtain

▪ 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.

▪ 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.

(ii) Derivative transactions

Derivative transactions are reported at fair value.

(2) Depreciation of depreciable assets

(i) Depreciation of tangible fixed assets excluding leased assets

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

a. 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.

b. 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.

(ii) 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.

(iii) 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.

Finance leases, which commenced before April 1, 2008, are accounted for in the same manner applicable to ordinary operating leases.

(3) Reserves and allowances

(i) 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.

(ii) 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.

(iii) 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.

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

(Changes in Accounting Policies)

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.

(iv) 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.

(v) 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.

(vi) 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.

(4) 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.

(5) 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.

(6) Hedge Accounting

(i) 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.

(ii) 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 |

(iii) 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

(iv) 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.

(7) Other significant criteria

(i) 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.

(ii) 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:

a. 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).
b. 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.

## 5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

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

## 6. Amortization of Goodwill and Negative Goodwill on Consolidation

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

## 7. 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### (Notes to Consolidated Balance Sheets)

**1. 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.

**2. 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.

**3. 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.

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.

**4. 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 |

### 5. 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.

### 6. Commitment Line

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

### 7. 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.

### 8. Accumulated Depreciation of Tangible Fixed Assets

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

### 9. 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.

### 10. 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.

## 11. 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 |

## 12. 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.

## 13. 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.

## 14. 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.

## 15. 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.

## 16. 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.

## 17. 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.

## (Notes to Statements of Earnings)

### 1. Operating Expenses

Details of operating expenses for the year ended March 31, 2010 were as follows:

| | (millions of yen) |
|---|---|
| Sales activity expenses | 198,910 |
| Sales management expenses | 73,020 |
| General management expenses | 203,905 |

### 2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the year ended March 31, 2010 were as follows:

| | (millions of yen) |
|---|---|
| Land | 134 |
| Buildings | 25 |
| Other tangible assets | 6 |
| Other intangible assets | 0 |
| Total | 166 |

### 3. Losses on Disposal of Fixed Assets

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

| | (millions of yen) |
|---|---|
| Land | 102 |
| Buildings | 1,003 |
| Leased assets | 21 |
| Other tangible assets | 103 |
| Software | 150 |
| Other intangible assets | 266 |
| Other assets | 209 |
| Total | 1,857 |

### 4. 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.

## (Notes to Consolidated Statements of Changes 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.

## (Notes to Consolidated Statements of Cash Flows)

**1. 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 |

## (Segment Information)

### 1. Business Segment Information

**(For the fiscal years ended March 31, 2009 and March 31, 2010)**

Although the Group also operates businesses other than the life insurance business, such as computer system and software development, the life insurance business accounts for more than 90% of the total ordinary revenues and net surplus from operations for all segments of the Group. Therefore business segment information has been omitted.

### 2. Geographic Segment Information

**(For the fiscal years ended March 31, 2009 and March 31, 2010)**

Geographic segment information has been omitted as more than 90% of both the Group's total ordinary revenues and net surplus from operations are attributable to its business units in Japan.

### 3. Overseas Sales

**(For the fiscal years ended March 31, 2009 and March 31, 2010)**

Disclosure on overseas sales (revenues) information has been omitted because the Group's ordinary revenues generated overseas account for less than 10% of the total consolidated ordinary revenues.

## (Deferred Tax Accounting)

### 1. Major components of deferred tax assets and liabilities

(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 | ¥ 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) Major components of deferred tax assets and liabilities as of March 31, 2009

| | (millions of yen) |
|---|---|
| Deferred tax assets: | |
| Insurance policy reserve | |
| Insurance policy reserve | ¥ 317,563 |
| Reserve for employees' retirement benefits | 177,561 |
| Reserve for price fluctuations | 84,445 |
| Tax Losses Carried Forward | 68,895 |
| Losses on valuation of securities | 36,613 |
| Others | 53,184 |
| Subtotal | 738,263 |
| Valuation allowances | (68,557) |
| Total | ¥ 669,706 |
| Deferred tax liabilities: | |
| Net unrealized gains on securities, net of tax | (10,248) |
| Reserve for tax basis adjustments of real estate | (9,233) |
| Dividend receivables from stocks | (5,348) |
| Others | (2,478) |
| Total | (27,308) |
| Net deferred tax assets | ¥ 642,397 |

## 2. The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes

(1) Major components of deferred tax assets and liabilities 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 % |

(2) Major components of deferred tax assets and liabilities as of March 31, 2009

| | |
|---|---|
| Statutory tax rate | 36.08 % |
| (Adjustments) | |
| Decrease in valuation allowances | 26.63 % |
| Reserve for policyholder dividends | (13.48)% |
| Others | 2.21 % |
| Actual effective tax rate after considering deferred taxes | 51.44 % |

## (Financial instruments)

### 1. Financial Instruments

**(For the fiscal year ended March 31, 2010)**

(1) 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.

(2) 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.

(3) 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.

a. 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.

b. 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.

c. 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.

d. 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.

(4) 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.

(*) For details on derivative transactions of money held in trust, please refer to (Derivative Transaction) on page 51 of this report

(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**

For details on derivative transactions of money held in trust, please refer to (Derivative Transaction) on page 51 of this report

(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.

## (Securities)

**(For the fiscal year ended March 31, 2009)**

**1. Trading Securities:**

(millions of yen)

| | |
|---|---|
| Carrying amount on the consolidated balance sheets . . . | 1,508,659 |
| Gains (losses) on valuation of trading securities . . . . . . | (268,677) |

Note 1. The balance and gains (losses) on valuation of trading securities in the table above include those of trading account securities, whose balances as of March 31, 2008 and March 31, 2009 were ¥46,663 million and ¥52,597 million (US$535 million), respectively.

**2. Held-to-maturity Securities 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 | 80,095 | 81,529 | 1,443 |
| 1. Government bonds | 80,095 | 81,529 | 1,443 |
| 2. Local Government bonds | - | - | - |
| 3. Corporate bonds | - | - | - |
| (2) Foreign securities | 49,765 | 54,174 | 4,408 |
| 1. Foreign bonds | 49,765 | 54,174 | 4,408 |
| Subtotal | 129,861 | 135,703 | 5,842 |
| Held-to-maturity bonds with unrealized losses: | | | |
| (1) Bonds | 43,601 | 42,238 | (1,362) |
| 1. Government bonds | 43,601 | 42,238 | (1,362) |
| 2. Local Government bonds | - | - | - |
| 3. Corporate bonds | - | - | - |
| (2) Foreign securities | - | - | - |
| 1. Foreign bonds | - | - | - |
| Subtotal | 43,601 | 42,238 | (1,362) |
| Total | 173,462 | 177,941 | 4,479 |

