



# The Dai-ichi Life Insurance Company, Limited

## Annual Report 2010

THE DAI-ICHI  
LIFE INSURANCE  
COMPANY, LIMITED

DAI-ICHI LIFE



Tomijiro Morita, *Chairman of the Board (Center)*,  
Katsutoshi Saito, *Deputy Chairman (Right)*, and  
Koichiro Watanabe, *President (Left)*

## Thinking People First

Individual lifestyles will continue to diversify in the future.

To propose, in a way that is easy to understand, quality products and services tailored to these diversified lifestyles, Dai-ichi Life aims to become a company that thinks about people first.

Thinking people: means taking action based on sincere consideration for people and everything that surrounds their lives.

Thinking people: means listening to people, thinking and contemplating together, and creating human capital that can lead to happiness.

Thinking people: means constantly taking on new challenges for the future based on a global perspective.

Thinking most sincerely about people

To maintain the management philosophy of “Customer First” that we have practiced since 1902, Dai-ichi Life and Dai-ichi Life Group will continue to reform in line with the times, aiming to create new value for people and achieve sustainable growth.

## BASIS OF PRESENTATION

Unless otherwise noted, financial figures in this annual report are reported on a non-consolidated basis.

## FORWARD-LOOKING STATEMENTS

This annual report was prepared by the Dai-ichi Life Insurance Company, Limited (hereinafter, “Dai-ichi,” “DL,” the “Company,” or the “Parent company”) solely for the purpose of disclosure of relevant information, and does not constitute a solicitation or an offer to buy or sell any securities in or outside of Japan. Though Dai-ichi has relied upon and assumed the accuracy and completeness of all information available to it in preparing this presentation, Dai-ichi makes no representations as to its actual accuracy or completeness.

Statements contained herein that relate to future operating performance are forward-looking statements. Forward-looking statements may include – but are not limited to – words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “possibility” and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by Dai-ichi’s management based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. Dai-ichi disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

## CONTENTS

FINANCIAL HIGHLIGHTS -----	01
MESSAGE FROM THE PRESIDENT-----	02
MANAGEMENT POLICY -----	03
CSR MANAGEMENT-----	08
FINANCIAL SOUNDNESS -----	09
SUMMARY OF FINANCIAL RESULTS-----	17
ASSETS AND LIABILITIES-----	17
REVENUES AND EXPENDITURES -----	19
INDIVIDUAL LIFE INSURANCE-----	21
GROUP LIFE INSURANCE -----	24
INVESTMENTS-----	25

INTERNAL CONTROL AND OVERALL RISK	
MANAGEMENT-----	29
CORPORATE CITIZENSHIP AND EFFORTS	
REGARDING ENVIRONMENTAL ISSUES-----	35
FINANCIAL SECTION -----	38
SUPPLEMENTARY FINANCIAL DATA -----	102
ORGANIZATION CHART-----	143
BOARD OF DIRECTORS AND EXECUTIVE OFFICERS/ OVERSEAS NETWORK-----	144
HISTORY	

# Financial Highlights

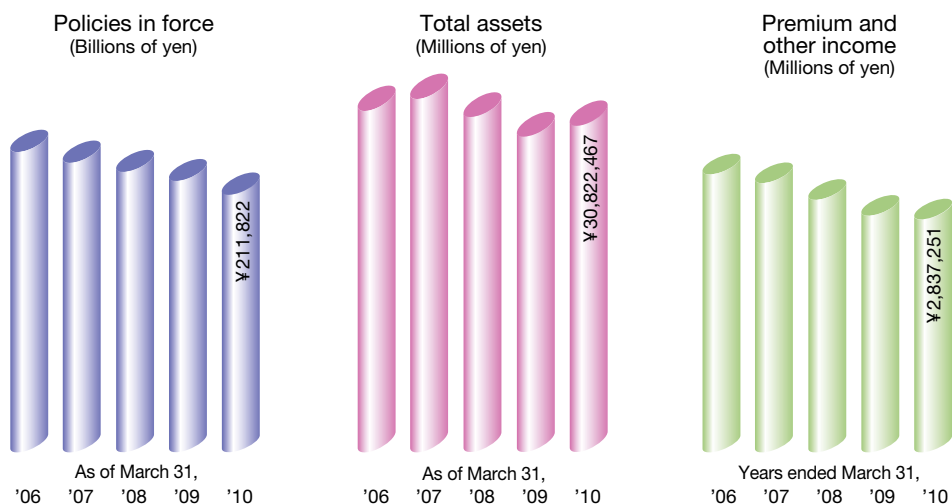
Years ended March 31, 2008, 2009 and 2010  
(Non-Consolidated Basis)

	Millions of yen (except percentages and number of personnel)			Millions of US\$
	2008	2009	2010	2010 <sup>(1)</sup>
Total assets.....	¥31,833,906	¥30,022,243	¥30,822,467	\$331,281
General account .....	30,361,805	28,883,735	29,551,663	317,623
Policy reserves and others .....	28,254,963	27,527,576	27,803,736	298,836
Policy reserves.....	27,744,733	27,006,977	27,324,838	293,689
Total net assets .....	1,586,046	619,827	1,000,307	10,751
Foundation funds.....	120,000	120,000	-	-
Premium and other income .....	¥3,098,525	¥2,904,336	¥2,837,251	\$30,494
Investment income .....	1,026,369	1,178,355	1,153,480	12,397
Interest and dividends .....	832,184	741,330	708,082	7,610
Benefits and claims .....	2,648,008	2,753,596	2,610,535	28,058
Investment expenses .....	563,957	1,414,800	330,067	3,547
Operating expenses .....	443,461	444,015	438,729	4,715
Extraordinary losses .....	33,213	11,864	116,509	1,252
Provision for allowance for policyholder dividends..	-	-	92,500	994
Net surplus for the year .....	139,429	130,535	60,807	653
Reserve for policyholder dividends.....	89,227	64,963	-	-
Fundamental profit .....	¥454,983	¥360,829	¥330,152	\$3,548
Solvency margin ratio.....	1,010.6%	768.1%	953.5%	-
Administrative personnel.....	10,322	10,364	13,570	
Sales representatives .....	42,434	42,708	44,233	

	Billions of yen			Billions of US\$
	2008	2009	2010	2010 <sup>(1)</sup>
Policies in force .....	¥228,924	¥220,817	¥211,822	\$2,276
New policies .....	9,248	7,919	7,057	75

Notes:

- U.S. dollar figures have been converted at the rate of ¥93.04 to \$1.00, the rate of exchange at March 31, 2010.
- Yen amounts of less than ¥1 million/billion have been truncated.
- U.S. dollar amounts of less than \$1 million/billion have been truncated.



## Message from the President

I am pleased to report our operating results and initiatives in this Annual Report. I hope the report will offer our stakeholders greater insight into our Company. Please let me take this opportunity to express my gratitude to all of our stakeholders for your outstanding support over the period.

### Demutualization

The Company, founded more than 107 years ago as Japan's first mutual company, changed from The Dai-ichi Mutual Life Insurance Company to The Dai-ichi Life Insurance Company, Limited on April 1, 2010. We view this change as heralding the Company's "Second Foundation."

The Company decided to become a public company. We decided to demutualize so that we can employ more flexible operating strategies to achieve sustainable growth and to continue to provide high-quality products and services to satisfy our customers, despite a challenging environment, marked by a declining birthrate and an aging population. To maintain our unchanging management philosophy of "Customer First," we will boldly change ourselves, flexibly introducing new values that will be generated in association with changes in society and the business environment and constantly reviewing our business strategies.

### Business Strategy

As a specific business strategy, the Company has developed its medium-term management plan, "Value Up 2010". According to the plan, we will improve our corporate value, with a focus on bolstering the competitiveness of our core business and investing in growth markets.

To enhance competitiveness in our core business, we seek to bolster our product lineup based on the concept of Total Life Plan and to improve the consulting skills of our Total Life Plan Designers (sales representatives). We will focus on providing products and services in response to changes in customers' needs and lifestyles and will reinforce our points of contact with customers, using our Total Life Plan Designers, service centers, call centers, and other channels.

In investing in growth markets, we will continue to focus on the third sector such as the medical field, and the savings product market which includes annuity products. In overseas businesses, we will develop operations primarily in markets in Asia, where high growth is expected.



To clarify our medium- to long-term vision, we have introduced the Dai-ichi Life Group Vision titled "Thinking People First". The vision expresses our intention to maintain the "Customer First" management philosophy, which has been our guiding principle throughout our history, and our commitment to our stakeholders, including customers, investors, and employees. Under this vision, Dai-ichi Life Group is united in its aspiration to become a company that offers the highest quality, the highest productivity, and the highest growth potential with the most energetic employees.

July 2010

A handwritten signature in black ink that reads "K. Watanabe". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Koichiro Watanabe  
President and Representative Director

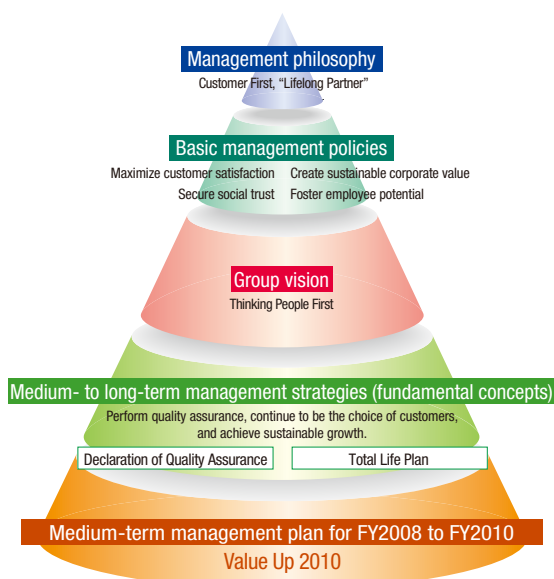


# Management Policy

## Management Philosophy

For more than 100 years since our foundation in 1902, we have endeavored to embody our “Customer First” principle. We will continue to position this management philosophy as our permanent raison d’être and we will seek to be a lifelong partner of our customers. Our basic management policies are the pillars of the management approach we take to realize our philosophy.

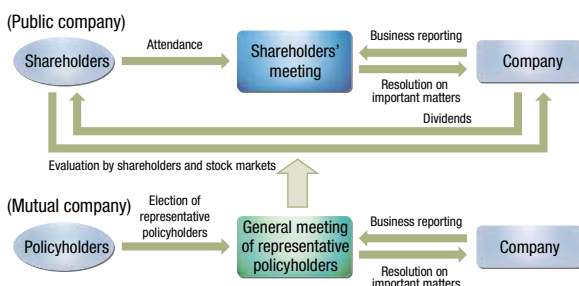
## Management Plan System



## Dai-ichi Life Insurance

In a mutual company, the corporate members (policyholders) make the important management decisions of the company. In a public company, shareholders decide on important matters. Now that our company’s stock is listed on a stock exchange, our management is evaluated through the yardstick of the share price, and more transparent management is required than before.

As a public company, we will continue to pursue our “Customer First”, our management philosophy, by maximizing customer satisfaction and creating sustainable corporate value with higher quality and improved speed.



## Declaration of Quality Assurance

The Company has made a Declaration of Quality Assurance in its resolution to pursue policies that value customers most.

We believe that quality means providing a high level of satisfaction to customers in our products and services at each stage of insurance, including the point when an insurance policy is concluded, throughout the policy term, and the point when claims are paid. We will continue to take steps to improve and strengthen our systems by taking into account the opinions of customers. Our aim is to improve our quality to the point at which we have the highest reputation with customers.

## Value Up 2010, the Medium-term Management Plan for Fiscal Years 2008 through 2010

Dai-ichi has adopted a number of initiatives under Value Up 2010, its medium-term management plan for the fiscal years 2008 through 2010.

### Consolidating the Foundation for Growth Through Quality Assurance and Higher Productivity

In our core life insurance business via sales representatives, we seek to bolster customer satisfaction and enhance corporate value by refining systems for developing competent sales representatives. We will also streamline operating costs and will establish competitive cost structures in accordance with changes in the scale of operation.

We will seek to further increase our corporate value by stepping up our marketing activities in the domestic medical care insurance market and individual savings market, two areas of likely growth, and in the life insurance business overseas, especially the expanding markets of Asia.

### Establishing a Strong Financial Base and Improving Capital Efficiency

To respond to changes in the business environment, we will bolster risk control and enhance productivity in each area of operations and thereby seek to maintain and improve our financial soundness.

### Establishing an Internal Management System for a Public Company

As a public corporate group, we are developing our corporate foundations and reinforcing our internal management system.

## Strengthening Competitiveness in Core Businesses

We aim to strengthen competitiveness in our core business by improving quality. As a result of our customer-focused activities, overall customer satisfaction reached a record high of 82.6% in a nationwide customer survey in FY2009.

## Promoting Consulting by Total Life Plan Designers

To act on our Declaration of Quality Assurance, we have introduced a system that evaluates customer-oriented activities by our Total Life Plan Designers (sales representatives), who operate our core business, under a sales promotion plan named Success 110!! Our priority challenges in Success 110!! include training sales representatives, maintaining the existing policies, and promoting compliance. Under Success 110!!, we seek to improve operational performance, pursuing quality assurance.

Our Total Life Plan Designers visit customers each year when Total Life Plan Reports are sent to customers and explain the details of customers' policies. While customers check their policies, the Total Life Plan Designers seek feedback from them to improve the quality of their activities and services.

Using eNavit portable personal computers, the Total Life Plan Designers will focus on listening to the opinions of customers directly through face-to-face consultation and will thereby continue to strive to enhance customer satisfaction.

## The Total Life Plan Report Informs Policyholders of the Contents of Their Policies

The Total Life Plan Report informs policyholders each year of the contents of their policies and the performance and financial statements of the Company.

The reports include not only the contents of life insurance policies of the Company but also the contents of nonlife insurance policies of Sampo Japan and the cancer insurance policies of AFLAC, which the Company has handled as an insurance agency, so that policyholders can confirm all their policies. Moreover, to ensure that policyholders can claim insurance benefits, the report also includes an eligibility list for the payment of claims for each main policy and a rider, a check sheet for the necessary procedures. In the FY2010 issue, we plan to include a history of insurance claim payouts and benefits

relating to hospital and operative costs for the past ten years for each policy on the page that includes the eligibility list.

We choose colors and designs so that information can be communicated accurately irrespective of color vision deficiency, and we seek to make the report easier to read and understand. For this purpose, we have obtained Color Universal Design certification.

From the FY2006 issue onwards, we have enclosed a customer satisfaction questionnaire. We invite feedback from customers through our Total Life Plan Designers, by mail, or via the Internet, so that we can receive as much customer feedback as possible.

## Nationwide Customer Survey

**Nationwide Customer Survey in FY2009\***  
**Overall satisfaction**  
**82.6%**

* [Purpose]	To clarify the reasons for customer satisfaction and dissatisfaction and to identify the steps required to improve customer satisfaction, through feedback from customers.
[Survey period]	September 1 to September 29, 2009
[Research agency]	Research and Development, Inc.