## 3. 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 | 4,778,820 | 5,012,503 | 233,682 |
| 1. Government bonds | 4,371,115 | 4,589,078 | 217,963 |
| 2. Local Government bond | 165,723 | 171,751 | 6,028 |
| 3. Corporate bonds | 241,982 | 251,672 | 9,690 |
| (2) Foreign securities | - | - | - |
| 1. Foreign bonds | - | - | - |
| Subtotal | 4,778,820 | 5,012,503 | 233,682 |
| Policy-reserve-matching bonds with unrealized losses: | | | |
| (1) Bonds | 382,864 | 378,948 | (3,915) |
| 1. Government bonds | 378,772 | 374,882 | (3,889) |
| 2. Local Government bonds | - | - | - |
| 3. Corporate bonds | 4,091 | 4,065 | (26) |
| (2) Foreign securities | - | - | - |
| 1. Foreign bonds | - | - | - |
| Subtotal | 382,864 | 378,948 | (3,915) |
| Total | 5,161,684 | 5,391,451 | 229,767 |

## 4. 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 | 5,212,987 | 5,409,524 | 196,537 |
| 1. Government bonds | 3,351,464 | 3,478,380 | 126,915 |
| 2. Local Government bonds | 163,894 | 167,731 | 3,837 |
| 3. Corporate bonds | 1,697,628 | 1,763,413 | 65,784 |
| (2) Domestic stocks | 860,137 | 1,137,618 | 277,480 |
| (3) Foreign securities | 2,527,739 | 2,624,690 | 96,950 |
| 1. Foreign bonds | 2,506,185 | 2,592,356 | 86,171 |
| 2. Other foreign securities | 21,554 | 32,333 | 10,779 |
| (4) Other securities | 11,701 | 12,994 | 1,293 |
| Subtotal | 8,612,565 | 9,184,827 | 572,262 |
| Available for sale securities with losses: | | | |
| (1) Bonds | 2,042,649 | 2,020,695 | (21,954) |
| 1. Government bonds | 1,587,164 | 1,577,545 | (9,619) |
| 2. Local Government bonds | 5,458 | 5,433 | (25) |
| 3. Corporate bonds | 450,026 | 437,716 | (12,310) |
| (2) Domestic stocks | 1,746,336 | 1,372,062 | (374,274) |
| (3) Foreign securities | 2,417,031 | 2,181,841 | (235,190) |
| 1. Foreign bonds | 1,960,581 | 1,818,807 | (141,774) |
| 2. Other foreign securities | 456,450 | 363,034 | (93,416) |
| (4) Other securities | 213,833 | 199,063 | (14,770) |
| Subtotal | 6,419,852 | 5,773,662 | (646,189) |
| Total | 15,032,418 | 14,958,490 | (73,927) |

Notes 1. Figures in the chart above include (1) certificates of deposit and (2) commercial paper, 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 certificates of deposits were ¥90,000 million and ¥90,000 million, respectively, as of March 31, 2009. The aggregate purchase cost

and carrying amount of such commercial paper were ¥19,999 million and ¥19,999 million, respectively, as of March 31, 2009.

2. The Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with market values (1) when the market value of such securities declines by 50%, or more, of its purchase cost or (2) when the market value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost.

## 5. Held-to-maturity Securities Sold:

The Company and its consolidated subsidiaries sold no held-to-maturity securities during the fiscal years ended March 31, 2010.

## 6. Policy-reserve-matching Bonds Sold:

| | (millions of yen) |
|---|---|
| Amount of policy-reserve-matching bonds sold . . . . . . . | 1,587,774 |
| Gains on sales of policy-reserve-matching bonds . . . . . | 46,014 |
| Losses on sales of policy-reserve-matching bonds . . . . . | 1,501 |

## 7. Available-for-sale Securities Sold:

| | (millions of yen) |
|---|---|
| Amount of available-for-sale securities sold | 11,435,435 |
| Gains on sales of available-for-sale securities | 336,841 |
| Losses on sales of available-for-sale securities | 503,342 |

## 8. Carrying Value of Securities not Recorded at Market Value:

| | (millions of yen) |
|---|---|
| Available-for-sale securities not recorded at market value: | 1,561,471 |
| 1. Unlisted domestic stocks . . . . . . . . . . . . . . . . . . . . . . . . | 165,230 |
| 2. Unlisted foreign stocks . . . . . . . . . . . . . . . . . . . . . . . . . | 4,781 |
| 3. Other foreign securities . . . . . . . . . . . . . . . . . . . . . . . . | 1,020,380 |
| 4. Other securities . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 371,077 |
| Total | 1,561,471 |

Note 1. Item “4. Other securities” above includes trust beneficiary rights, which are presented as monetary claims bought on the consolidated balance sheets. The balance of such beneficiary rights as of March 31, 2009 was ¥261,371 million.

## 9. Scheduled Redemptions of Available-for-sale Securities, Held-to-maturity Bonds, and Policy-reserve matching Bonds 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) |
|---|---|---|---|---|
| (1) Bonds | 501,081 | 2,258,693 | 3,094,648 | 6,832,113 |
| 1. National government bonds | 328,371 | 1,300,883 | 1,751,662 | 6,548,592 |
| 2. Local government bonds | 23,592 | 133,799 | 150,430 | 31,065 |
| 3. Corporate bonds | 149,117 | 824,010 | 1,192,556 | 252,455 |
| (2) Foreign securities | 135,985 | 1,600,300 | 1,028,059 | 1,585,531 |
| 1. Foreign bonds | 135,985 | 1,600,300 | 1,028,059 | 1,585,531 |
| 2. Other foreign securities | - | - | - | - |
| (3) Other securities | 115,911 | 70,074 | 13,823 | 274,260 |
| Total | 752,978 | 3,929,069 | 4,136,531 | 8,691,906 |

Note . Item “(3) Other securities” in the tables above includes (1) certificates of deposit, (2) trust beneficiary rights, and (3) commercial papers, which were recorded as cash and deposits, monetary claims bought, and monetary claims bought, respectively on the consolidated balance sheets. The carrying values of such certificates of deposits, trust beneficiary rights, and commercial paper were ¥90,000 million, ¥261,371 million, and ¥19,999 million, respectively, as of March 31, 2009.

**(For the fiscal year ended March 31, 2010)**

**1. Trading Securities**

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

**2. Held-to-maturity bonds**

| | 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 |

3. **Policy-reserve-matching bonds**

| | 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 |

4. **Available-for-sale securities**

| | 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 |

5. **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.

## 6. 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 |

## 7. 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 |

## 8. 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.

## (Money held in trust)

### (For the fiscal year ended March 31, 2010)

**1. Money Held in Trust for Trading:**

| | (millions of yen) |
|---|---|
| Carrying amount on the consolidated balance sheets | 30,427 |
| Gains (losses) on valuation of money held in trust | (1,125) |

**2. Money Held in Trust for Held to Maturity, Policy-reserve-matching, and Available for Sale**

| | Carrying amount (millions of yen) | Market value (millions of yen) | Gains / Losses (millions of yen) |
|---|---|---|---|
| Held to maturity | - | - | - |
| Policy-reserve-matching | - | - | - |
| Available for sale | 1,176 | 1,176 | - |

Note 1. Trusts in which bank deposits are held are reported as “Trust available for sale”.