Overall satisfaction reached a record high of 82.6% in the Nationwide Customer Survey in FY2009. It primarily reflects the following factors: strengthening contacts with customers by sending a notice of the private placement relating to demutualization and visiting all customers to confirm the arrival from August 2009; providing insurance claim confirmation sheets to ensure that policyholders are able to claim insurance benefits.

## Payment of Insurance Claims, Benefits, and Annuities

**Payments in FY2009**  
**¥1,789.5 billion**

The total amount of insurance claims, benefits, and annuities paid in FY2009 stood at 1,789.5 billion yen. As a lifelong partner of our customers, we will continue to support their total life plans

through the payment of insurance claims, benefits, and annuities.

	(billions of yen)		Changes (%, YoY)
	FY2008	FY2009	
Death, disability, and sickness benefits	478.7	468.4	97.9%
Hospitalization and operation benefits	112.3	112.0	99.7%
Maturity claims, survival benefits, and annuities	1,289.2	1,209.0	93.8%
Total	1,880.3	1,789.5	95.2%

### ■ Product Lineup That Adequately Meets Customers' Needs

Based on our Total Life Plan concept, that is, a concept of providing sound products, proposals, and services through all the life stages of our customers, we have endeavored to enhance our product lineup and our services so that we can effectively meet the needs of customers and society. In FY2009, we launched the "Hospitalization Lump-sum Benefit Rider D" to enhance medical care insurance lineup, create a CD-ROM that includes the Policy Guide: Policy Conditions, and launched a dedicated Internet (PC) service for policyholders called "My Total Life Plan" to provide information for policyholders and improve the convenience of procedures.

### ■ Point Program for Policyholders With Partner

Since October 2008, we have been offering a points program called With Partner to all individual insurance and individual annuity insurance policyholders (Note). Policyholders can enjoy a range of services and special benefits that support their health, medical care, nursing care, and lifestyles, using points that are accumulated based on their transactions.

(Note) This service is not available for corporate or financial insurance policyholders.

### ■ Portable Personal Computer eNavit

The portable personal computer eNavit which all Total Life Plan Designers have, is equipped with functions including an Explanation Navigator, which help the designers describe the need for and the functions of insurance and provide medical information. Using eNavit, the designers can provide easy-to-understand, visual explanations. The

designers can access the headquarters' computer system when they are out of the office and can answer inquiries from customers promptly. They propose total life plans in accordance with the life stage of each customer through face-to-face consultations using eNavits. We also use eNavit for e-learning for our employees.

## Proactive Investments in Growth Markets

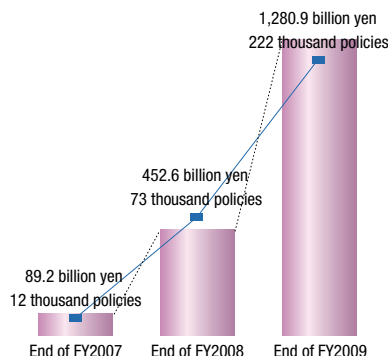
With changes in the social environment, the life insurance market is evolving. To respond to the changes and achieve sustainable growth, we position the individual savings product business and overseas life insurance business as growth businesses.

### Initiative in Savings-type Product Market

The life insurance market in Japan is being shaped by significant environmental and structural changes, such as demographic shifts associated with the declining birth rate and the aging society. Most baby boomers have retired from supporting their companies and families, and have started their second lives. Consequently, demand in the individual savings market to maintain a robust retirement lives and to enjoy long lives has been growing.

To bolster our operations in the savings-type product market, including the individual annuity insurance business, which we position as a growth field, our subsidiary The Dai-ichi Frontier Life Insurance Co., Ltd. commenced operations in October 2007. The subsidiary provides products tailored to customer needs for banks, securities firms, and other financial institutions and is enjoying steady sales growth. Its sum insured of policies in force at the end of March 2010 was 1,280.9 billion yen.

The Dai-ichi Frontier Life Insurance  
Sum insured and number of insurance policies in force



#### <Basic Management Policy of Dai-ichi Frontier Life>

As a group company of Dai-ichi, whose management philosophy has been “Customer First (Lifelong Partner)” since its foundation, Dai-ichi Frontier Life follows the concepts included in the basic management policies of Dai-ichi, positioning the following policies as the foundation of its management:

- To become a company with the very strong trust and support of its customers, business partners, and many other stakeholders, Dai-ichi Frontier Life will fully develop internal control systems, including a compliance system, and aim for sound and sustainable development.
- Dai-ichi Frontier Life will go ahead of changes in the business environment and the evolution of customers’ needs and will continue to provide the most appropriate products and services that will satisfy customers.
- Dai-ichi Frontier Life will comprehensively pursue prompt, secure, and low-cost business operations and will seek to improve business efficiency.
- Employees will continue to perform challenging tasks to realize both their own dreams and the aspirations of Dai-ichi Frontier Life.

### Initiatives for Overseas Businesses

We have also been developing our overseas businesses by leveraging the expertise in life insurance we have developed over the past one hundred years.

We aim to contribute to the growth of life insurance and the development of a life insurance market in countries where we have begun operating, and will seek to generate earnings in line with local economic growth.

#### ■ Vietnam

In January 2007, Dai-ichi acquired Bao Minh CMG, which commenced operations as Dai-ichi Life Insurance Company of Vietnam, Limited. This was the first instance of a Japanese life insurer operating in Vietnam.

With the rapid growth of the life insurance market of Vietnam, premium income of Dai-ichi Life Insurance Company of Vietnam at the end of December 2009 stood at 3.7 billion yen, about twice the pre-acquisition level of FY2006. Its market share expanded from 5.0% in FY2007 to 6.3% in FY2009.

#### ■ India

Star Union Dai-ichi Life Insurance Company Limited, a joint life insurance company established together with the Bank of India and Union Bank of India, commenced operations in February 2009 after obtaining a registration certificate of business

approval and product approval. It was the first instance of a Japanese life insurance company launching a life insurance business in India.

Premium income from new business in the first fiscal year significantly exceeded the plan.

#### ■ Thailand

In July 2008, Dai-ichi agreed to take an equity stake in Ocean Life Insurance Co., Ltd. and form a strategic business alliance. Ocean Life Insurance subsequently became Dai-ichi’s affiliate in the same year.

Dai-ichi has been cooperating with Ocean Life Insurance in developing group insurance for Japanese companies to bolster the corporate value of Ocean Life Insurance. As a result, insurance premium income in FY2009 increased from the year-ago result.

#### ■ Australia

In August 2008, Dai-ichi agreed to take an equity stake in Tower Australia Group Limited and form a strategic business alliance. Tower Australia Group subsequently became a Dai-ichi affiliate in the same year.

Dai-ichi has been building the alliance with Tower Australia Group, a competitive player in insurance products, encompassing a wide range





of operations, such as building a market for group insurance provided to Japanese companies and reinsurance.

#### ■ Taiwan

In June 2006, Dai-ichi agreed to take an equity stake in Shin Kong Financial Holding Co., Ltd. and form an operating alliance. Dai-ichi has since been keeping the alliance.

## International Insurance Business

### Services for Japanese Companies Operating Overseas

To support Japanese companies operating overseas, Dai-ichi manages a group reinsurance business, through which it introduces Japanese companies to its partner insurance companies in countries that have concluded a reinsurance agreement. Dai-ichi also provides group insurance services to Japanese companies through the partner insurance companies. At present, Dai-ichi has 16 partner insurance companies and underwrote 205 reinsurance policies (as at the end of March 2010).

To improve services provided by our partner insurance companies, we dispatch staff to provide support in the form of sophisticated services that meet the needs of customers.

#### Group reinsurance agreements

Months and years that agreements were concluded		
U.K.	PPP healthcare	Apr. 1994
Czech Republic	Cooperativa	Mar. 2009
France	Quatrem	June 1991
Singapore	AIA	Dec. 1995
	AVIVA	Dec. 1988
Thailand	Ocean Life	July 2006
	Muang Thai	Mar. 1994
China	Ping An Insurance	Aug. 2003
Hong Kong	AIA	Mar. 1995
	Pacific Century	Oct. 1997
	AXA China Region	Mar. 1987
Taiwan	Shin Kong Life	June 2006
Malaysia	ING	July 1994
Philippines	First Guarantee	Feb. 1997
Australia	AMP	Jan. 1988
	Tower	Oct. 2009

### Services for International Companies Operating in Japan

Dai-ichi provides comprehensive welfare services to international companies operating in Japan through its International Corporate Relations Department. We have concluded transactions with more than 500 international companies in terms of corporate insurance alone.

Services provided to international companies cover a broad array of products. These include the planning of bereaved families' compensation through group term insurance, management of corporate pension assets, and consultation on the introduction of the defined contribution pension. Moreover, business alliances with Sompo Japan and AFLAC have enabled Dai-ichi to provide an even more extensive product lineup, including long-term disability insurance and accident insurance.

As a representative of Japanese insurance companies, Dai-ichi has become a member of the International Group Program (IGP), the international group insurance network created at the initiative of John Hancock Life Insurance Company, a major U.S. insurer. IGP is now an international group insurance network with members from 54 major insurance companies around the world.

Our group term insurance business takes advantage of the IGP system, in which global member companies cooperate in providing support to multinational companies. The number of companies adopting IGP has been rising steadily.

### Individual Reinsurance

Dai-ichi also operates an individual reinsurance business. We focus especially on the Asian region, where we have developed strong relationships with Asian life insurance companies by providing them with the management expertise we have developed. We are currently conducting reinsurance transactions with 13 companies in 5 countries in Asia.

# CSR Management

Through our life insurance business, we aspire to contribute to the creation of a society where people, including our customers, can live without anxiety.

## Dai-ichi's CSR Management

Corporate Social Responsibility (CSR) means conducting business not only to generate profit but also to contribute in different social dimensions. Dai-ichi believes that the starting point of CSR management is the life insurance business itself, that is, to provide the community with a framework for mutual aid and contributes to the sustainable development of society through its functions.

Since its establishment in 1902, Dai-ichi has employed a "Customer First" management philosophy. Based on this philosophy, the Company considers customers, society, shareholders, investors and employees to be key stakeholders and has adopted four basic management policies: Maximize Customer Satisfaction, Secure Social Trust, Create Sustainable Corporate Value, and Foster Employee Potential. The CSR approach of Dai-ichi is to improve stakeholder satisfaction and improve corporate value through efforts to embody these four policies.

The driving force for the promotion of CSR management is the Declaration of Quality Assurance and Total Life Plan, which are included in the Company's medium- to long-term management strategies. By pursuing these two concepts, we aim to achieve the vision set out in our basic management policies.

## CSR Management Promotion System

The CSR Promotion Committee, which is chaired by our president, promotes CSR management. Every special committee dealing with key CSR issues is established under the CSR Promotion Committee. They develop and execute plans and manage progress. It enhances the effectiveness of CSR activities.

CSR management promotion system



## CSR report

Dai-ichi publishes a CSR Report to communicate its major business activities from the perspective of CSR and to enhance its accountability to stakeholders.

## Fundamental Profit

### (1) Fundamental Profit

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

**For fiscal year 2009: ¥330.1 billion**

(For fiscal year 2008: ¥360.8 billion)

(For fiscal year 2007: ¥454.9 billion)

Fundamental profit is one of the indicators that shows profit from the core insurance business during the term under review. It is net profit from our core business. Namely, we collect insurance premiums from policyholders and gain investment returns, to pay insurance claims and benefits in accordance with the content of insurance policies from those premiums and returns, while accumulating policy reserves for future payments and managing them.

Fundamental profit is an indicator used to measure ordinary profitability. Net surplus from operations is obtained by adding capital gains and losses which include gains and losses on the sale of securities and extraordinary gains and losses such as the provision for contingency reserve to fundamental profit.

Fundamental profit for fiscal 2009 fell from the previous fiscal year, to ¥330.1 billion, given declines in interest and dividend income and the amount of policies in force.

The Company will continue its commitment to maintaining and bolstering fundamental profit by strengthening the competitiveness of its core business and investing aggressively in growth markets.

## (2) Breakdown of Fundamental Profit (Three Profit Sources)

Category	(billions of yen)		
	FY2007	FY2008	FY2009
Fundamental profit (i).....	454.9	360.8	330.1
(Negative)/Positive spread .....	1.1	(64.8)	(82.8)
Mortality and morbidity gains.....	387.3	382.2	373.9
Expense margins.....	66.5	43.4	39.0
Capital gains/losses (ii).....	(82.2)	(619.6)	(6.5)
Other one-time gains/losses (iii).....	(1,72.1)	368.0	(130.0)
Net surplus from operations (iv) (i + ii + iii).....	200.5	109.1	193.6
Extraordinary gains/losses (v).....	(28.7)	110.5	(116.1)
Reversal (provision) for reserve for price fluctuations .....	(14.0)	120.0	(14.0)
Provision for allowance for policyholder dividends (vi).....	-	-	(92.5)
Corporate income taxes (vii).....	(28.4)	(85.9)	(13.2)
Unappropriated net surplus for the year (viii) (iv + v + vii).....	143.3	133.7	64.1
(Provision for reserve for policyholder dividends) (ix).....	(89.2)	(64.9)	(-)

### Notes:

1. The surplus of a life insurance company is unappropriated net surplus for the year (viii). Fundamental profit (i) and three profit sources, which constitute the fundamental profit, are parts of unappropriated net surplus. It is necessary to consider all items from fundamental profit to unappropriated net surplus for the year.
2. The allowance for policyholder dividends (vi) was provided as the source of policyholder dividends in fiscal 2009. Until fiscal 2008 policyholder dividends had been paid from unappropriated net surplus for the year (ix).
3. Negative spread is the difference between the assumed investment return from investments (assumed interest rate) and the actual investment return.
4. Mortality and morbidity gains are the difference between the assumed payments of insurance claims and benefits (assumed mortality and morbidity rate) and the actual payments.
5. Expense margins are the difference between the assumed operating expenses (assumed operating expense ratio) and actual operating expenses.



**(3) Negative Spread**

**For fiscal year 2009: ¥82.8 billion**

(Negative spread in fiscal 2008: ¥64.8 billion)

(Positive spread in fiscal 2007: ¥1.1 billion)

When calculating the amounts of insurance premiums, an insurance company guarantees policyholders a certain level of return from its investments in advance, and discounts future insurance premiums by the guaranteed rate of return. This discount rate is called the “assumed rate of (investment) return.” For this reason, an insurance company needs to secure the sum equivalent to guaranteed investment return from investment returns and other income.

If actual investment returns and other income are short of total guaranteed investment return, the difference is called a negative spread.

The negative spread for fiscal 2009 amounted to ¥82.8 billion, reflecting a lower rate of return of investment on fundamental profit.