### (For the fiscal year ended March 31, 2010)

**1. 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) |

## (Derivative Transactions)
### (For the fiscal year ended March 31, 2009)

**1. Status on Derivative Transactions**

(1) Types of transaction

- Interest-related: interest rate futures, interest rate swaps
- Currency-related: currency forward contracts, currency options
- Stock-related: stock index futures, stock index options
- Bond-related: bond futures, bond future options, bond options, bond forward contracts
- Others: credit default swaps

**(2) Transaction policy**

The Company's purpose of using derivatives is primarily limited to hedging market risks associated with its existing asset portfolio.

The Company applied hedge accounting for the following derivative transactions for the two years ended March 31, 2009:

- Interest rate swap transactions used for hedging loans as well as debt payables as underlying assets
- Foreign currency forward contracts and currency options used for hedging foreign currency-denominated bonds as underlying assets
- Foreign currency forward contracts and currency options used for hedging foreign currency-denominated term deposits as underlying assets

In applying hedge accounting, The Company has established investment policy and procedure guidelines. In line with the policy and procedure guidelines, the Company clarifies the risk of underlying assets to be hedged and derivative instruments to be used, and manages derivative transactions by measures including pre- and post-effectiveness tests of the transactions.

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

In order to reduce the risk associated with guaranteed minimum maturity benefits attached to variable annuities, the Dai-ichi Frontier Life Insurance Co., Ltd. ("DFLI"), since the year ended March 31, 2009, has been utilizing derivatives included in its money held in trust. DFLI does not apply derivative accounting to such derivative transactions included in its money held in trust.

**(3) Risks associated with derivative transactions**

Like investments in real assets, the derivatives that the Group utilizes involve (i) market risks (i.e. the risk that fluctuations in interest rates and/or currency exchange rates may impacts the Group's profitability) and (ii) credit risks (i.e. the risks that the Company's business partners or contractual counterparties may default on contractual obligations due to bankruptcy of such partners or counterparties).

**(4) Risk management**

The Company strictly manages derivative transactions by establishing position limits, evaluating daily profit and loss along with the underlying assets, and periodic measurement of tracking errors and VaR (value-at-risk).

Credit risk for over-the-counter derivative transactions is also managed by establishing transaction limits for each counterparty.

Overall investment risks, including those of derivatives, are managed under the internal risk management policy in which detailed management measures are clarified. The "Risk Management Department", the specialist team in risk management, thoroughly watches and controls overall derivative risk profile, while each execution department manages risk at an operations level. The Risk Management Department regularly reports to the "ALM Committee".

DFLI has managed its money held in trust 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 and periodically reports the status of such management to the "Internal Control Committee".

**(5) Supplementary information on items including market values of derivative transactions**

(i) Since the Company uses derivatives primarily to hedge the market risks of its existing asset portfolio, information on derivative transactions, including notional amount and gains and losses, is more easily understood by taking into account information on the underlying assets that are hedged.

(ii) Gains and losses on derivatives (both hedge accounting applied and not applied) as of March 31, 2009 were as follows:

(millions of yen)

| | Currency-related | Interest-related | Stock-related | Bond-related | Others | Total |
|---|---|---|---|---|---|---|
| Hedge accounting applied | (190,886) | 1,459 | - | - | - | (189,427) |
| Hedge accounting not applied | (11,211) | 18 | (4,014) | 192 | - | (15,014) |
| Total | (202,097) | 1,477 | (4,014) | 192 | - | (204,441) |

## 2. Fair Value Information and Other Information on Derivative Transactions:

Contract values, fair values, and gains (losses) on derivative transactions are as follows:

**(1) Currency-related transactions**

| | As of March 31, 2009 | | |
|---|---|---|---|
| | **Notional amount/ contract value** | **Fair value** | **Gains (losses)** |
| | | **(millions of yen)** | |
| Over-the-counter transactions: | | | |
| Foreign currency forward contracts: | | | |
| Sold: | | | |
| U.S. dollar | ¥1,466,054 | ¥1,562,594 | ¥(96,540) |
| Euro | 826,031 | 913,748 | (87,716) |
| British pound | 135,071 | 144,982 | (9,911) |
| Canadian dollar | 21,101 | 22,464 | (1,363) |
| Australian dollar | 19,108 | 22,624 | (3,515) |
| Swedish krona | 9,467 | 10,548 | (1,081) |
| Danish krone | 7,019 | 7,782 | (762) |
| Norwegian krone | 2,863 | 3,342 | (479) |
| Swiss franc | 185 | 188 | (2) |
| Hong Kong dollar | 44 | 44 | (0) |
| Singapore dollar | 7 | 7 | (0) |
| Polish zloty | 5 | 6 | (0) |
| Total Sold | ¥ 2,486,960 | ¥ 2,688,334 | ¥ (201,373) |
| Bought: | | | |
| U.S. dollar | ¥54,960 | ¥56,496 | ¥1,535 |
| Euro | 51,563 | 54,848 | 3,284 |
| British pound | 8,191 | 8,747 | 556 |
| Polish zloty | 1,137 | 1,225 | 88 |
| Swiss franc | 1,082 | 1,130 | 48 |
| Singapore dollar | 640 | 662 | 21 |
| Norwegian krone | 448 | 477 | 28 |

| | | | |
|---|---|---|---|
| Australian dollar | 382 | 418 | 36 |
| Canadian dollar | 292 | 298 | 6 |
| Swedish krona | 260 | 282 | 21 |
| Hong Kong dollar | 192 | 193 | 1 |
| Danish krone | 70 | 78 | 8 |
| Indian rupee | 11 | 11 | 0 |
| Chinese yuan | - | - | - |
| Total Bought | ¥119,235 | ¥124,871 | ¥5,636 |
| Currency options: | | | |
| Bought: | | | |
| Put | ¥ 162,909 [6,510] | ¥ 150 | ¥ (6,360) |
| U.S. dollar | 80,960 [2,784] | 19 | (2,765) |
| Euro | 67,411 [3,033] | 123 | (2,910) |
| Taiwan dollar | 14,537 [691] | 7 | (684) |
| Total | | | ¥(202,097) |

Notes 1. (1) Forward exchange rates are used for fair value calculation at the end of the year. (2) Fair values of currency options are based on the prices quoted from information vendors.

2. Figures in [ ] are option premiums which are included in the consolidated balance sheets.

3. Regarding assets and liabilities which were denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and are reported in yen amounts in the consolidated balance sheets, those foreign currency forward contracts are excluded from the table above.

4. Differences between contract value and fair value for foreign currency forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".

5. There were no transactions with maturity of more than one year in the table above.

## (2) Interest-related transactions

| | As of March 31, 2009 | | | |
|---|---|---|---|---|
| | (A) Notional amount/ contract value | Over 1 Year included in (A) | Fair value | Gains (losses) |
| | (millions of yen) | | | |
| Exchange-traded transactions: | | | | |
| Interest rate futures: | | | | |
| Bought | ¥22,367 | - | ¥22,368 | ¥0 |
| Over-the-counter transactions: | | | | |
| Yen interest rate swaps: | | | | |
| Receipts fixed, payments floating | 178,764 | 131,924 | 2,091 | 2,091 |
| Receipts floating, payments fixed | 198,000 | 183,000 | (615) | (615) |
| Total | - | - | - | ¥1,477 |

Notes 1. (1) Fair values listed above are based on the closing exchange-traded prices. (2) Fair values listed above are present values of expected cash flows, discounted by the interest rates at the end of each fiscal year.

2. Differences between contract value and fair value for futures, and fair value for swap transactions, are shown in "Gains (losses)".

### (3) Stock-related transactions

| | As of March 31, 2009 | | |
|---|---|---|---|
| | Notional amount / contract value | Fair value | Gains (losses) |
| | | (millions of yen) | |
| Exchange-traded transactions: | | | |
| Yen stock index futures: | | | |
| Bought | 12,646 | 12,983 | 337 |
| Foreign currency-denominated stock index futures: | | | |
| Bought | 3,247 | 3,258 | 11 |
| Stock index options: | | | |
| Bought | | | |
| Put | 55,992 | | |
| | [5,616] | 1,254 | (4,362) |
| Total | | | (4,014) |

Notes 1. Fair values listed above are based on the closing exchange-traded prices.

2. Figures in [ ] are option premiums which are included in the consolidated balance sheets.

3. Differences between contract value and fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".

4. There were no transactions with maturity of more than one year in the table above.

### (4) Bond-related transactions

| | As of March 31, 2009 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| | | (millions of yen) | |
| Exchange-traded transactions: | | | |
| Yen bond futures: | | | |
| Sold | ¥28,506 | ¥28,320 | ¥185 |
| Bought | 8,173 | 8,150 | (23) |
| Yen bond future options: | | | |
| Bought: | | | |
| Call | 4,175 | | |
| | [7] | 7 | 0 |
| Over-the-counter transactions: | | | |
| Bond OTC options: | | | |
| Sold: | | | |
| Call | 7,317 | | |
| | [24] | 10 | 13 |
| Put | 16,086 | | |
| | [38] | 27 | 10 |
| Bought: | | | |
| Call | 16,086 | | |
| | [22] | 11 | (11) |
| Put | 7,317 | | |
| | [30] | 47 | 16 |
| Total | - | - | ¥192 |

Notes 1. Fair values listed above are obtained as follows:

(1) Fair values of yen bond futures and yen bond future options are based on the closing exchange-traded prices.

(2) Fair values of bond OTC options are based on the prices offered by financial institutions.

2. Figures in [ ] are option premiums which are included in the consolidated balance sheets.

3. Differences between contract value and fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in “Gains (losses)”.

4. There were no transactions with maturity of more than one year in the table above.

### (5) Others

The Dai-ichi Frontier Life Insurance Co., Ltd. utilizes derivative transactions within its money held in trust. Details of the derivative transactions are as follows:

a) Currency-related transactions

| | As of March 31, 2009 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| | | (millions of yen) | |
| Over-the-counter transactions: | | | |
| Currency forward contracts: | | | |
| Sold | ¥35,758 | ¥39,065 | ¥(3,307) |
| U.S. dollar | 17,713 | 19,172 | (1,459) |
| Euro | 9,840 | 10,915 | (1,074) |
| British pound | 3,280 | 3,527 | (247) |
| Australian dollar | 1,733 | 1,990 | (257) |
| Canadian dollar | 1,465 | 1,565 | (99) |
| Swiss franc | 430 | 477 | (47) |
| Singapore dollar | 402 | 430 | (28) |
| Hong Kong dollar | 341 | 369 | (27) |
| Swedish krona | 163 | 180 | (17) |
| Danish krone | 128 | 145 | (16) |
| Norwegian krone | 92 | 102 | (9) |
| Polish zloty | 90 | 99 | (9) |
| New Zealand dollar | 74 | 89 | (14) |
| Bought | 371 | 372 | 1 |
| U.S. dollar | 371 | 372 | 1 |
| Total | | | ¥(3,305) |

Notes 1. Forward exchange rates are used for fair value calculation at the end of the year.

2. Differences between contract value and fair value for forward contracts are shown in “Gains (losses)”.

3. There were no transactions with maturity of more than one year in the table above.

b) Stock-related transactions

| | As of March 31, 2009 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| | | (millions of yen) | |
| Exchange-traded transactions: | | | |
| Yen stock index futures: | | | |
| Sold | ¥16,504 | ¥17,645 | ¥(1,141) |
| Foreign currency-denominated stock index futures: | | | |
| Sold | 8,636 | 8,976 | (339) |
| Total | | | ¥(1,480) |

Notes 1. Fair values listed above are based on the closing exchange-traded prices.

2. Differences between contract value and fair value for futures contracts are shown in "Gains (losses)".

3. There were no transactions with maturity of more than one year in the table above.

c) Bond-related transactions

| | As of March 31, 2009 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| | | (millions of yen) | |
| Exchange-traded transactions: | | | |
| Yen bond futures: | | | |
| Sold | ¥12,339 | ¥12,295 | ¥43 |
| Foreign currency-denominated bond index futures: | | | |
| Sold | 53,104 | 53,567 | (463) |
| Total | | | ¥(419) |

Notes 1. Fair values listed above are based on the closing exchange-traded prices.