**Calculation Formula for Negative/Positive Spread Amount**

Negative/positive spread amount = (Rate of investment return on fundamental profit – Average assumed rate of investment return) × Policy reserves for general account

Note: Values in the above formula are all in the general account

## Negative/Positive Spread

	Years ended March 31,	
	2009	2010
Average assumed rate of (interest) return .....	2.96%	2.89%
Average actual rate of (investment) return .....	2.70%	2.56%
(Negative)/Positive spread .....	(0.26%)	(0.33%)
(Negative)/Positive spread amount (billions) .....	(¥64.8)	(¥82.8)

## Unrealized Gains (Losses) on General Account Assets

**At the end of fiscal year 2009: ¥942.0 billion**

(At the end of fiscal year 2008: ¥319.2 billion)

(At the end of fiscal year 2007: ¥1,854.0 billion)

### ■ Unrealized Gains and Losses

Unrealized gains and losses represent differences between the market value of assets (securities, real estate, etc.) held and their book value, and are considered to be substantial capital because they constitute part of the solvency margin total used as a numerator when the solvency margin ratio is calculated. Unrealized gains also act as a buffer against the different types of risks to which Dai-ichi is exposed, and at the same time leave more room for risk taking in investments, and so make a substantial contribution to stronger profitability.

Unrealized gains for Dai-ichi as of March 31, 2010 on securities rose ¥694.8 billion from the end of the previous fiscal year, to ¥851.4 billion, reflecting stable stock markets under a recovery trend in the investment environment. Unrealized gains on real estate (land etc.) fell ¥70.3 billion, to ¥90.8 billion. As a result, total unrealized gains on overall general account assets increased ¥622.7 billion, to ¥942.0 billion.

### Total Net Unrealized Gains (Losses) on General Account Assets

	As of March 31,	
	2009	2010
	(billions of yen)	
Securities.....	156.5	851.4
Domestic bonds.....	403.8	265.7
Domestic stocks.....	(96.7)	522.5
Foreign securities (Note 1).....	(137.0)	59.8
Foreign bonds.....	(51.1)	79.0
Foreign stocks and other securities.....	(85.8)	(19.2)
Other securities.....	(13.4)	(0.9)
Others (Note 2).....	0	4.2
Real estate (land and others) (Note 3).....	161.2	90.8
Total (including others not listed above) (Note 4).....	319.2	942.0

#### Notes:

1. Foreign exchange valuation gains (losses) only are taken into account for foreign securities whose fair values are considered very difficult to estimate.
2. "Others" includes assets that are considered appropriate to be treated as securities, as defined in the Financial Instruments and Exchange Law.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of land.
4. Unrealized gains (losses) on loans and buildings are not recorded.

## Adjusted Net Assets

**At the end of fiscal year 2009: ¥3,321.6 billion**

(At the end of fiscal year 2008: ¥2,703.7 billion)

(At the end of fiscal year 2007: ¥4,662.1 billion)

If adjusted net assets fall into negative territory, the Company could be told to suspend operations by the supervisory authorities.

### ■ Adjusted Net Assets

Adjusted net assets are derived by subtracting non-capital adjusted liabilities from adjusted assets at fair market value. In other words, they refer to real net worth after market price-based valuation, and serve as one of the indicators used by the supervising administrative agency to ascertain the financial soundness of insurance companies.

Adjusted assets represent assets reported in the balance sheet plus unrealized gains/losses and other offbalance-sheet assets. Adjusted liabilities are calculated by deducting various reserves and allowances from onbalance-sheet liabilities.

Adjusted net assets as at the end of fiscal 2009 rose from the previous fiscal year, to ¥3,321.6 billion, principally because of an increase in unrealized gains on securities.

## Solvency Margin Ratio

**At the end of fiscal year 2009: 953.5%**

(At the end of fiscal year 2008: 768.1%)

(At the end of fiscal year 2007: 1,010.6%)

### ■ Solvency Margin Ratio

The solvency margin ratio is one of the indicators used by the supervising administrative agency to ascertain the extent to which an insurance company can meet payments in the event risks exceed a level greater than normally anticipated.

Specifically, the ratio is the index that shows how diverse risks are covered by the total of capital and other internal reserves, as well as by unrealized gains from securities and other assets (solvency margin total), when exposed to risks greater than normally anticipated. The diverse risks may include those involved in the payment for insurance claims and other benefits, investment risks. The solvency margin ratio is obtained by dividing the solvency margin total by the risk total, and a ratio exceeding 200% is one indication of an insurance company's meeting the standard for general financial stability.

The solvency margin ratio as at the end of fiscal 2009 increased from the end of the previous fiscal year, to 953.5%, primarily reflecting a rise in unrealized gains on securities.

Dai-ichi views the solvency margin ratio as one of the most important indicators for giving customers a sense of security in Dai-ichi. The Company continues its efforts to maintain enough ability to meet payments of insurance claims.

## Embedded Value

### Embedded value of Dai-ichi Life Group

**At the end of fiscal year 2009: ¥2,836.3 billion**

(At the end of fiscal year 2008: ¥1,758.4 billion)

(At the end of fiscal year 2007: ¥3,648.8 billion)

**Embedded value of Dai-ichi Life (non-consolidated): ¥2,868.0 billion**

(At the end of fiscal year 2008: ¥1,795.9 billion)

(At the end of fiscal year 2007: ¥3,654.4 billion)

For the details of embedded value, please refer to pages 125 and 126.

### ■ Embedded Value

The Dai-ichi Life Group discloses its embedded value (EV) as an indicator of its corporate value in the market, aiming to improve its EV.

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. Most expenses, such as sales commissions, are incurred in the initial period of each policy. On the other hand, life insurance policy periods are very long (20 years, 30 years, etc.), and revenues are generated over long periods. Since the EV principles allow life insurers to recognize discounted future profits from already-acquired policies in force at the time of sale, it is considered to complement financial data based on statutory accounting practices.

EV is widely used in overseas markets, especially in Europe, as a criterion for the valuation of the stock prices of life insurance companies. To facilitate investor understanding of Dai-ichi Life, the Dai-ichi Life Group has been disclosing EV (EEV) in accordance with the European Embedded Value (EEV) Principles since the end of FY2007. EV at the end of FY2009 increased from the end of the previous fiscal year, to ¥2,836.3 billion.

EV is the sum of adjusted net worth, which is calculated primarily from the balance sheet, and the value of in-force policies, which is calculated based on in-force policies.

EV 2,836.3 billion Yen



As of March 31, 2010



**EEV of the Dai-ichi Life Group**

	As of March 31,	
	2009	2010
	(billions of yen)	
EEV .....	1,758.4	2,836.3
Adjusted net worth .....	1,296.6	1,863.5
Value of in-force business .....	461.8	972.8
Value of new business .....	83.5	118.9

## Notes:

1. The Group EEV is calculated as follows: Dai-ichi Life's EEV plus DFL's EEV attributable to Dai-ichi Life's equity stake in DFL less Dai-ichi Life's carrying amount of equity of DFL.
2. Dai-ichi Life held 93.9% and 90.0% of the shares of DFL as of March 31, 2009 and as of March 31, 2010, respectively.
3. Dai-ichi Life's carrying amount of DFL's equity was ¥151.9 billion as of March 31, 2009 and ¥163.4 billion as of March 31, 2010.

**EEV of Dai-ichi Life (non-consolidated)**

	As of March 31,	
	2009	2010
	(billions of yen)	
EEV .....	1,795.9	2,868.0
Adjusted net worth .....	1,345.8	1,880.9
Value of in-force business .....	450.0	987.1
Value of new business .....	102.1	135.6

- **Adjusted net worth**

Adjusted net worth is accumulation of realized profits and is the sum of net assets on the balance sheet, certain reserves in liabilities, and unrealized gains and losses on assets not required to be marked to market under the Japanese GAAP among other factors.

- **Value of in-force business**

The value of in-force business is the present value as of the closing date of future after-tax profits occurring from already-acquired policies in force in each fiscal year (Future profits on not-yet acquired policies are not included.)

- **Value of new business**

The value of new business is the value at the time of sale, after all acquisition-related costs, of new policies (including net increase by conversion) obtained during the reporting period (FY2009)

The Dai-ichi Life Group requested a third party (actuarial firm) with expertise in actuarial calculation to review the assumptions and calculation method and obtained a written opinion. For information on the written opinion, please refer to the news release posted on the Company's website ([http://www.dai-ichi-life.co.jp/english/investor/ir/financial/results/2010/pdf/index\\_009.pdf](http://www.dai-ichi-life.co.jp/english/investor/ir/financial/results/2010/pdf/index_009.pdf)).

The calculation of EV involves certain assumptions regarding future projections that are subject to risks and uncertainties. Actual future results might materially differ from the assumptions used in the EV calculations. Moreover, changes of assumptions might cause significant changes in future results. We therefore ask that full care is exercised when using or analyzing EV figures.

## Ratings

As of July 2010

Rating and Investment Information	<b>A+</b>	Rating on Insurance Claims Paying Ability
Japan Credit Rating Agency	<b>A+</b>	Rating on Ability to Pay Insurance Claims
Standard & Poor's	<b>A</b>	Insurer Financial Strength Rating
Fitch Ratings	<b>A-</b>	Insurer Financial Strength Rating

### ■ Ratings

Ratings are given and published by independent third-party agencies primarily as their opinions about the financial soundness of businesses. Ratings are usually expressed in symbols for ease of understanding. There are two types of ratings: those published by rating agencies at the request of the subject company and those published by rating agencies as their independent opinions irrespective of whether they are requested or not.

Ratings for life insurance companies usually represent the degree of certainty with which insurance claims, annuities, etc. are paid in accordance with the policies involved.

Dai-ichi views credit ratings as one of the factors for objectively determining the soundness of a company's finances and other results of management.

It obtains ratings for the capability to pay insurance claims from Rating and Investment Information, Inc. and Japan Credit Rating Agency, Ltd. and those for the insurer's financial strength from Standard & Poor's and Fitch Ratings.

At the end of June 2010, Rating and Investment Information rated Dai-ichi at A+ , and Japan Credit Rating Agency gave Dai-ichi a high rating of A+, Standard & Poor's gave Dai-ichi rating of A, and Fitch Ratings rated Dai-ichi at A-.

## Enhancing Financial Soundness

### ■ Dai-ichi's Capital Policy

Dai-ichi understands that building a strong capital base is important if it is to retain the trust of its customers. To this end, Dai-ichi has sought to secure periodic profits and increase its reserve for price fluctuations, contingency reserve, and internal reserves in net assets. The Company has also complemented its core capital through subordinated debt, supplementary capital that is allowed to be incorporated into an insurance company's capital.

Based on regulatory trends, Dai-ichi will continue to maintain a capital base adequate to deal with risks. Specifically, we will increase internal reserves and will mitigate risks primarily by controlling risk assets, while looking at raising supplementary capital.

### ■ Foundation Funds

Foundation funds are a fund raising system permitted only for mutual companies under the Insurance Business Act, and correspond to the capital stock of joint-stock companies. With demutualization, Dai-ichi redeemed all foundation funds, and as a result, none remained as of March 31, 2010. At the time of redemption (repayment), insurance companies are required to provide for an account called "accumulated redeemed foundation funds" as an internal reserve, the amount of which should be the same as the amount of redemption. Accumulated redeemed foundation funds of ¥420.0 billion were posted in net assets as of March 31, 2010. With demutualization in April 2010, the accumulated redeemed foundation funds were transferred to capital stock and legal capital surplus.

# Summary of Financial Results

## 1. Assets and Liabilities

### (1) Selected Balance Sheet Items

	As of March 31,		As of March 31,	
	2009	2010	2009	2010
	(billions of yen)		(billions of yen)	
<b>Assets</b>			<b>Liabilities and Net Assets (Capital)</b>	
Cash and deposits, call loans .....	359.0	<b>356.4</b>	Policy reserve and others: .....	27,527.5 <b>27,803.7</b>
Securities repurchased under resale agreements .....	14.9	–	Policy reserves .....	27,006.9 <b>27,324.8</b>
Monetary claims bought .....	281.3	<b>289.8</b>	Reserve for policyholder dividends .....	347.6 <b>329.2</b>
Trading account securities .....	52.5	–	Subordinated bonds .....	49.1 <b>46.5</b>
Money held in trust .....	13.2	<b>22.2</b>	Reserve for employees' retirement benefits .....	403.6 <b>409.6</b>
Securities .....	21,588.9	<b>22,793.3</b>	Allowance for policyholder dividends .....	– <b>92.5</b>
Domestic bonds .....	12,620.2	<b>12,989.9</b>	Reserve for price fluctuations .....	101.4 <b>115.4</b>
Domestic stocks .....	2,846.0	<b>3,258.1</b>	Deferred tax liabilities for revaluation .....	125.5 <b>124.7</b>
Foreign Securities .....	5,908.7	<b>6,325.9</b>	Others .....	1,195.0 <b>1,229.6</b>
Loans: .....	4,248.4	<b>3,834.3</b>	<b>Total liabilities</b> .....	<b>29,402.4    29,822.1</b>
Policy loans .....	604.7	<b>571.4</b>	Foundation funds .....	120.0        –
Ordinary loans .....	3,643.7	<b>3,262.9</b>	Accumulated redeemed foundation funds .....	300.0 <b>420.0</b>
Real estate (Note 1) .....	1,235.1	<b>1,238.8</b>	Revaluation reserve .....	0.2 <b>0.2</b>
Deferred tax assets .....	640.9	<b>337.6</b>	Surplus .....	309.6 <b>184.4</b>
Others .....	459.8	<b>699.9</b>	Reserve for future losses .....	5.4 <b>5.6</b>
Reserve for possible loan losses	(10.9)	<b>(21.0)</b>	Other surplus .....	304.2 <b>178.8</b>
Total general account assets .....	28,883.7	<b>29,551.6</b>	Unappropriated net surplus for the year .....	133.7 <b>64.1</b>
Foreign currency-denominated assets .....	4,404.1	<b>5,027.8</b>	<b>Total foundation funds and surplus</b> .....	<b>729.9        604.6</b>
Total separate account assets (Note 2) .....	1,138.5	<b>1,270.8</b>	Net unrealized gains on securities, net of tax .....	(47.4) <b>461.1</b>
<b>Total assets</b> .....	<b>30,022.2</b>	<b>30,822.4</b>	Deferred hedge gains (losses) .....	(0.3) <b>(2.0)</b>
Notes:			Reserve for land reevaluation .....	(62.2) <b>(63.5)</b>
1. The amount of real estate is the sum of the amounts of land, buildings, and construction in progress.			<b>Total of valuation and translation adjustments</b> .....	<b>(110.1)      395.6</b>
2. Receivables generated from transactions involving general account assets are deducted under the Insurance Business Act.			<b>Total net assets</b> .....	<b>619.8       1,000.3</b>
			<b>Total liabilities and net assets</b> .....	<b>30,022.2    30,822.4</b>
			For the details of the balance sheet, please refer to pages 79 and 80.	

In accordance with the plan for demutualization under Article 86 of the Insurance Business Act, the balance sheet (major items of net assets) was determined as in the table below at the time the organization was changed on April 1, 2010.

	Commencement of business on April 1, 2010 (billions of yen)
Capital stock .....	210.2
Capital surplus .....	210.2
Legal capital surplus .....	210.2
Retained earnings .....	184.2
Legal retained earnings .....	5.6
Other retained earnings .....	178.6
Retained earnings brought forward .....	64.1
Total shareholders' equity .....	604.6
Net unrealized gains on securities, net of tax .....	461.1
Deferred hedge gains (losses) .....	(2.0)
Reserve for land reevaluation .....	(63.5)
Total of valuation and translation adjustments .....	395.6
<b>Total net assets .....</b>	<b>1,000.3</b>

## (2) Status of Assets

During the fiscal year ended March 31, 2010, Dai-ichi continued to position fixed income investments, including bonds, a core of its asset portfolio, so that they are consistent with its medium- to long-term investment policies. Meanwhile, Dai-ichi increased its position in policy-reserve-matching bonds by investing in long-term and super-long-term domestic bonds in an effort to promote ALM and enhance its profitability.

Dai-ichi has appropriately managed the risk associated with its risk assets, such as domestic stocks and foreign securities, which have been acquired primarily to diversify its investment portfolio and achieve higher profitability. In doing so, the Company takes market trends into account.

Outstanding general account assets as of March 31, 2010 increased by ¥667.9 billion from the end of the previous fiscal year, to ¥29,551.6 billion, primarily reflecting a rise in unrealized gains on securities. The balance of separate account assets rose ¥132.2 billion, to ¥1,270.8 billion. As a result, total assets climbed ¥800.2 billion, to ¥30,822.4 billion.



## 2. Revenues and Expenditures

### (1) Selected Items on Results of Operations

	Years ended March 31,	
	2009	2010
	(billions of yen)	
Ordinary revenues:		
Premium and other income .....	2,904.3	2,837.2
Investment income .....	1,178.3	1,153.4
Other ordinary revenues .....	1,100.1	340.8
Total ordinary revenues .....	5,182.8	4,331.5
Ordinary expenses:		
Benefits and claims .....	2,753.5	2,610.5
Provision for policy reserves and others .....	27.1	328.2
Investment expenses .....	1,414.8	330.0
Operating expenses .....	444.0	438.7
Other ordinary expenses .....	434.1	430.3
Total ordinary expenses .....	5,073.6	4,137.9
Net surplus from operations .....	109.1	193.6
Extraordinary gains .....	122.4	0.3
Extraordinary losses .....	11.8	116.5
Provision for allowance for policyholder dividends .....	-	92.5
Net surplus before adjustment for taxes, etc. ....	219.7	77.4
Corporate income taxes:		
Current .....	0.8	0.3
Deferred .....	88.3	16.3
Total of corporate income taxes .....	89.1	16.6
Net surplus for the year .....	130.5	60.8
The provision for the reserve for policyholder dividends .....	64.9	-
Net income (Note) .....	65.5	60.8

(Note) We calculated the net income of the previous fiscal year, assuming that the provision for the reserve for policyholder dividends had been posted in extraordinary losses. That provision of the previous year was originally treated as an appropriation of surplus.

\* For the details of the results of operations, please refer to page 81.

### (2) Insurance-Related Income and Expenses (Premiums and Other Income, and Benefits and Claims)

Premiums and other income declined 2.3% from the previous fiscal year, to ¥2,837.2 billion, reflecting a fall in premium income from group annuities. Benefits and claims payments fell 5.2%, to ¥2,610.5 billion, on a decrease in payments of maturity claims.

### (3) Investment-Related Income and Expenses

Although separate account investment income rose from the previous fiscal year, interest and dividend income declined ¥33.2 billion from a year ago, to ¥708.0 billion. This reflected a decrease in dividends from domestic stocks associated with the worsening of corporate earnings. Gains on sale of securities also fell. As a result, investment income slipped ¥24.8 billion from the previous fiscal year, to ¥1,153.4 billion.

Meanwhile, investment expenses declined ¥1,084.7 billion, to ¥330.0 billion, mainly due to falls in losses on the sale of securities and devaluation losses on securities.

As a result, net investment income and expenses improved ¥1,059.8 billion from the previous fiscal year, to net investment income of ¥823.4 billion.

#### (4) Provision for Allowance for Policyholder Dividends

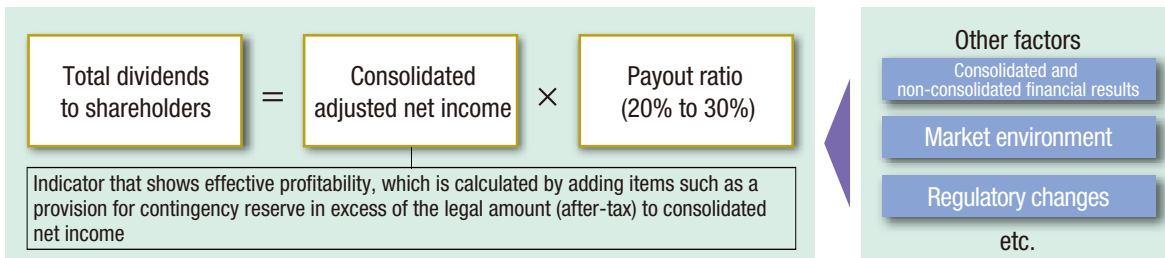
Since the Company changed from a mutual company to a public company on April 1, 2010, it posted an allowance for policyholder dividends to pay the dividends after demutualization. The allowance for policyholder dividends and the reserve for policyholders dividends are to be presented as a reserve for policyholder dividends in fiscal 2010. The provision for allowance for policyholder dividends is posted in extraordinary losses. The rate of policyholder dividends for fiscal 2009 was 67.1%. This is the ratio of the amount of the provision for the reserve for policyholder dividends (¥92.5 billion as provision for the allowance for policyholder dividends in fiscal 2009) to the surplus attributable to participating policyholders (¥137.8 billion) based on earnings relating to dividend-paying insurance policies stated in the plan for demutualization.

#### (5) Dividends to Shareholders

Public life insurance companies pay policyholder dividends and dividends to shareholders.

The policyholders of the mutual life insurance company are owners with the rights to receive the policyholder dividends. Those rights are transferred to the public company after its demutualization. Our policy for policyholder dividends is included in the Articles of Incorporation under the Insurance Business Act, and the rights of policyholders relating to dividends are protected.

We aim to provide stable returns to shareholders in the medium to long term, taking into account the need to enhance the soundness and strike a balance between dividends to shareholders and policyholder dividends. After demutualization on April 1, we paid dividends of ¥10 billion for the fiscal year under review based on the surplus at the end of fiscal 2009. We intend to determine a dividend level with a targeted dividend payout ratio of 20-30% based on our consolidated adjusted net income. We also take into account factors including consolidated and non-consolidated financial results, market environment and regulatory changes.



# Individual Life Insurance

## Individual Life Insurance Products Offered to Individuals

During fiscal 2009, we took steps to enhance our product lineup and services, launching Hospitalization Benefit Rider D, creating a CD-ROM that includes the Policy Guide: Policy Conditions, and providing an Internet (PC) service exclusively for policyholders named Total Life Plan My Page.

We sell savings products of Dai-ichi Frontier Life through financial institutions such as banks and securities companies.

We also provide products that are highly tailored to the needs of a wide range of customers by selling non-life insurance products of Sampo Japan and cancer insurance products of AFLAC.

To maintain and strengthen comprehensive communication with customers over the long term, Dai-ichi has introduced a number of new customer-service initiatives. These initiatives include the provision of the *With Partner* service for policyholders, face-to-face consulting by Total Life Plan Designers using the portable personal computer eNavits, the industry's largest call center, and a Total Life Plan e-Report, which enables policyholders to check the contents of policies on the Company's website.

### ■ Policies in Force, New Business, and Decreased Policies of Individual Insurance and Individual Annuities

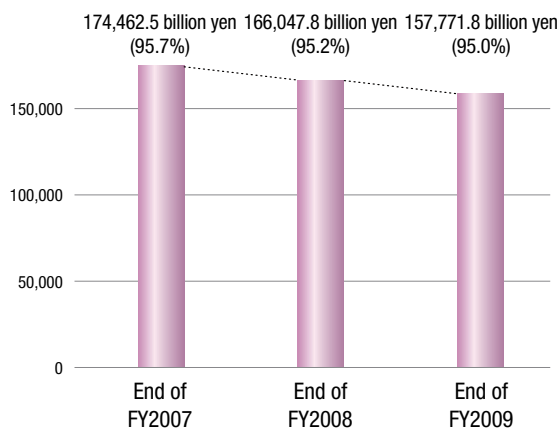
The sum insured of new business of individual insurance and individual annuities in fiscal 2009 declined 4.7% from the previous fiscal year, to ¥6,835.8 billion. Decreased sum insured fell 3.0%, to ¥15,111.9 billion.

As a result, sum insured of policies in force at the end of fiscal 2009 declined 5.0%, to ¥157,771.8 billion.

The sum insured of new business including that of Dai-ichi Frontier Life rose 1.4%, to ¥7,643.3 billion. New policies increased from a year ago for the first time in 18 years.

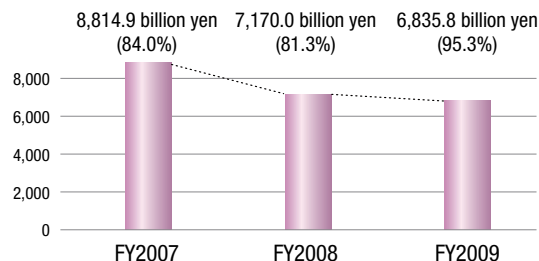
#### Sum insured of policies in Force

(Figures in parentheses show the year-on-year comparison.)



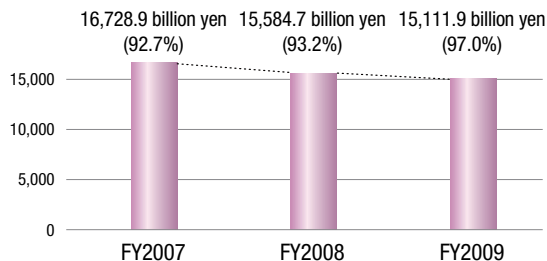
#### Sum insured of new business

(Figures in parentheses show the year-on-year comparison.)



#### Decreased Sum Insured

(Figures in parentheses show the year-on-year comparison.)



## Total Life Plan: Providing Lifelong Security

### ■ Total Life Plan

Total Life Plan is a Dai-ichi initiative to help individual customers consider lifelong plans, to ensure that they are prepared to face any future event. Total Life Plan also consistently provides sound proposals, products, and services throughout the lives of customers.

### ■ As A Lifelong Partner

By further refining its management philosophy that puts customers first since its foundation, Dai-ichi set out the concept of a “Total Life Plan” in 1997 to continually remain a “Lifelong Partner” for customers.

Under this concept, Dai-ichi has been striving to develop its own products and services and improve proposals, and avoid being bound by conventional thinking, for the sake of accurately responding to the needs of the time, society, and customers.

To remain a “Lifelong Partner” for customers, Dai-ichi will continue to focus on customers’ requirements, and will strive to create a Total Life Plan that is suitable for individual customers.

## Consultation Systems That Support the Total Life Plan

### Bolstering Consultation Functions

#### ■ eNavit, a portable personal computer

Dai-ichi provides eNavit, a portable personal computer, to Total Life Plan Designers (sales representatives) to bolster the quality of their proposals.

The functions offered by eNavit include an Explanation Navigator, which helps the designers describe the need for insurance, propose insurance products, and provide information. It enables them to make easy-to-understand, visual explanations.

We use eNavit also for e-learning to improve our staff’s consulting capabilities. Using a data communication card, designers can access our computer system when they are out of the office and can answer inquiries from customers promptly.

Dai-ichi has bolstered its information security by: storing customer information in the head office computer instead of keeping it on their own personal computers; and strengthening ID authentication by introducing USB keys for individual users.

### ■ Total Life Plan Proposals to Customers

The Total Life Plan is a blueprint tailored to individual customers using specific data and amounts to match their life stage. The Total Life Plan takes into account the status of their income and expenditures over customers’ whole lives, as well as the size of the public pension payments they would receive, the size of their retirement benefits, and their savings level.

The Total Life Plan provides customers with simulations for preparation for unexpected deaths and accidents, medical needs, nursing care, and life after retirement, in accordance with the status of each individual customer.

## Provision of Consultation Services by Total Life Plan Designers

Dai-ichi uses the name Total Life Plan Designers to describe sales representatives who provide total life plans to individual customers as their lifelong partners. Over 40,000 Total Life Plan Designers are providing face-to-face consultation and other services to policyholders.

## Provision of Consultation Services by Financial Planners (FPs)

Specialist knowledge about products and tax is required in proposing life insurance to customers.

To promptly and accurately respond to the diversified requirements of customers, Dai-ichi deploys approximately 400 financial planners (FPs) nationwide.

In principle, Dai-ichi FPs possesses qualifications such as a Certified Skilled Worker of Financial Planning, a national accreditation, or CFP or AFP certifications provided by the Japan Association for Financial Planners.

Aiming to improve customer satisfaction, FPs are engaged in a wide range of activities nationwide, including: structuring a corporate welfare system using life insurance products, to local small and medium-size enterprises; and the effective use of life insurance based on their extensive knowledge of tax.

Dai-ichi has 4,391 employees holding qualifications as a 2nd Grade Certified Skilled Worker of Financial Planning, or AFP, including 316 1st Grade Certified Skilled Workers of Financial Planning, or CFPs (at the end of March 2010).



## Internet Consulting

Dai-ichi has developed a Life Design Cyber Shop on its web page so that customers can easily ask questions about insurance estimates and other matters. Through the Life Design Cyber Shop, Dai-ichi FPs provide comprehensive consultation services, including: preparations for diverse types of insurance in accordance with customers' objectives; and provision of consultations and advice via e-mail, telephone, or in-person with a sales representative.

In addition, Dai-ichi provides a wide range of sophisticated consultations on post-retirement financing plans, inheritance planning, and other topics through the "FP Consultation site", and its specialist financial planners provide private consultations to individual customers via e-mail and telephone.

## Expansion of Agency Networks

To meet the diversified needs of customers and offer them greater convenience, Dai-ichi started developing agency channels on a full scale in the fiscal 2000. Since then, in an effort to develop this channel, the Company has been allocating its resources to organizations and assigning personnel to deal with agency channels.

Specifically, Dai-ichi has launched the sale of its products via sales agents of Sompo Japan, a business partner since fiscal 2001. We are providing comprehensive life and non-life insurance services. Moreover, Dai-ichi Frontier Life, a subsidiary that specializes in supplying the bancassurance products, has been providing individual annuities and other savings products for financial institutions since fiscal 2007.

Dai-ichi will continue to provide products and services that will meet the needs of customers, making the best of the comprehensive strength of the Dai-ichi Life Group.

## Call Center

### ■ Dai-ichi Call Center

The Dai-ichi Call Center handles inquiries about services and their procedures from customers. To promptly deal with customer inquiries, it uses the latest call center technology through which customers' calls are quickly and reliably transferred to specialist operators.

In fiscal 2009, the Call Center handled 1.29 million inquiries. The Call Center internally shares comments and requests received from customers to help Dai-ichi in its endeavor to improve the quality of customer services and to refine its operational processes.

### ■ Communication Desk

To further improve customer services, the Communication Desk directly calls customers to confirm details of their policies and to provide the latest information about product and service campaigns. For customers who cannot be easily contacted during weekdays, the Desk calls them on Saturdays to ensure that they are also fully informed.

# Group Life Insurance

## Sales Results of Products and Services for Corporate Clients

Dai-ichi has been offering a variety of products and services to corporate clients, including detailed consulting about welfare, pension and retirement benefit systems, and a broad range of information through seminars.