2. Differences between contract value and fair value for futures contracts are shown in "Gains (losses)".

3. There were no transactions with maturity of more than one year in the table above.

**(For the fiscal year ended March 31, 2010)**

**1. Hedge Accounting Not Applied**

**(1) Currency-related transactions**

(millions of yen)

| | As of March 31, 2010 | | |
|---|---|---|---|
| | Contract Value | FairValue | Gains (losses) |
| Over-the-counter transactions | | | |
| Currency forward contracts | | | |
| Sold | 497,428 | (4,486) | (4,486) |
| Euro | 251,545 | 987 | 987 |
| U.S. dollar | 217,103 | (5,221) | (5,221) |
| British pound | 15,248 | 365 | 365 |
| Canadian dollar | 7,539 | (533) | (533) |
| Australian dollar | 4,113 | (122) | (122) |
| Swedish krona | 771 | (1) | (1) |
| Danish krone | 763 | 33 | 33 |
| Norwegian krone | 339 | 6 | 6 |
| Swiss franc | 2 | (0) | (0) |
| Singapore dollar | 0 | (0) | (0) |
| Bought | 357,104 | 3,371 | 3,371 |
| Euro | 190,987 | 386 | 386 |
| U.S. dollar | 143,371 | 2,285 | 2,285 |
| British pound | 14,444 | 316 | 316 |
| Australian dollar | 4,183 | 160 | 160 |
| Polish zloty | 1,293 | 74 | 74 |
| Canadian dollar | 826 | 30 | 30 |
| Swiss franc | 800 | 57 | 57 |
| Norwegian krone | 503 | 23 | 23 |
| Singapore dollar | 486 | 27 | 27 |
| Hong Kong dollar | 192 | 7 | 7 |
| Indian rupee | 12 | 0 | 0 |
| Swedish krona | 2 | 0 | 0 |
| Total | | | (1,115) |

Notes 1. Forward exchange rates are used for fair value calculation at the end of the year.

2. Fair value for foreign currency forward contracts are shown in “Gains (losses)”.

3. There were no transactions with maturity of more than one year in the table above.

(2) **Interest-related transactions**

| | As of March 31, 2010 | | | |
|---|---|---|---|---|
| | (A) Notional amount/ contract value | Over 1 Year included in (A) | Fair value | Gains (losses) |
| | (millions of yen) | | | |
| Over-the-counter transactions: | | | | |
| Yen interest rate swaps: | | | | |
| Receipts fixed, payments floating | 1,000 | 1,000 | 37 | 37 |
| Total | - | - | - | ¥37 |

Notes 1. Fair values listed above are present values of expected cash flows, discounted by the interest rates at the end of each fiscal year.

2. Fair value of foreign currency forward contracts are shown in “Gains (losses)”.

(3) **Stock-related**

(millions of yen)

| | As of March 31, 2010 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| Exchange-traded transactions | | | |
| Yen stock index futures | | | |
| Bought | 12,820 | 512 | 512 |
| Foreign currency-denominated stock index futures | | | |
| Bought | 2,945 | 34 | 34 |
| Stock index options | | | |
| Sold | | | |
| Call | 99,985 [ 1,786] | 4,422 | (2,635) |
| Bought | | | |
| Put | 100,000 [ 3,117] | 286 | (2,830) |
| Total | | | (4,919) |

Notes 1. Fair values listed above are based on the closing exchange-traded prices.

2. Figures in [ ] are option premiums which are included in the consolidated balance sheets.

3. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in “Gains (losses)”.

4. There were no transactions with maturity of more than one year in the table above.

## (4) **Bond-related**

(millions of yen)

| | As of March 31, 2010 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| Exchange-traded transactions | | | |
| Yen bond futures | | | |
| Sold | 5,009 | 33 | 33 |
| Bought | - | - | - |
| Yen bond future options | | | |
| Bought | | | |
| Call | - [ -] | - | - |
| Over-the-counter transactions | | | |
| Bond OTC options | | | |
| Sold | | | |
| Call | 17,488 [ 46] | 17 | 29 |
| Put | 45,815 [ 114] | 187 | (73) |
| Bought | | | |
| Call | 45,815 [ 68] | 33 | (34) |
| Put | 374,384 [ 3,320] | 221 | (3,098) |
| Total | | | (3,144) |

Notes 1. (1) Fair values of yen bond futures listed above are based on the closing exchange-traded prices. (2) Fair values of bond OTC options are based on the prices quoted from information vendors.

2. Figures in [ ] are option premiums which are included in the consolidated balance sheets.

3. Fair value for futures contracts and differences between the option premiums paid/received and fair value of the option, are shown in “Gains (losses)”.

4. There were no transactions with maturity of more than one year in the table above.

### (5) **Others**

DFLI utilizes derivative transactions within its money held in trust and foreign securities (investment trust). Details of the derivative transactions are as follows:

a) Currency-related transactions

| | As of March 31, 2010 | | |
|---|---|---|---|
| | Contract Value | FairValue | Gains (losses) |
| Exchange traded transactions | | | |
| Currency futures | | | |
| Sold | 11,068 | (9) | (9) |
| Bought | 20,123 | (748) | (748) |
| Over-the-counter transactions | | | |
| Currency forward contracts | | | |
| Sold | 70,824 | (2,466) | (2,466) |
| U.S. dollar | 36,204 | (1,450) | (1,450) |
| Euro | 19,292 | (437) | (437) |
| British pound | 5,775 | 31 | 31 |
| Australian dollar | 3,051 | (226) | (226) |
| Canadian dollar | 2,956 | (205) | (205) |
| Singapore dollar | 834 | (40) | (40) |
| Swiss franc | 810 | (50) | (50) |
| Swedish krona | 500 | (22) | (22) |
| Hong Kong dollar | 461 | (19) | (19) |
| Norwegian krone | 287 | (10) | (10) |
| Danish krone | 248 | (8) | (8) |
| New Zealand dollar | 232 | (12) | (12) |
| Polish zloty | 169 | (13) | (13) |
| Bought | 11,481 | 81 | 81 |
| U.S. dollar | 6,969 | 38 | 38 |
| Euro | 2,878 | 29 | 29 |
| British pound | 842 | 8 | 8 |
| Australian dollar | 426 | 2 | 2 |
| Canadian dollar | 365 | 2 | 2 |
| Total | | | (2,384) |

Notes 1. (1) Fair values of currency futures listed above are based on the closing exchange-traded prices. (2) Forward exchange rates are used for fair value calculation of currency forward contracts at the end of the year.

2. Fair values are shown in "Gains (losses)".

3. There were no transactions with maturity of more than one year in the table above.

b) Stock-related transactions

(millions of yen)

| | As of March 31, 2010 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| Exchange-traded transactions | | | |
| Yen stock index futures | | | |
| Sold | 31,581 | (2,093) | (2,093) |
| Foreign currency-denominated stock index futures | | | |
| Sold | 22,495 | (312) | (312) |

Notes 1. Fair values listed above are based on the closing exchange-traded prices.

2. Fair value for futures and forward contracts are shown in “Gains (losses)”.

3. There were no transactions with maturity of more than one year in the table above.

c) Bond-related transactions

(millions of yen)

| | As of March 31, 2010 | | |
|---|---|---|---|
| | Notional amount/ contract value | Fair value | Gains (losses) |
| Exchange-traded transactions | | | |
| Yen bond futures | | | |
| Bought | 42,379 | (222) | (222) |
| Foreign bond future options | | | |
| Sold | 90,683 | (246) | (246) |
| Total | | | (469) |

Notes 1. Fair values listed above are based on the closing exchange-traded prices.