In group insurance, Dai-ichi is proposing general welfare group term life insurance products that support systems for condolence money and retirement benefits at the time of death, and group term life insurance and (group) medical care insurance products, which help employees prepare insurance by themselves.

In the arena of corporate pension plans, sweeping systemic government reforms were carried out. Eight years have passed since the introduction of the defined contribution (DC) pension schemes and the defined benefit (DB) pension schemes. Meanwhile, the tax-qualified pension schemes will be abolished at the end of March 2012. In response, Dai-ichi is proposing the New DB Master Plan II, the design of which is standardized by fixing the amount of contributions in the DB system, and the Dai-ichi Life DC Smart Plan, which is designed to operate the corporate DC plans of multiple companies based on a single pension code in the DC system in addition to customized pension plans to meet the needs of customers.

A look at the status of group life insurance as of March 31, 2010 shows that the number of organizations with policies in force declined, reflecting surrenders in association with changes in employment systems and revisions to benefit programs. As a result, the sum insured of group insurance policies in force fell 1.3% from the end of the previous fiscal year, to ¥54,051.1 billion.

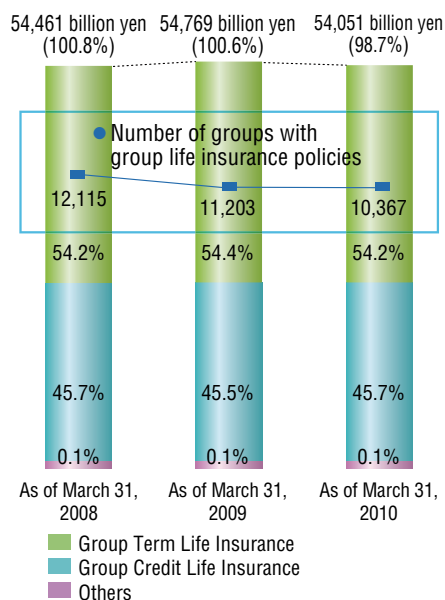
The sum insured of group annuity policies in force as of March 31, 2010 rose 0.8% from the end of the previous fiscal year, to ¥6,192.2 billion, primarily reflecting favorable separate account management associated with a moderate recovery in the financial market.

The balance of group pension assets of DIAM Co., Ltd. increased 19.0% from the end of the previous fiscal year, to ¥3,755.6 billion.

As a result, the balance of group pension assets for the Dai-ichi Life Group overall on March 31, 2010 climbed 7.0% from the end of the previous fiscal year, to ¥9,947.9 billion.

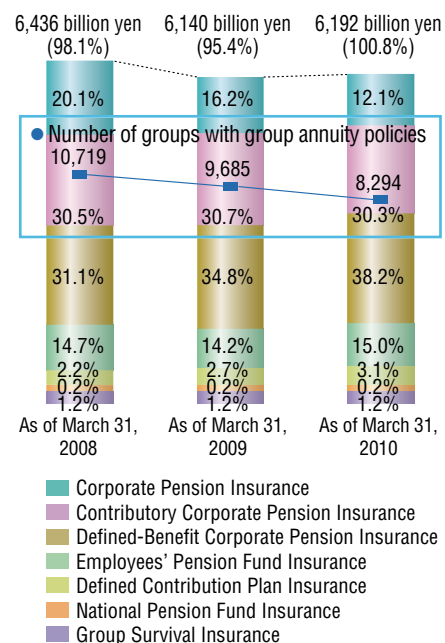
### Policies in Force of Group Life Insurance

(Figures in parentheses show the year-on-year comparison.)



### Policies in Force of Group Annuities

(Figures in parentheses show the year-on-year comparison.)



\*The amount of group annuities is the amount of outstanding policy reserves.

## Investment Environment

The global economy emerged from the worst of the economic crisis thanks to the economic and financial stimulus measures adopted by governments around the world, with the recovery led by emerging economies. The Japanese economy also bottomed out during fiscal 2009, thanks to an economic stimulus package that included supplementary income payments and a reduction in tolls on the national highway system. An improvement in external demand from Asia also fueled the recovery. The large-scale economic stimulus package by the U.S. government revived employment and investment in housing in the United States, and the U.S. economy continued to recover.

Given the economic conditions described above, the investment environment was as follows:

### Domestic Interest Rates

The yield on ten year government bonds topped 1.5% at one point, reflecting the economic recovery and subsequent concerns about the fiscal deficit. Interest rates fluctuated between 1.2% and 1.4% towards the end of the fiscal year, as the Bank of Japan continued to loosen monetary policy and as deflationary pressures mounted throughout the economy.

Yield on ten-year government bonds:

March 31, 2009	1.345%
March 31, 2010	1.390%

### Domestic Stocks

The Nikkei 225 Stock Average regained ground and topped 10,000 during the first half of fiscal 2009, reflecting expectations that the domestic and overseas economies would ultimately recover. The index lingered around 10,000 as the market discounted the impact of deflation and the appreciating yen on corporate earnings. It then rose above 11,000 for the first time since October 2008, with investors appreciating the firm external demand from developing economies and the yen stabilizing towards the end of the fiscal year.

Nikkei 225 Stock Average:

March 31, 2009	8,109
March 31, 2010	11,089

TOPIX:

March 31, 2009	773
March 31, 2010	978

## Foreign Currency

Confronted with a deteriorating fiscal balance in the United States and financial instability in the Middle East and Southern European economies, investors tend to be risk-averse and avoid currencies other than the Japanese yen. It appreciated to ¥84 against the U.S. dollar, the highest level in 14 years. The inflationary pressure on the yen eased by the end of the fiscal year as the Bank of Japan further relaxed its monetary policy and as the market began to factor in the possibility of a reversal in interest rate trends in the United States. Overall, however, the yen remained stronger against the U.S. dollar throughout the fiscal year.

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

Yen/U.S. dollar:

March 31, 2009	¥98.23
March 31, 2010	¥93.04

Yen/Euro:

March 31, 2009	¥129.84
March 31, 2010	¥124.92

## Fundamental Investment Policy

Our fundamental investment policy is based on the Asset Liability Management (ALM) approach. The objective of the approach is to make stable long-term payment of annuities or claims and benefits, taking into consideration the characteristics of the liability. Specifically, our investment portfolio is built around a core of yen-denominated fixed income assets, consisting mainly of domestic bonds. On the other hand, we are striving to increase the profitability of our portfolio by incorporating stocks and foreign securities. It is within an acceptable range of risk in securing financial soundness. Through a meticulous risk management system, Dai-ichi ensures that it monitors risks and seeks to improve investment efficiency.

### [ALM]

ALM is the abbreviation of Asset Liability Management. For the life insurance company, it is to grasp the risks arising from fluctuations in interest rates on liabilities (insurance policies) and manage the assets that are appropriate given the characteristics of those risks. It is important to maintain assets in accordance with the characteristics of the liabilities and prepare for the payment of insurance claims.

### [Portfolio]

A portfolio is a set of assets that a particular company has.

## Summary of Investment Results

### ■ Summary of General Account Assets

#### ● Balance of Cash and Deposits Kept Low

While domestic interest rates remained low, Dai-ichi sought to achieve improved investment efficiency by keeping the balance of cash and deposits low.

#### ● Domestic Bonds: Increase

The Company actively replaced low-yield bonds with longer duration high-yield bonds and also increased investment in policy-reserve-matching bonds (mainly long-term and super-long-term bonds) based on its ALM strategy. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products, including corporate bonds and asset backed securities, in accordance with its internal guidelines on risk-adjusted credit-spread.

#### ● Domestic Stocks: Increase

Although the Company carried out sales of a part of this asset category for risk-control purposes during the period, the balance increased because the valuation of remaining stocks in the portfolio rose, following the market recovery, more than enough to offset the decline due to sales. We took steps to improve the profitability of the portfolio by replacing stocks of certain companies and sectors with those offering more competitiveness and growth potential, based on in-house analyses.

#### ● Foreign Bonds: Increase

The Company decreased its exposure to bonds without currency hedges as a risk control measure. Meanwhile, the Company increased its investment in foreign currency-denominated bonds with currency hedges, aiming for an improved investment return in the fixed income asset category, resulting in an increase in the total balance of foreign bonds. Also, the Company made efforts to improve return on investments and to control risk by diversifying its portfolio by sector and currency.

#### ● Foreign Stocks: Increase

As a result of the global stock market recovery, the balance of foreign stocks in the Company's portfolio increased. The Company accelerated diversification of geographic allocation and styles of foreign stock investment, utilizing both independent advisors and in-house managers (multi-manager investment).

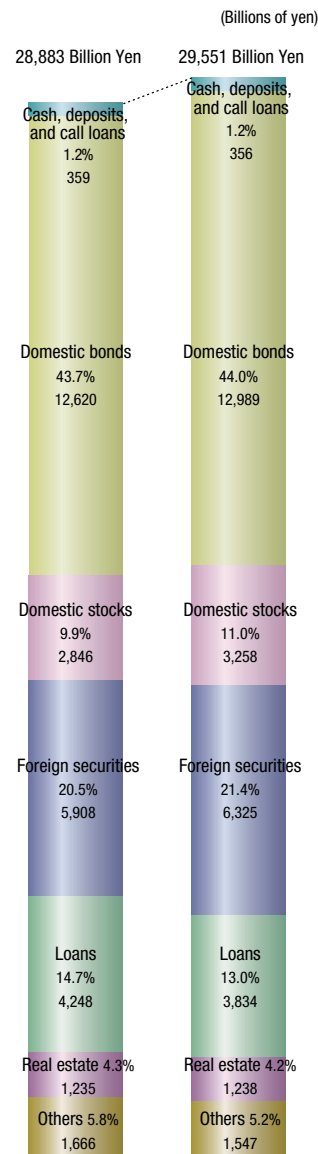
#### ● Loans: Decrease

The Company made efforts to maintain high profitability by setting adequate risk-adjusted spreads, while paying attention to the credit spread changes in the bond market. However, its total balance of loans decreased due to maturities.

#### ● Real Estate: Flat

The Company sought to improve profitability, which include renegotiating the rents and improving the vacancy rates of its real estate portfolio. The Company also took steps to increase the value of existing real estate by refurbishment and housing rehabilitation.

### Breakdown of Assets in General Account



As of March 31, 2009    As of March 31, 2010

**Asset investment yield (general account)**

	FY2007	FY2008	FY2009
Rate of return of investment on fundamental profit	3.14%	2.70%	2.56%
Investment yield	2.40%	0.22%	2.17%

Rate of return of investment on fundamental profit =  
 (Return of investment in fundamental profit – Interest on  
 policyholder dividends) / Policy reserves  
 Investment yield = Net investment income / Average daily  
 balance of general account assets

**[Credit spread]**

Yield in excess of the yield of government bonds

**[In-house management]**

The investor manages assets, acquiring stocks and bonds and setting up deposits by itself, without assigning the management to outside management institutions.

**[Multi-manager investment]**

More than one manager manages assets that are allocated from one fund.

**Promotion of ALM**

Dai-ichi recognizes that, particularly at life insurance companies, it has become increasingly important to ensure the proper management of profit, risk, and capital through ALM, a system to control operating assets and liabilities (insurance policies) appropriately by being fully aware of the characteristics of liabilities.

Dai-ichi has adopted a number of management initiatives to ensure sound management. It has established the ALM Committee and built a system in which it examines the integrated management of assets and liabilities and the sophistication of its management system.

The Company has also introduced internal management accounting for each product group, the liabilities of which have different characteristics. We are also developing an administrative structure for each product group based on differences in market characteristics and profitability. Specifically, we identify and manage each risk associated with insurance underwriting, asset investment and liquidity for each major accounting unit, based on the product characteristics. We set an appropriate assumed interest rate in consideration of asset investment environment and other factors, draw up an asset investment policy taking into account the characteristics of liabilities, verify the appropriateness of the policy through the department in charge of risk management, and check the investment results. In addition, Dai-ichi will check the risks involved in insurance underwriting and asset investment at the time of the development of new products and sale.

The Company also promotes ALM based on the surplus, which means the economic value of an insurance company, or the difference between the fair value of assets and the present value of liabilities. The present value of liabilities is calculated by discounting future cash flows to be generated from policies in force, using the current interest rate, and adding a risk margin (a consideration required for risks relating to policy obligations).

## Investment Risk Management

### ■ Objective of Investment Risk Management

The objective of risk management at Dai-ichi is to maintain the soundness of its assets while paying close attention to the balance between risks and returns from a mid- to long-term perspective.

### ■ Investment Risk Management Structures

At Dai-ichi, the Risk Management Department carries out integrated risk management in which it oversees risks for the entire portfolio, including market, credit, and real estate investment risks, and strengthens its check function from the perspective of financial soundness.

### ■ Investment Risk Management Initiatives

#### ● Market Risk Management

The balance of assets, including securities and derivatives, which involve market risks, and their transactions, as well as their unrealized gains/losses are managed on a daily basis and reported to management. The Company has a framework in place to control risks by setting risk limits in relation to holdings, etc. In addition, various methods, including value-at-risk (VaR) analysis, a principal market risk measurement method, are used to grasp market risk volumes in numerical terms, thus ensuring more effective market risk management.

#### ● Credit Risk Management

Measures for credit risk management include rigorous preliminary reviews and post-transaction follow-ups on individual transactions. From the perspective of portfolio management, the Company analyzes and manages the makeup of transactions classified according to internal credit ratings, degree of concentration of credit granting, and other factors. The Company has also developed a framework to prevent a concentration of credit extension, for example by setting credit limits for large-lot borrowers. Besides these measures, portfolio credit risks are determined in numerical terms for management through the periodic measurement of credit risk volumes using methods including VaR analysis.



# Internal Control and Overall Risk Management

## Management Control

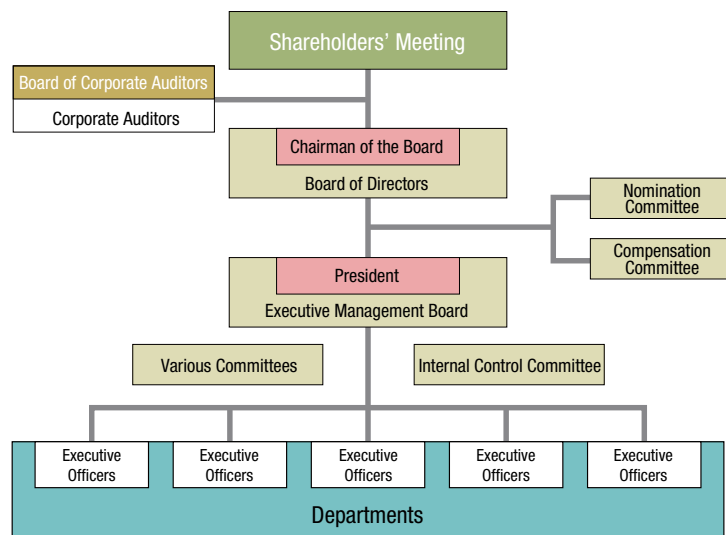
The Board of Directors makes important management decisions and supervises the execution of operations. To separate and thereby strengthen its functions of decision making and supervision on the one hand and operational execution on the other, Dai-ichi has introduced an executive officer system. Executive officers are elected by the Board of Directors and carry out duties assigned by the Board of Directors. Dai-ichi also has an Executive Management Board that meets twice a month, in principle, and consists of the president and executive officers appointed by the president. The Board considers important management and executive issues. As of July 1, 2010, Dai-ichi had 12 directors (including two outside directors) and 22 executive officers (including seven officers who are concurrently directors).