2. Fair value for futures contracts are shown in “Gains (losses)”.

3. There were no transactions with maturity of more than one year in the table above.

## 2. Hedge Accounting Applied

a) Currency-related transactions

(millions of yen)

| Type of hedge acounting | Type | Hedged item | Contract Value | Fair Value |
|---|---|---|---|---|
| Fair value hedge | Currency forward contracts | | | |
| | Sold | Foreign currency-denominated bonds | 2,875,475 | 2,879,363 |
| | U.S. dollar | | 1,336,048 | 1,396,452 |
| | Euro | | 1,271,841 | 1,216,625 |
| | British pound | | 153,954 | 145,931 |
| | Australian dollar | | 70,276 | 75,195 |
| | Canadian dollar | | 23,054 | 25,202 |
| | Swedish krona | | 10,052 | 10,023 |
| | Danish krone | | 7,024 | 6,775 |
| | Norwegian krone | | 3,223 | 3,156 |
| | Bought | | 9,629 | 9,707 |
| | Euro | | 5,184 | 5,233 |
| | U.S. dollar | | 4,445 | 4,473 |
| | British pound | | - | - |
| Currency forward Contracts | Currency forward contracts | | | |
| | Sold | Forren currency-denominated term deposits | | |
| | Australian dollar | | 80,715 | (*) |
| | U.S. dollar | | 29,003 | (*) |

Notes . Forward exchange rates at the end of the fiscal year are used for fair value calculation.

(*) .Currency forward contracts other than those are applied fair value hedge method are recorded as the combined amount of such currency forward contracts and their corresponding hedged items. Therefore, their fair values are included in the fair value of such foreign currency-denominated term deposits.

(millions of yen)

| Type of hedge acounting | Type of hedge | Hedged items | Notional Amount | Over 1 year | Fair Value |
|---|---|---|---|---|---|
| Deferred hedge | Yen interest rate swaps | | | | |
| | Receipts fixed, payments floating | loans & loans payable | 5,000 | 5,000 | 36 |
| | Receipts floating, payments fixed | | 183,000 | 183,000 | (3,176) |
| Special exemption | Receipts fixed, payments floating | loans | 120,666 | 104,830 | 2,842 |

Notes 1. Fair values listed above are present values of expected cash flows, discounted by the interest rates as of March 31, 2010.

## (Employees' Retirement Benefits)

### 1. Overview of Employees' Retirement Benefit Plan

As a defined benefit plan for its sales representatives, the Company has established and maintains a benefit plan consisting of (1) retirement lump sum grants and (2) company administrated pension.

As a defined benefit plan for its administrative personnel, the Company has established and maintains a benefit plan consisting of (1) defined benefit corporate pension and (2) retirement lump sum grants.

Dai-ichi Life Information System Co., Ltd, one of the Company's consolidated subsidiaries, maintains a benefit plan consisting of (1) retirement lump sum grants and (2) tax qualified retirement pension, while the Company's other consolidated subsidiaries maintain a benefit plan consisting of retirement lump sum grants.

### 2. Funding Status of Employees' Retirement Benefits of the Group

| As of March 31, | | 2009 | 2010 |
|---|---|---|---|
| | | (millions of yen) | |
| a. | Projected benefit obligations | ¥ (634,578) | (657,806) |
| b. | Pension assets | 186,362 | 217,921 |
| | Retirement benefit trust | (88,607) | 111,546 |
| c. | Unfunded benefit obligations (a + b) | (448,215) | (439,884) |
| d. | Unrecognized actuarial differences | 53,396 | 33,820 |
| e. | Unrecognized gains on plan amendments | (10,752) | (5,376) |
| f. | Net amount recognized on the non-consolidated balance sheet (c + d + e) | (405,571) | (411,440) |

Note 1. Certain consolidated subsidiaries applied simplified methods in calculating their projected benefit obligations.

### 3. Retirement Benefit Expenses

| Fiscal year ended March 31, | 2009 | 2010 |
|---|---|---|
| | (millions of yen) | |
| Service cost (Note 1) | ¥ 24,437 | 24,201 |
| Interest cost | 10,764 | 10,790 |
| Estimated investment income | (1,781) | (1,653) |
| Amortization of unrecognized actuarial differences | 18,444 | 15,215 |
| Amortization of unrecognized gains on plan amendments | (5,376) | (5,376) |
| Retirement benefit expenses | 46,489 | 43,177 |

Note 1. Retirement Benefit Expenses of the Company's consolidated subsidiaries which apply simplified methods are included in the item "Service cost".

**4. Assumptions**

| | As of March 31, 2009 | As of March 31, 2010 |
|---|---|---|
| Method of periodic allocation of benefit obligations | straight-line method | straight-line method |
| Discount rate | 1.7 – 1.8% | 1.7 – 1.8% |
| Estimated return on investment | | |
| a. Defined benefit corporate pension | 1.7% | 1.7% |
| b. Tax qualified pension plan | 1.0% | 1.0% |
| c. Retirement benefit trust | 0.0% | 0.0% |
| Amortization period for actuarial differences | 3 to 7 years (Amortized from the next fiscal year when the actuarial differences are recognized) | 3 to 7 years (Amortized from the next fiscal year when the actuarial differences are recognized) |
| Amortization period for gains on plan amendments | 3 to 7 years (Amortized under the straight-line method) | 3 to 7 years (Amortized under the straight-line method) |

## (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.

## (Special Purpose Entities)
### (For the fiscal year ended March 31, 2009)

**1. Securitization of Foundation Funds and Subordinated Obligations**

The Parent Company securitized foundation funds and subordinated obligations to broaden the range of investors and to secure a stable base for raising capital. For the securitization, the Parent Company utilized a Tokutei Mokuteki Kaisha (the "TMK", specified purpose company) regulated by the Asset Liquidation Act. 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 in Cayman-based special purpose companies (the "SPC"), which in turn hold specified shares in TMKs. The Parent Company recognized future possible losses for those non-voting shares in its financial statements by writing them down appropriately, taking the TMKs' financial situation into account, in accordance with the "Accounting Standard for Financial Instruments" issued on March 10, 2008. The Parent Company has implemented four capital raisings through securitization by March 31, 2009. The number of TMKs which are still engaged in transactions with the Parent Company at the end of the fiscal year ended March 31, 2009 became three, as one of the companies completed its liquidation on October 15, 2008.

The total assets of these companies at the end of their latest fiscal year (September 30, 2008) were ¥151,400 million. The total liabilities at the end of their latest fiscal years (September 30, 2008) were ¥150,397 million. 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 principal transactions between the Parent Company and the TMKs were as follows:

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

## 2. Investment in Securitized Real Estate

To diversify investments in real estate and stabilize its investment returns, the Parent Company had an exposure to investment projects to securitize real estate. The Parent Company had three special purpose companies (the "SPCs") to be disclosed as of March 31, 2009, 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 SPC. Even if the fair value of the real estates declines, the loss of the Parent Company is limited to the amount of investment in the anonymous association contract. The total of assets and liabilities of the SPC(s) at the end of their fiscal year 2008 (December 31, 2008 and January 31, 2009) amounted to ¥143,015 million and ¥95,685 million, respectively. As of March 31, 2009, the Parent Company had no management authority in the SPCs and the SPCs had no directors, officers, and employees transferred from the Parent Company.

The amounts involved in transactions between the Parent Company and the SPCs were as follows:

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

**(For the fiscal year ended March 31, 2010)**

## 1. 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 "SPC"), which in turn hold specified shares in TMKs. The Parent Company monitors the TMKs' financial situation and appropriately recognizes those non-voting shares in its financial statements 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, three of which were still engaged in transactions with the Parent Company and two of which are scheduled to go into liquidation for the reason mentioned above. 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 | - | - |

## 2. 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 June 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 |

## (Per Share Information)

Not applicable because the Company had been a mutual company as of March 31, 2010.

## (Subsequent Events)

### (For the fiscal years ended March 31, 2009)

Not applicable

### (For the fiscal years ended March 31, 2010)

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 |

**(Information Not Presented)**

There is no material information to report with regards to leasing transactions, transactions with related parties, stock options and business combinations.

## 5. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(millions of yen)

| | As of March 31, 2009 | As of March 31, 2010 |
|---|---|---|
| (ASSETS) | | |
| Cash and deposits | 222,407 | 168,804 |
| Cash | 1,019 | 931 |
| Bank deposits | 221,388 | 167,872 |
| Call loans | 171,100 | 228,800 |
| Deposit paid for securities borrowing transactions | 14,954 | - |
| Monetary claims bought | 281,371 | 289,885 |
| Trading account securities | 52,597 | - |
| Money held in trust | 13,265 | 22,258 |
| Securities | 22,667,846 | 23,987,934 |
| Government bonds | 10,147,344 | 10,688,290 |
| Local government bonds | 343,529 | 324,082 |
| Corporate bonds | 2,462,903 | 2,324,075 |
| Stocks | 3,139,601 | 3,598,019 |
| Foreign securities | 6,220,487 | 6,678,934 |
| Other securities | 353,980 | 374,532 |
| Loans | 4,248,438 | 3,834,365 |
| Policy loans | 604,706 | 571,443 |
| Ordinary loans | 3,643,732 | 3,262,921 |
| Ordinary loans | 3,618,169 | 3,237,583 |
| Trust loans | 25,562 | 25,337 |
| Tangible fixed assets | 1,239,487 | 1,243,607 |
| Land | 814,730 | 814,807 |
| Buildings | 417,454 | 408,325 |
| Leased assets | 242 | 642 |
| Construction in progress | 2,937 | 15,766 |
| Other tangible fixed assets | 4,122 | 4,065 |
| Intangible fixed assets | 107,423 | 106,602 |
| Software | 73,427 | 73,078 |
| Other intangible fixed assets | 33,996 | 33,524 |
| Reinsurance receivables | 148 | 1,309 |
| Other assets | 352,988 | 605,642 |
| Accounts receivable | 109,437 | 293,417 |
| Prepaid expenses | 14,136 | 15,251 |
| Accrued revenue | 129,934 | 129,893 |
| Deposits | 44,340 | 43,079 |
| Margin money for futures trading | 12,753 | 16,413 |
| Differential account for futures trading | 6 | - |
| Derivatives | 8,475 | 76,141 |
| Suspense payment | 18,804 | 15,164 |
| Other assets | 15,099 | 16,281 |
| Deferred tax assets | 640,990 | 337,687 |
| Customers' liabilities for acceptances and guarantees | 20,138 | 17,787 |
| Reserve for possible loan losses | (10,916) | (21,095) |
| Reserve for possible investment losses | - | (1,123) |
| Total assets | 30,022,243 | 30,822,467 |

(millions of yen)

| | As of March 31, 2009 | As of March 31, 2010 |
|---|---|---|
| (LIABILITIES) | | |
| Policy reserves and others | 27,527,576 | 27,803,736 |
| Reserves for outstanding claims | 172,940 | 149,682 |
| Policy reserves | 27,006,977 | 27,324,838 |
| Reserve for policyholder dividends | 347,658 | 329,214 |
| Reinsurance payables | 512 | 525 |
| Subordinated bonds | 49,102 | 46,510 |
| Other liabilities | 1,169,969 | 1,206,894 |
| Collateral for securities lending transactions | 484,550 | 390,728 |
| Long-term debt and other borrowings | 313,025 | 313,014 |
| Corporate income tax payable | 320 | 571 |
| Accounts payable | 33,832 | 282,582 |
| Accrued expenses | 39,438 | 36,974 |
| Unearned revenue | 1,623 | 1,410 |
| Deposits received | 55,398 | 55,342 |
| Guarantee deposits received | 36,396 | 34,761 |
| Differential account for futures trading | 143 | 57 |
| Trading account securities borrowed | 1,022 | - |
| Derivatives | 202,802 | 87,677 |
| Lease liabilities | 242 | 642 |
| Suspense receipt | 986 | 3,080 |
| Other liabilities | 185 | 51 |
| Reserve for employees' retirement benefits | 403,662 | 409,639 |
| Reserve for retirement benefits of directors, executive officers and corporate auditors | 3,464 | 3,307 |
| Reserve for possible reimbursement of prescribed claims | 1,000 | 1,100 |
| Allowance for policyholder dividends | - | 92,500 |
| Reserve for price fluctuations | 101,453 | 115,453 |
| Deferred tax liabilities for land revaluation | 125,535 | 124,706 |
| Acceptances and guarantees | 20,138 | 17,787 |
| Total liabilities | 29,402,415 | 29,822,160 |

(millions of yen)

| | As of March 31, 2009 | As of March 31, 2010 |
|---|---|---|
| （NET ASSETS） | | |
| Foundation funds | 120,000 | - |
| Accumulated redeemed foundation funds | 300,000 | 420,000 |
| Revaluation reserve | 248 | 248 |
| Surplus | 309,690 | 184,448 |
| Reserve for future losses | 5,400 | 5,600 |
| Other surplus | 304,290 | 178,848 |
| Reserve for redemption of foundation funds | 81,300 | - |
| Fund for risk allowance | 43,139 | 43,139 |
| Fund for price fluctuation allowance | 30,000 | 55,000 |
| Reserve for tax basis adjustments of real estate | 15,961 | 16,420 |
| Other reserves | 122 | 132 |
| Unappropriated net surplus for the period | 133,766 | 64,157 |
| 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 liabilities and net assets | 30,022,243 | 30,822,467 |

(2) 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 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| 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 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| 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 |
| One-time depreciation | - | 92,500 |
| 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 |