To enhance management transparency, Dai-ichi has established a Nomination Committee and a Compensation Committee, each of which

consists of two outside directors, the chairman, deputy chairman, and president, as independent advisory committees to the Board of Directors. The Nomination Committee confirms the eligibility of candidate directors. The Compensation Committee deliberates on the compensation systems for directors and executive officers and other related matters.

In addition to attending meetings of the Board of Directors and the Executive Management Board, corporate auditors audit the execution of duties by directors and executive officers through interviews with directors, executive officers, and the relevant departments. Corporate auditors also audit the status of compliance, risk management in overall operations, and the operational and financial status of Dai-ichi and its subsidiaries. In addition, the Board of Corporate Auditors deliberates on important audit issues. As of July 1, 2010, Dai-ichi had 5 corporate auditors (including three outside auditors).

Management Control System



## Status of Internal Control Systems

In response to the enforcement of the Companies Act, Dai-ichi has established a Basic Internal Control Policy, which sets out its basic approach and policy concerning internal control.

As part of the establishment of its internal control system, the Company has set up an Internal Control Committee. The Committee is a special organization assisting the Board of Directors and the Executive Management Board and is responsible for the following: driving the establishment and operation of an internal control system; checking the appropriateness of financial reports and the effectiveness of internal audits; and checking and discussing issues of compliance, the protection of information property, risk management, the handling of antisocial forces as an organization dominating the Compliance Committee, Risk Management Committees, and Antisocial Forces Handling Committee. The Internal Control Committee consists of representative directors and the executive officers in charge of the divisions responsible for internal control and holds a meeting every month, in principle.

To enhance the effectiveness of internal controls, Dai-ichi also carries out internal control self-assessment (CSA) in all operations. Through CSA, the Company grasp the condition of the risk to (1) identify major risks in each business, (2) evaluating the importance of the risks in view of the magnitude of the potential effects and losses they may cause to customers, and (3) assessing risk prevention systems. The Company seeks to mitigate risks and improve operations by developing and introducing measures against risks in order of priority.

### Basic Internal Control Policy

1. Conduct business activities in compliance with laws and regulations, the Articles of Incorporation, social standards, and rules in the market
2. Protect and manage information assets appropriately, including customer information, shareholder information, important facts, and other unique information
3. Manage risks effectively in accordance with the characteristics of those risks
4. Block any relationships with antisocial forces to prevent any damage that might occur
5. Ensure appropriate operations at subsidiaries
6. Ensure the reliability of financial reports and disclose them appropriately on a timely basis
7. Check the appropriateness and effectiveness of internal control through operational audits

## Compliance (observance of laws and ordinances, etc.)

### Basic Recognition

Dai-ichi understands that complying with laws and regulations, its Articles of Incorporation, social standards, and rules in the market is the basis for conducting business activities. To fulfill social responsibility and public missions as a life insurance company, Dai-ichi is developing compliance systems to promote compliance in all of its operations, including insurance sales and asset management.

### Policies and Regulations Designed to Promote Compliance

Dai-ichi has established Compliance Regulations that set out a basic approach to compliance system and the details of that system. It enforces compliance under its Basic Internal Control Policy, which was developed by the Board of Directors. The Company has also established a Code of Conduct that sets out the specific principles of the behavior of officers and employees under its Basic Management Policy. The Company has created a Compliance Manual that includes explanations of laws and regulations and points to keep in mind in performing operations, in addition to the internal rules for promoting compliance. Distributing the manual to all officers and employees and providing them with training programs, the Company seeks to keep them informed of the internal rules, laws and regulations, as well as other important points. The Compliance Committee holds preliminary discussions on important regulations and manuals, the Executive Management Board discusses them, and the Board of Directors makes decisions. The Company reviewed and refined the Code of Conduct and Compliance Manual in April 2010, adding points that officers and employees need to keep in mind as members of a public company.

### Organizational Systems, etc. Associated with Compliance

The Compliance Committee (consisting of relevant officers and department heads) under the Internal Control Committee discusses important matters relating to compliance and consults with the Executive Management Board, President, and the Board of Directors. The Compliance Control Department refines the Companywide compliance system. To ensure compliance and insurance

sales management at branch offices, Dai-ichi has established a Sales Compliance Promotion Center which bolsters the system and gives instructions and support directly to branches. The Company assigns to the Compliance Control Department and Sales Compliance Promotion Center compliance officers who ensure compliance at head office departments and branches, and they manage compliance and insurance sales in cooperation with compliance managers, who are the head of each department or branch.

Important matters associated with compliance that arise in departments and branches are reported through compliance managers to the Compliance Control Department. The Company handles and resolves the matters in the most appropriate way. The Company has established an internal inquiry desk in the Compliance Control Department as a channel through which employees can directly report and consult on compliance matters. To strengthen the system, the Company set up another inquiry desk in April 2010, where outside lawyers directly accept consultations from employees.

To check whether the system works effectively across the board, the Internal Control and Auditing Department conducts operational audits regularly and reports the results of the audits to the Board of Directors and the Executive Management Board.

### ■ Compliance Promotion

The Board of Directors of Dai-ichi sets out a Compliance Program each year as a specific plan of action for compliance in accordance with the issues identified for each fiscal year. The Company promotes compliance in a plan-do-check-action (PDCA) cycle, in which the Compliance Committee checks the status of each issue in the Compliance Program regularly and reviews the issues as necessary.

In addition, the Company requires the general managers of the head office and branch offices to submit a confirmation sheet concerning compliance promotion semi-annually so that management officers can monitor the effectiveness of compliance promotion.

## Information Property Protection

### ■ Basic Recognition

Dai-ichi keeps personal information on customers, including their names, birth dates, addresses, contract details, and medical information, for long times and also retains information about business partners that it has obtained in the course of its operations, such as financial transactions. The Company believes that complying with laws and regulations and internal regulations and appropriately managing the protection of information property are the major premise for earning the trust of its customers.

### ■ Policy, Regulations, etc. Associated with the Protection of Information Property

The Board of Directors of Dai-ichi has established a Basic Internal Control Policy and, under that policy, information property protection and control regulations. These regulations stipulate basic principles for protecting information property and standards for appropriately protecting information property. Dai-ichi has also created information property protection and control standards, which stipulate standards for specific security measures. Based on the spirit of the Personal Information Law, Dai-ichi has established a Personal Information Protection Policy and a Shareholder Personal Information Protection Policy, which describe the purposes of the use of personal information and shareholder information and the protection and control of personal information and shareholder information, based on decisions by the Board of Directors, and has posted those policies on its website.

The Company has created a Compliance Manual, an Information Property Protection and Management Manual and a Personal Information Protection Manual, which specify rules and regulations relating to the management and protection of information property and points to keep in mind in the execution of operations. The Company has distributed these manuals to all officers and employees and has provided training programs based on the manuals to keep them informed about the contents of the manuals.

### ■ Organizational Systems, etc. Associated with the Protection of Information Property

The Information Property Protection Committee (consisting of relevant officers and department heads), which has been established as a subsidiary body of the Compliance Committee, discusses important matters relating to the protection of information property and reports the results of the discussions to the Compliance Committee. We have established an Information Security Management Center, a standing organ that promotes protection of information property across the board, within the Compliance Control Department. The Information Security Management Center gives the necessary instructions and support to each department of the head office and each branch, and develops a system for the appropriate protection and management of information property in each organ through compliance managers and compliance promoters, who have been appointed across the board.

The Internal Control and Auditing Department regularly carries out operational audits to ensure that these systems are working effectively throughout the Company and reports the results of the audits to the Board of Directors and the Executive Management Board.

### ■ Information Property Protection and Control

Dai-ichi has developed information property protection and control systems based on the Personal Information Law, guidelines, and other regulations associated with the protection of personal information in the financial industry. To strengthen the protection and control, Dai-ichi takes the following steps:

- Strengthening compliance with information handling rules through regular staff training and conducting regular inspections of compliance with the rules
- Strengthening technical security control measures for times when the Internet, e-mail, external memory media, or other related items are used
- Strengthening the management systems for outsourcing service providers

### ■ Handling of Requests for the Disclosure of Personal Information and Others

When customers or shareholders request the disclosure of their own personal information, Dai-ichi promptly and appropriately responds after confirming that the requests have been made by the customers or shareholders themselves or by legal proxies.

Information about disclosure requests based on the Personal Information Law is also available on Dai-ichi's web page.

### ■ Handling of Comments, etc.

Dai-ichi responds promptly and appropriately to any comments, etc. about the handling of customer information or personal information.

## Handling of Antisocial Forces

### ■ Basic Recognition

Under the basic management policy of Securing Social Trust, all organizations of Dai-ichi are united in their resolution to reject any coercion from antisocial forces that threaten the order and security of civil society and disrupt sound economic and social development and corporate activities. Dai-ichi is fully committed to blocking the development of any relationships with such forces to prevent any damage that may occur.

### ■ Policies, Regulations, etc. Associated with the Handling of Antisocial Forces

In accordance with the Basic Internal Control Policy, which sets out basic approaches and policies for preventing damage from antisocial forces, Dai-ichi has established regulations to handle such antisocial forces, which cover basic principles, including the roles of managers and employees, the roles of departments in charge, and measures taken by individual departments of the head office and branch offices. Moreover, based on the policy and regulations, Dai-ichi has established detailed standards, which set out rules for managers and employees, and specific initiatives for stopping any relationships with antisocial forces from developing and preventing damage.

### ■ Systems for Handling Antisocial Forces

In an effort to hold Companywide deliberations with a wide range of participants about the handling of antisocial forces, Dai-ichi has established an Antisocial Forces Handling Committee. It has also designated the General Affairs Department as the department in charge of developing and strengthening systems to block the development of any relationships with antisocial groups or to prevent damage that may arise.

Dai-ichi also has developed a system in which each department and branch office appoints a manager in charge of the handling of antisocial forces and a person who promotes the appropriate handling of antisocial forces. Under this system, if a department or a branch office is contacted by antisocial forces, receiving undue claims and other demands, the manager and the designated person of that department or office play the leading role in organizing an appropriate response against such forces by cooperating with the General Affairs Department.

In addition, to appropriately handle antisocial forces, Dai-ichi is permanently committed to developing close cooperative systems with external specialist organizations, such as local police offices, the National Center for the Elimination of Boryokudan, and lawyers.

## Risk Management

### Basic Recognition

To ensure sound and proper business operations and to ensure that we fulfill the obligations arising from our insurance policies, we identify and evaluate potential risks, take appropriate action based on the specific characteristics of each risk and comprehensively manage these activities.

Specifically, we classify risks into underwriting risks, investment risks, liquidity risks, operational risks, and system risks. Based on this classification, we have developed risk management structures and rules and we manage our risks in accordance with their specific risk characteristics. We are committed, on a companywide basis, to improving soundness through the management and control of financial fundamentals, including risk volume and capital.

In addition, we have established a crisis management system and a risk management system to respond to catastrophes, to prepare for crises that cannot be handled within the context of our everyday risk management system.

### Risk Management Policies and Regulations

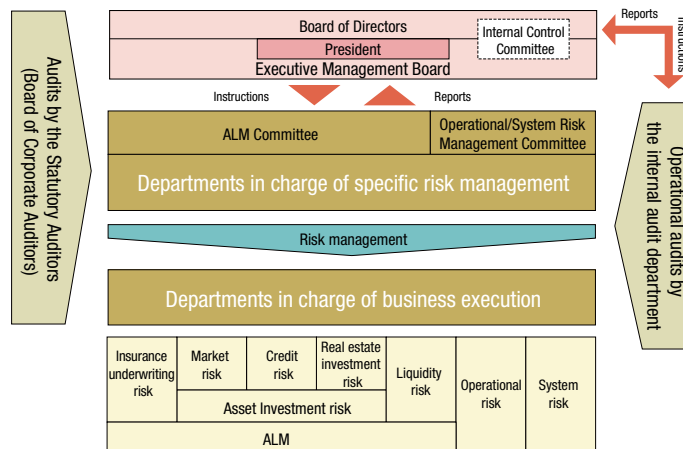
Our Basic Internal Control Policy includes our basic philosophy and policies regarding risk management. The approach used to manage each type of risk is developed in line with our Basic Internal Control Policy. In addition, each of the risk management regulations and standards is translated into practical rules, following the basic risk management policy.

### Risk Management Structures

Risks arising from operations are managed at the discretion of the divisions responsible for executing the related operations, in accordance with our Basic Risk Management Policy, and the management of risks is monitored by divisions responsible for checking risk management activities. To strengthen our risk management structure, we have established a Risk Management Department, which manages risks comprehensively, on a companywide basis. Management shares information regarding individual risks at regular meetings of our ALM Committee, Operational Risk Management Committee and System Risk Management Committee, and uses the shared information to guide its decision making. Moreover, our Internal Control and Auditing Department examines the effectiveness and appropriateness of our risk management functions.

Our Board of Directors and Executive Management Board receive reports on risk management, which they use to inform their decisions regarding risk management. Our Corporate Auditors inspect overall risk management, including risk management by our management.

Dai-ichi's Risk Management Structure





## Corporate Citizenship

### Basic Policy

Since by its very nature the life insurance business is devoted to enriching people's lives by offering them stability and well-being, one of Dai-ichi's most important aims is to grow as a good corporate citizen along with the communities in which it operates.

To retain the public's trust, we undertake corporate citizenship activities that enrich the lifecycle of our customers and make a contribution to their daily lives and their communities. These activities also include volunteer efforts by Dai-ichi employees.

Dai-ichi's corporate citizenship activities cover six areas: health and welfare, the living environment, education and research, local community support, fine art and culture, and sports. Our corporate citizenship activities are based on a concept of "nurturing" and "continuity." We try to increase the benefit of our activities by periodically reviewing and revising them in light of changing needs.

### Health and Welfare

#### ■ Public Health Award

In 1950, not long after the end of World War II, a Public Health Award was established to honor outstanding achievements by organizations or individuals in public health and sanitation. The Award has been presented every year since then with the sponsorship of the Ministry of Health, Labour and Welfare and other organizations. In the 61st presentation of these awards in the fiscal year ended March 31, 2010, 10 organizations and 5 individuals were honored. To date, a total of 901 award winners, 595 organizations and 306 individuals, have been honored. Award winners every year receive an audience with the Emperor and Empress.

This award is highly regarded as the most prestigious in this field.

The achievements of the award winners are wide-ranging, and include medical treatment, local medical care, improvements to the living environment, maternal and child health, health and welfare for senior citizens and the physically challenged, initiatives to address the declining birth rate, and international health. The award clearly shows the history of the development of public health care in Japan after World War II.

## The Living Environment

### ■ Green Environmental Design Award

A Green Design Award was established in 1990 to contribute to the development of a green urban environment, and to the creation of a community that offers extensive opportunities for people to get in touch with nature. Awards are given to the best of the greening plans that are submitted from all over the country. The selected plans are then eligible for subsidies. In the fiscal year ended March 31, 2010, with the 20th presentation of these awards, five organizations that contributed to afforestation were honored. This award has been renamed the "Green Environmental Design Award" in fiscal 2009 and supports initiatives that contribute to improving local landscapes and living environments, as well as to bettering local environments.

### Local Community Support

Since the fiscal year ended March 31, 2003 Dai-ichi has participated in the "Yellow Badge Traffic Safety Campaign". Begun in 1965, this campaign provides first-graders throughout Japan with yellow badges associated with the traffic accident insurance. The aim is to teach children the traffic safety concepts and also to improve driver's awareness. The campaign is hosted by Dai-ichi, Mizuho Financial Group, Inc., Sompo Japan Insurance Inc., and Meiji Yasuda Life Insurance Company. From the beginning of the campaign, the number of recipients of yellow badges has reached 56.61 million.

In the local community, the Dai-ichi employee groups volunteer to take part in various activities, such as cleanups, charity bazaars, welfare facility tours, and fund-raising drives.

Dai-ichi has also established a "Matching Gift" program to give monetary support as donations or as expenses to employee groups. The company is encouraging employee participation in volunteer activities to contribute to the local community.

## Fine Art and Culture

We support the “Vision of Contemporary Art” (VOCA) exhibition as a part of our philanthropic efforts in the fine arts. The exhibition is intended to support the education of promising young modern artists and serve as a stimulus to the art world. In the 17th VOCA exhibition held in 2010, works of 35 young artists nationwide were exhibited, one of which was honored with the VOCA award, while others received other awards. Works honored with the VOCA award or the VOCA encouragement award are possessed by Dai-ichi, and are displayed periodically in the Dai-ichi Life Gallery located in the lobby on the ground floor of our Hibiya Head Office.

In November of 2001, we opened “Dai-ichi Seimei Hall” at Harumi Island Triton Square, located in Tokyo’s Chuo Ward. The Hall hosts concerts, featuring a diverse range of performers. It is the first private hall in Tokyo managed by a non-profit cultural organization (NPO). By supporting the NPO Triton Arts Network (TAN), we are helping to promote music and develop communities. For these activities, Dai-ichi won the Grand Mécénat Award of 2009, which were presented by the Association for Corporate Support of the Arts, Japan.



## Sports

In recognition of the ambitious aims of the Japan Tennis Association to train the next generation of top tennis players, Dai-ichi has supported the All Japan Primary School Students Tennis Championships, providing courts, since its inception. The 27th competition was held in fiscal 2009.



## Activities of FALIA

### Purpose and Brief History

Dai-ichi started a training program for people working in the life insurance industry in Asian countries, with hopes that we could be of assistance in developing the life insurance industry in the region. In 1970, in order to promote the project further, Dai-ichi established the Foundation for the Advancement of Life Insurance in Asia (FALIA). In April 1994, the Foundation was given a fresh start under a new name, “The Foundation for the Advancement of Life & Insurance Around the world,” with the acronym FALIA unchanged.

Dai-ichi holds four or five training courses a year on the life insurance industry. As at the end of fiscal 2009, 3,165 trainees had attended the seminars. FALIA also holds seminars in other countries two or three times a year, totaling 150 seminars overall with more than 5,000 participants. Dai-ichi is committed to encouraging international exchanges through these programs.

### Principal Activities

- Insurance Seminars held in Japan
- Insurance Seminars held at Overseas Locations
- English Information Service
- General Secretariat of East Asian Insurance Congress (EAIC)



## Initiatives to Protect the Environment

To help achieve a sustainable society, Dai-ichi is pursuing comprehensive environmental conservation activities, seeking to strike a balance between the development of societies and economies, and the global environment.

### Environmental Initiatives for Energy Saving and Resources Saving (Eco Diet Movement)

To save energy and natural resources, Dai-ichi introduced the Eco Diet Movement in fiscal 2009 and has been stepping up its companywide environmental initiatives over the medium and long terms.

#### ■ Energy Saving Activities

Dai-ichi is making comprehensive efforts to help combat global warming, including power saving activities in the real estate and systems divisions. Holding a large inventory of real estate for investment, Dai-ichi is proactively taking steps to save energy, improving the operation of air-conditioning and power-supply facilities at its properties and replacing energy saving equipment in renovation work, in cooperation with property management companies including The Dai-ichi Building Co., Ltd..

## ■ Initiatives for Natural Resources Saving

### ● Reducing paper

Dai-ichi uses a large amount of paper when it proposes insurance products and sends notices to customers. However, we have been reducing use of paper, and in fiscal 2009 created a CD-ROM containing insurance policy conditions, curbed use of paper for brochures, proposal documents, office machines. We are considering further possibilities for using less paper and conserving resources in all aspects of our operations in the medium to long term.

### ● Promoting “green purchasing”

Since fiscal 2009, Dai-ichi has been purchasing, in principle, environmentally friendly office supplies and office automation paper through its in-house purchase system, thereby promoting green purchasing.

# FINANCIAL SECTION

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b> -----	<b>38</b>
<b>CONSOLIDATED BALANCE SHEETS</b> -----	<b>39</b>
<b>CONSOLIDATED STATEMENTS OF EARNINGS</b> -----	<b>40</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS</b> --	<b>41</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b> -----	<b>43</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	
As of and For the Years Ended March 31, 2009 and 2010-----	<b>44</b>
<b>REPORT OF INDEPENDENT AUDITORS</b> -----	<b>78</b>
<b>NON-CONSOLIDATED BALANCE SHEETS</b> -----	<b>79</b>
<b>NON-CONSOLIDATED STATEMENTS OF EARNINGS</b> -----	<b>81</b>
<b>NON-CONSOLIDATED STATEMENTS IN NET ASSETS</b> -----	<b>82</b>
<b>NON-CONSOLIDATED STATEMENTS OF SURPLUS</b> -----	<b>85</b>
<b>NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS</b>	
As of and For the Years Ended March 31, 2009 and 2010-----	<b>86</b>
<b>REPORT OF INDEPENDENT AUDITORS</b> -----	<b>101</b>

# Consolidated Balance Sheets

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
<b>(ASSETS)</b>			
Cash and deposits .....	¥ 245,895	¥ 188,208	\$ 2,022
Call loans .....	206,580	249,100	2,677
Deposit paid for securities borrowing transactions .....	14,954	-	-
Monetary claims bought .....	281,371	289,885	3,115
Trading account securities .....	52,597	-	-
Money held in trust .....	31,603	55,685	598
Securities .....	22,995,047	25,147,356	270,285
Loans .....	4,248,799	3,834,955	41,218
Tangible fixed assets .....	1,239,843	1,244,006	13,370
Land .....	814,730	814,807	8,757
Buildings .....	417,490	408,356	4,389
Leased assets .....	247	646	6
Construction in progress .....	2,937	15,766	169
Other tangible fixed assets .....	4,437	4,428	47
Intangible fixed assets .....	106,771	105,381	1,132
Software .....	72,765	71,850	772
Other intangible fixed assets .....	34,005	33,531	360
Reinsurance receivables .....	13,874	45,828	492
Other assets .....	355,473	608,753	6,542
Deferred tax assets .....	642,595	339,534	3,649
Customers' liabilities for acceptances and guarantees .....	20,138	17,787	191
Reserve for possible loan losses .....	(10,921)	(21,111)	(226)
Reserve for possible investment losses .....	-	(1,123)	(12)
Total assets .....	¥ 30,444,624	¥ 32,104,248	\$ 345,058
<b>(LIABILITIES)</b>			
Policy reserves and others .....	27,970,307	29,112,220	312,900
Reserves for outstanding claims .....	173,590	150,313	1,615
Policy reserves .....	27,449,059	28,632,692	307,746
Reserve for policyholder dividends .....	347,658	329,214	3,538
Reinsurance payables .....	587	871	9
Subordinated bonds .....	49,102	46,510	499
Other liabilities .....	1,187,288	1,213,370	13,041
Reserve for employees' retirement benefits .....	405,571	411,440	4,422
Reserve for retirement benefits of directors, executive officers and corporate auditors .....	3,486	3,336	35
Reserve for possible reimbursement of prescribed claims .....	1,000	1,100	11
Allowance for policyholder dividends .....	-	92,500	994
Reserves under the special laws .....	101,478	115,528	1,241
Reserve for price fluctuations .....	101,478	115,528	1,241
Deferred tax liabilities .....	197	682	7
Deferred tax liabilities for land revaluation .....	125,535	124,706	1,340
Acceptances and guarantees .....	20,138	17,787	191
Total liabilities .....	29,864,695	31,140,054	334,695
<b>(NET ASSETS)</b>			
Foundation funds .....	120,000	-	-
Accumulated redeemed foundation funds .....	300,000	420,000	4,514
Revaluation reserve .....	248	248	2
Consolidated surplus .....	265,787	138,469	1,488
Total of foundation funds and surplus .....	686,035	558,718	6,005
Net unrealized gains (losses) on securities, net of tax .....	(47,349)	462,289	4,968
Deferred hedge gains (losses) .....	(357)	(2,008)	(21)
Reserve for land revaluation .....	(62,297)	(63,540)	(682)
Foreign currency translation adjustments .....	(2,514)	(3,069)	(32)
Total of valuation and translation adjustments .....	(112,519)	393,671	4,231
Minority interests .....	6,412	11,804	126
Total net assets .....	579,928	964,193	10,363
Total liabilities and net assets .....	¥ 30,444,624	¥ 32,104,248	\$ 345,058

See Notes to the Consolidated Financial Statements.

# Consolidated Statements of Earnings

	(millions of yen)		(millions of US\$)
	Years ended March 31,		
	2009	2010	2010
<b>ORDINARY REVENUES</b> .....	¥ 5,225,262	¥ 5,294,004	\$ 56,900
Premium and other income .....	3,293,646	3,704,259	39,813
Investment income .....	1,178,070	1,247,203	13,405
Interest and dividends .....	740,859	708,453	7,614
Gains on trading account securities .....	1,484	1,336	14
Gains on sale of securities .....	382,856	242,745	2,609
Gains on redemption of securities .....	11,223	4,472	48
Derivative transaction gains .....	41,172	-	-
Other investment income .....	473	561	6
Gains on investment in separate accounts .....	-	289,633	3,112
Other ordinary revenues .....	753,544	342,542	3,681
<b>ORDINARY EXPENSES</b> .....	5,161,911	5,105,793	54,877
Benefits and claims .....	2,763,750	2,656,900	28,556
Claims .....	934,443	777,372	8,355
Annuities .....	441,921	478,855	5,146
Benefits .....	505,717	538,923	5,792
Surrender values .....	670,297	671,927	7,221
Other refunds .....	211,369	189,822	2,040
Provision for policy reserves and others .....	27,761	1,194,284	12,836
Provision for reserves for outstanding claims .....	16,871	-	-
Provision for policy reserves .....	-	1,183,883	12,724
Provision for interest on policyholder dividends .....	10,890	10,401	111
Investment expenses .....	1,435,620	340,350	3,658
Interest expenses .....	9,402	12,725	136
Losses on money held in trust .....	6,891	9,616	103
Loss on trading securities .....	-	2,930	31
Losses on sale of securities .....	504,847	207,894	2,234
Losses on valuation of securities .....	412,416	7,824	84
Losses on redemption of securities .....	2,240	2,470	26
Derivative transaction losses .....	-	16,772	180
Foreign exchange losses .....	91,473	18,510	198
Provision for reserve for possible loan losses .....	-	10,299	110
Provision for reserve for possible investment losses .....	-	1,123	12
Write-down of loans .....	905	573	6
Depreciation of rented real estate and others .....	15,110	15,016	161
Other investment expenses .....	41,793	34,591	371
Losses on investment in separate accounts .....	350,539	-	-
Operating expenses .....	465,112	475,835	5,114
Other ordinary expenses .....	469,665	438,423	4,712
<b>NET SURPLUS FROM OPERATIONS</b> .....	63,351	188,211	2,022
<b>EXTRAORDINARY GAINS</b> .....	122,424	336	3
Gains on disposal of fixed assets .....	897	166	1
Reversal of reserve for possible loan losses .....	1,102	-	-
Gains on collection of loans and claims written off .....	236	169	1
Reversal of reserve for price fluctuations .....	119,980	-	-
Gains on contribution of securities to retirement benefit trust .....	207	-	-
Other extraordinary gains .....	1	0	0
<b>EXTRAORDINARY LOSSES</b> .....	11,891	116,583	1,253
Losses on disposal of fixed assets .....	3,742	1,857	19
Impairment losses on fixed assets .....	3,002	4,897	52
Provision for reserve for retirement benefits of directors, executive officers and corporate auditors .....	2,712	-	-
Provision for allowance for policyholder dividends .....	-	92,500	994
Provision for reserve for price fluctuations .....	-	14,050	151
Losses on accelerated redemption of foundation funds .....	-	2,372	25
Other extraordinary losses .....	2,433	906	9
Net surplus before adjustment for taxes, etc. ....	173,884	71,964	773
Corporate income taxes-current .....	1,204	911	9
Corporate income tax-deferred .....	88,235	16,092	172
Total of corporate income taxes .....	89,439	17,003	182
Total of minority interests in loss of subsidiaries .....	2,368	703	7
<b>Net surplus for the year</b> .....	¥ 86,813	¥ 55,665	\$ 598

See Notes to the Consolidated Financial Statements.