## (3) Non-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 |
| Surplus | | |
| Reserve for future losses | | |
| Beginning balance | 5,100 | 5,400 |
| Changes for the year | | |
| Transfer to reserve for future losses | 300 | 200 |
| Changes for the year | 300 | 200 |
| Ending balance | 5,400 | 5,600 |
| Other surplus | | |
| Reserve for redemption of foundation funds | | |
| Beginning balance | 42,600 | 81,300 |
| Changes for the year | | |
| Transfer to accumulated redeemed foundation funds | - | (120,000) |
| Transfer to reserve for redemption of foundation funds | 38,700 | 38,700 |
| Changes for the year | 38,700 | (81,300) |
| Ending balance | 81,300 | - |
| Reserve for interest payment for foundation funds | | |
| Beginning balance | - | - |
| 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 | - | - |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| Fund for risk allowance | | |
| Beginning balance | 43,139 | 43,139 |
| Changes for the year | | |
| Changes for the year | - | - |
| Ending balance | 43,139 | 43,139 |
| Fund for price fluctuation allowance | | |
| Beginning balance | 20,000 | 30,000 |
| Changes for the year | | |
| Transfer to fund for price fluctuation allowance | 10,000 | 25,000 |
| Changes for the year | 10,000 | 25,000 |
| Ending balance | 30,000 | 55,000 |
| Subsidy for social public enterprise | | |
| Beginning balance | 9 | 9 |
| Changes for the year | | |
| Transfer to subsidy for social public enterprise | 2,326 | 826 |
| Transfer from subsidy for social public enterprise | (2,326) | (826) |
| Changes for the year | - | - |
| Ending balance | 9 | 9 |
| Fund for Public Health Awards | | |
| Beginning balance | 4 | 4 |
| Changes for the year | | |
| Transfer to fund for Public Health Awards | 60 | 40 |
| Transfer from fund for Public Health Awards | (60) | (36) |
| Changes for the year | 0 | 3 |
| Ending balance | 4 | 8 |
| Fund for Environmental Green Design Award | | |
| Beginning balance | 6 | 9 |
| Changes for the year | | |
| Transfer to fund for Environmental Green Design Award | 50 | 50 |
| Transfer from fund for Environmental Green Design Award | (46) | (44) |
| Changes for the year | 3 | 5 |
| Ending balance | 9 | 14 |
| Reserve for tax basis adjustments of real estate | | |
| Beginning balance | 15,635 | 15,961 |
| Changes for the year | | |
| Transfer to reserve for tax basis adjustments of real estate (*1) | 482 | 540 |
| Transfer to reserve for tax basis adjustments of real estate (*2) | - | 200 |
| Transfer from reserve for tax basis adjustments of real estate (*1) | (156) | (145) |
| Transfer from reserve for tax basis adjustments of real estate (*2) | - | (137) |
| Changes for the year | 326 | 458 |
| Ending balance | 15,961 | 16,420 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| Other reserves | | |
| Beginning balance | 100 | 100 |
| Changes for the year | | |
| Changes for the year | - | - |
| Ending balance | 100 | 100 |
| Unappropriated net surplus for the year | | |
| Beginning balance | 143,318 | 133,766 |
| Changes for the year | | |
| Transfer to reserve for policyholder dividends | (89,227) | (64,963) |
| Transfer to reserve for future losses | (300) | (200) |
| Interest payment for foundation funds | (2,328) | (2,328) |
| Net surplus for the year | 130,535 | 60,807 |
| Transfer to reserve for redemption of foundation funds | (38,700) | (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 | (10,000) | (25,000) |
| Transfer to subsidy for social public enterprise | (2,326) | (826) |
| Transfer from subsidy for social public enterprise | 2,326 | 826 |
| Transfer to fund for Public Health Awards | (60) | (40) |
| Transfer from fund for Public Health Awards | 60 | 36 |
| Transfer to fund for Environmental Green Design Award | (50) | (50) |
| Transfer from fund for Environmental Green Design Award | 46 | 44 |
| Transfer to reserve for tax basis adjustments of real estate (*1) | (482) | (540) |
| Transfer to reserve for tax basis adjustments of real estate (*2) | - | (200) |
| Transfer from reserve for tax basis adjustments of real estate (*1) | 156 | 145 |
| Transfer from reserve for tax basis adjustments of real estate (*2) | - | 137 |
| Transfer from reserve for land revaluation | 797 | 1,242 |
| Changes for the year | (9,551) | (69,609) |
| Ending balance | 133,766 | 64,157 |
| Total of surplus | | |
| Beginning balance | 269,913 | 309,690 |
| 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 | 130,535 | 60,807 |
| Transfer from reserve for land revaluation | 797 | 1,242 |
| Changes for the year | 39,776 | (125,241) |
| Ending balance | 309,690 | 184,448 |
| Total of foundation funds and surplus | | |
| Beginning balance | 690,162 | 729,938 |

(millions of yen)

| | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| Changes for the year | | |
| Transfer to reserve for policyholder dividends | (89,227) | (64,963) |
| Interest payment for foundation funds | (2,328) | (2,328) |
| Net surplus for the year | 130,535 | 60,807 |
| Redemption of foundation funds | | (120,000) |
| Transfer from reserve for land revaluation | 797 | 1,242 |
| Changes for the year | 39,776 | (125,241) |
| Ending balance | 729,938 | 604,697 |
| Valuation and translation adjustments | | |
| Net unrealized gains on securities, net of tax | | |
| Beginning balance | 957,385 | (47,456) |
| Changes for the year | | |
| Net changes of items other than foundation funds and surplus | (1,004,841) | 508,614 |
| Changes for the year | (1,004,841) | 508,614 |
| Ending balance | (47,456) | 461,158 |
| 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) |
| Total of valuation and translation adjustments | | |
| Beginning balance | 895,884 | (110,111) |
| Changes for the year | | |
| Net changes of items other than foundation funds and surplus | (1,005,996) | 505,721 |
| Changes for the year | (1,005,996) | 505,721 |
| Ending balance | (110,111) | 395,609 |

| (millions of yen) | Year ended March 31, 2009 | Year ended March 31, 2010 |
|---|---|---|
| Total | | |
| Beginning balance | 1,586,046 | 619,827 |
| Changes for the year | | |
| Transfer to reserve for policyholder dividends | (89,227) | (64,963) |
| Interest payment for foundation funds | (2,328) | (2,328) |
| Net surplus for the year | 130,535 | 60,807 |
| Redemption of foundation funds | | (120,000) |
| Transfer from reserve for land revaluation | 797 | 1,242 |
| Net changes of items other than foundation funds and surplus | (1,005,996) | 505,721 |
| Changes for the year | (966,219) | 380,479 |
| Ending balance | 619,827 | 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.

- Notes on going-concern assumptions

Not applicable

## 6. Others

### (1) Scheduled Management Changes

Not applicable