# Consolidated Statements of Changes in Net Assets

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
<b>Foundation funds and surplus</b>			
<b>Foundation funds</b>			
Beginning balance.....	¥ 120,000	¥ 120,000	\$ 1,289
Changes for the year			
Redemption of foundation funds.....	-	(120,000)	(1,289)
Changes for the year .....	-	(120,000)	(1,289)
Ending balance .....	120,000	-	-
<b>Accumulated redeemed foundation funds</b>			
Beginning balance.....	300,000	300,000	3,224
Changes for the year			
Transfer to accumulated redeemed foundation funds.....	-	120,000	1,289
Changes for the year .....	-	120,000	1,289
Ending balance .....	300,000	420,000	4,514
<b>Revaluation reserve</b>			
Beginning balance.....	248	248	2
Changes for the year			
Changes for the year .....	-	-	-
Ending balance .....	248	248	2
<b>Consolidated surplus</b>			
Beginning balance.....	269,339	265,787	2,856
Changes for the year			
Transfer to reserve for policyholder dividends .....	(89,227)	(64,963)	(698)
Transfer to accumulated redeemed foundation funds.....	-	(120,000)	(1,289)
Interest payment for foundation funds .....	(2,328)	(2,328)	(25)
Net surplus for the year .....	86,813	55,665	598
Transfer from reserve for land revaluation .....	797	1,242	13
Decrease due to changes in the scope of consolidation .....	(904)	-	-
Changes by capital increase of consolidated subsidiaries .....	1,297	2,457	26
Others .....	-	607	6
Changes for the year .....	(3,551)	(127,317)	(1,368)
Ending balance .....	265,787	138,469	1,488
<b>Total of foundation funds and surplus</b>			
Beginning balance.....	689,587	686,035	7,373
Changes for the year			
Transfer to reserve for policyholder dividends .....	(89,227)	(64,963)	(698)
Transfer to accumulated redeemed foundation funds.....	-	-	-
Interest payment for foundation funds .....	(2,328)	(2,328)	(25)
Net surplus for the year .....	86,813	55,665	598
Redemption of foundation funds.....	-	(120,000)	(1,289)
Transfer from reserve for land revaluation .....	797	1,242	13
Decrease due to changes in the scope of consolidation .....	(904)	-	-
Changes by capital increase of consolidated subsidiaries .....	1,297	2,457	26
Others .....	-	607	6
Changes for the year .....	(3,551)	(127,317)	(1,368)
Ending balance .....	686,035	558,718	6,005
<b>Valuation and translation adjustments</b>			
<b>Net unrealized gains (losses) on securities, net of tax</b>			
Beginning balance.....	957,565	(47,349)	(508)
Changes for the year			
Net changes of items other than foundation funds and surplus .....	(1,004,914)	509,639	5,477
Changes for the year .....	(1,004,914)	509,639	5,477
Ending balance .....	(47,349)	462,289	4,968

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
<b>Deferred hedge gains (losses)</b>			
Beginning balance.....	–	(357)	(3)
Changes for the year			
Net changes of items other than foundation funds and surplus .....	(357)	(1,651)	(17)
Changes for the year .....	(357)	(1,651)	(17)
Ending balance .....	(357)	(2,008)	(21)
<b>Reserve for land revaluation</b>			
Beginning balance.....	(61,500)	(62,297)	(669)
Changes for the year			
Net changes of items other than foundation funds and surplus .....	(797)	(1,242)	(13)
Changes for the year .....	(797)	(1,242)	(13)
Ending balance .....	(62,297)	(63,540)	(682)
<b>Foreign currency translation adjustments</b>			
Beginning balance.....	(553)	(2,514)	(27)
Changes for the year			
Net changes of items other than foundation funds and surplus .....	(1,961)	(554)	(5)
Changes for the year .....	(1,961)	(554)	(5)
Ending balance .....	(2,514)	(3,069)	(32)
<b>Total of valuation and translation adjustments</b>			
Beginning balance.....	895,510	(112,519)	(1,209)
Changes for the year			
Net changes of items other than foundation funds and surplus .....	(1,008,030)	506,190	5,440
Changes for the year .....	(1,008,030)	506,190	5,440
Ending balance .....	(112,519)	393,671	4,231
<b>Minority interests</b>			
Beginning balance .....	917	6,412	68
Changes for the year			
Net changes of items other than foundation funds and surplus .....	5,495	5,391	57
Changes for the year .....	5,495	5,391	57
Ending balance .....	6,412	11,804	126
<b>Total net assets</b>			
Beginning balance .....	1,586,016	579,928	6,233
Changes for the year			
Transfer to reserve for policyholder dividends .....	(89,227)	(64,963)	(698)
Transfer to accumulated redeemed foundation funds .....	–	–	–
Interest payment for foundation funds .....	(2,328)	(2,328)	(25)
Net surplus for the year .....	86,813	55,665	598
Redemption of foundation funds .....	–	(120,000)	(1,289)
Transfer from reserve for land revaluation .....	797	1,242	13
Decrease due to changes in the scope of consolidation .....	(904)	–	–
Changes by capital increase of consolidated subsidiaries .....	1,297	2,457	26
Others .....	–	607	6
Net changes of items other than foundation funds and surplus .....	(1,002,535)	511,582	5,498
Changes for the year .....	(1,006,087)	384,264	4,130

# Consolidated Statements of Cash Flows

	(millions of yen)		(millions of US\$)
	Years ended March 31,		
	2009	2010	2010
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus before adjustment for taxes, etc. ....	¥ 173,884	¥ 71,964	\$ 773
Depreciation of rented real estate and others .....	15,110	15,016	161
Depreciation .....	30,437	31,253	335
Impairment losses on fixed assets .....	3,002	4,897	52
Gains on contribution of securities to retirement benefit trust .....	(207)	-	-
Increase (decrease) in reserves for outstanding claims .....	16,871	(23,276)	(250)
Increase (decrease) in policy reserves .....	(389,201)	1,183,883	12,724
Provision for interest on policyholder dividends .....	10,890	10,401	111
Increase (decrease) in reserve for possible loan losses .....	(1,399)	10,189	109
Increase (decrease) in reserve for possible investment losses .....	(3,955)	1,123	12
Gains on collection of loans and claims written off .....	(236)	(169)	(1)
Write-down of loans .....	905	573	6
Increase (decrease) in reserve for employees' retirement benefits .....	(76,719)	5,869	63
Contribution to retirement benefit trust .....	86,126	-	-
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors .....	2,308	(150)	(1)
Increase (decrease) in reserve for possible reimbursement of prescribed claims .....	-	100	1
Increase (decrease) in allowance for policyholder dividends .....	-	92,500	994
Increase (decrease) in reserve for price fluctuations .....	(119,980)	14,050	151
Interest and dividends .....	(740,859)	(708,453)	(7,614)
Securities related losses (gains) .....	874,478	(317,067)	(3,407)
Interest expenses .....	9,402	12,725	136
Foreign exchange losses (gains) .....	91,473	18,510	198
Losses (gains) on disposal of fixed assets .....	2,845	1,690	18
Equity in income (losses) of affiliates .....	28,235	(892)	(9)
Decrease (increase) in trading account securities .....	(5,934)	52,597	565
Decrease (increase) in reinsurance receivables .....	(13,750)	(31,954)	(343)
Decrease (increase) in other assets .....	33,885	8,084	86
Increase (decrease) in reinsurance payables .....	40	284	3
Increase (decrease) in other liabilities .....	(37,974)	(23,951)	(257)
Others, net .....	5,646	78,453	843
Subtotal .....	(4,672)	508,252	5,462
Interest and dividends received .....	780,024	732,474	7,872
Interest paid .....	(9,426)	(11,463)	(123)
Policyholder dividends paid .....	(105,997)	(93,808)	(1,008)
Others, net .....	250,855	(258,298)	(2,776)
Corporate income taxes paid .....	(125,993)	56,097	602
Net cash flows provided by operating activities .....	784,789	933,254	10,030
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of monetary claims bought .....	(42,326)	(42,135)	(452)
Proceeds from sale and redemption of monetary claims bought .....	52,738	17,849	191
Purchases of money held in trust .....	(18,500)	(60,400)	(649)
Proceeds from decrease in money held in trust .....	5,160	26,611	286
Purchases of securities .....	(17,224,921)	(11,307,321)	(121,531)
Proceeds from sale and redemption of securities .....	15,948,309	10,226,631	109,916
Origination of loans .....	(585,667)	(391,340)	(4,206)
Proceeds from collection of loans .....	979,872	802,825	8,628
Others, net .....	(34,793)	(70,363)	(756)
II. ① Subtotal .....	(920,128)	(797,643)	(8,573)
[I. + II. ①] .....	(135,338)	[ 135,611]	[ 1,457]
Acquisition of tangible fixed assets .....	(29,128)	(32,962)	(354)
Proceeds from sale of tangible fixed assets .....	2,062	653	7
Acquisition of intangible fixed assets .....	(26,764)	(21,454)	(230)
Proceeds from sale of intangible fixed assets .....	11	3	0
Net cash flows used in investing activities .....	(973,947)	(851,402)	(9,150)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing .....	183,000	-	-
Repayment of borrowings .....	(6)	(11)	(0)
Repayment of lease obligations .....	(48)	(107)	(1)
Redemption of foundation funds .....	-	(120,000)	(1,289)
Interest paid on foundation funds .....	(2,328)	(5,963)	(64)
Proceeds from stock issuance to minority shareholders .....	10,000	8,500	91
Others, net .....	(3)	(4)	(0)
Net cash flows provided by (used in) financing activities .....	190,614	(117,586)	(1,263)
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)	(383)
VI. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR .....	479,951	472,975	5,083
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 THE END OF THE YEAR .....	¥ 472,975	¥ 437,308	\$ 4,700

See Notes to the Consolidated Financial Statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED MARCH 31, 2009 AND 2010

## 1. Basis for Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by The Dai-ichi Mutual Life Insurance Company, or The Dai-ichi Life Insurance Company, Limited after April 1, 2010, (“DL”, the “Company” or the “Parent Company”) and its consolidated subsidiaries in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”) which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥93.04=US\$1.00, the foreign exchange rate on March 31, 2010, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

## 2. Principles of Consolidation

### (1) Scope of Consolidation

The consolidated financial statements include the accounts of DL and its consolidated subsidiaries (collectively, “the Group”), including The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Frontier Life Insurance Co., Ltd. (“DFLI”) and Dai-ichi Life Insurance Company of Vietnam, Limited. The numbers of consolidated subsidiaries as of March 31, 2009 and 2010 were 3, respectively. In the year ended March 31, 2009, Dai-ichi Life International (Europe) Limited, Dai-ichi Seimei Card Service Ltd., Dai-ichi Life International (AsiaPacific) Limited, Dai-ichi Life International (U.S.A.), Inc., Dai-ichi Life Research Institute Inc., and The Dai-ichi Well Life Support Co., Ltd. were excluded from the scope of consolidation due to their immateriality in terms of quality and quantity.

Dai-ichi Life International (H.K.) Ltd. and Dai-ichi Life International (U.K.) Ltd. changed their names to Dai-ichi Life International (AsiaPacific) Ltd. and Dai-ichi Life International (Europe) Ltd., respectively, in September 2008.

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 eleven other subsidiaries for the year ended March 31, 2009 and nine other subsidiaries for the year ended March 31, 2010) 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 total assets, revenues, net surplus for the year and consolidated surplus (and cash flows and others for the fiscal year ended March 31, 2010) at the year end.

The summary of special purpose entities are described in 41. Specified Purpose Companies.

DL had no non-consolidated subsidiaries accounted for under the equity method as of March 31, 2009 and 2010.

The numbers of affiliates under the equity method as of March 31, 2009 and 2010 were 32 and 30, respectively. The affiliates included 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.

In the year ended March 31, 2009, Tower Australia Group Limited (and its 18 subsidiaries), Ocean Life Insurance Co., Ltd., Star Union Dai-ichi Life Insurance Company Limited, DIAM SINGAPORE PTE. LTD., and DIAM Asset Management (HK) Limited were newly included in the scope of the equity method due to DL’s acquisition of their shares and their establishment.

In the year ended March 31, 2009, DIAM International Fund Management (Jersey) Ltd. was excluded from the scope of the equity method as a result of its liquidation. In the year ended March 31, 2010, two subsidiaries of Tower Australia Group Limited was excluded from the scope of the equity method as Tower Australia Group Limited disposed of its interest in the subsidiaries.

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 certain 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. In addition, DSC No. 2 Investment Partnership, an affiliated company of DL, was not accounted for under the equity method in the year ended March 31, 2009. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net surplus for the year, consolidated surplus and others at the year end.

## (2) 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 the 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.

## (3) Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries, including the portion attributable to minority shareholders, were valued at fair value as of the respective dates of acquisition.

## (4) Amortization of Goodwill and Negative Goodwill

Goodwill and negative goodwill are amortized over a period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount has no material impact due to its immateriality.

## 3. Summary of Significant Accounting Policies

## (1) 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:

## i) Trading Securities

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

## ii) Held-to-maturity Securities

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

## iii) 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.

## • Risk Management Policy

DL 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:

- individual life insurance and annuities,
- financial insurance and annuities, and
- group annuities,
- with the exception of certain types.

## • Integration of Sub-groups

DL previously classified individual life insurance and annuities into sub-groups by duration of individual life insurance and annuities. However, effective the year ended March 31, 2009, DL integrates the sub-groups into a single group to control the duration of individual life insurance and annuities in the aggregate and to facilitate more sophisticated ALM. This change did not have any impact on profits and losses of DL for the year ended March 31, 2009.

## • Changes in Classification

Effective the fiscal year ended March 31, 2010, in order to achieve integrated duration control, and thus promote more sophisticated ALM, DL 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.

## iv) 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.

## v) Available-for-sale Securities

## i. Available-for-sale Securities with Market Value

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

## ii. Available-for-sale Securities Whose Market Values Are Extremely Difficult to Be Recognized

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

## b. Others

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

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

The amortization of premiums or discounts is calculated by the straight-line method.

v) Stocks of Subsidiaries

The amounts of stocks of non-consolidated subsidiaries and affiliated companies DL held as of March 31, 2009 and 2010 were ¥55,248 million and ¥59,083 million (US\$635 million), respectively.

(2) Trading Account Securities

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

(3) Derivative Transactions

Derivative transactions are reported at fair value.

(4) Depreciation of Depreciable Assets

i) Depreciation of Tangible Fixed Assets Excluding Lease Assets

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

a. Buildings (excluding leasehold improvements and structures)

- Acquired on or before March 31, 2007

Calculated by the previous straight-line method.

- Acquired on or after April 1, 2007

Calculated by the straight-line method.

b. Assets Other than Buildings

- Acquired on or before March 31, 2007

Calculated by the previous declining balance method.

- Acquired on or after April 1, 2007

Calculated by the declining balance method.

Estimated useful lived of major assts are as follows:

Buildings two to sixty years

Other tangible fixed assets two to twenty years

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

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

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

DL 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) Depreciation of Leased Assets

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

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

(5) Reserve for Possible Loan Losses

The 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 amounts written off during the years ended March 31, 2009 and 2010 were ¥4,145 million and ¥4,206 million (US\$45 million), respectively.

(6) Reserve for Possible Investment Losses

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

(7) 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.

Gains/losses on plan amendments are amortized by the straight-line method through a certain period of 3 to 7 years, which is within the employees' average remaining service period.

Actuarial differences are amortized by the straight-line method through a certain period of 3 to 7 years starting from the following year, which is within the employees' average remaining service period.

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

Effective the fiscal year ended March 31, 2010, DL 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 DL and its consolidated subsidiaries.

(8) 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 DL, (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 DL 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 DL 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.

Actual corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders were recognized as expenses when they were paid until the year ended March 31, 2008. However, effective the year ended March 31, 2009, reserve for retirement benefits of directors, executive officers, and corporate auditors is calculated by adding items (1) and (2) above and the amount of payments for the year ended March 31, 2009 was reported as an extraordinary loss. As a result of this change, extraordinary losses increased by ¥2,712 million and net surplus before adjustment for taxes, etc. decreased by ¥2,712 million for the year ended March 31, 2009.

(9) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had run out in the previous years, DL provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

(10) Allowance for policyholder dividends

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

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

However, DL'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.

In the fiscal year ended March 31, 2010, ¥92,500 million (US\$994 million) was provided for allowance for policyholder dividends.



## (11) 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 year in accordance with the provisions of Article 115 of the Insurance Business Law.

## (12) Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

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

## (13) 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, bonds payable
Foreign currency swaps.....	Foreign currency-denominated loans
Foreign currency forward contracts.....	Foreign currency-denominated securities, foreign currency-denominated term deposits
Currency options .....	Foreign currency-denominated securities

## iii) Hedging Policies

DL 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.

## (14) Calculation of National and Local Consumption Tax

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

## (15) Policy Reserves

Policy reserves of DL and its consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with Article 116 of the Insurance Business Law. Insurance premium reserves are calculated as follows:

## i) 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).

## ii) 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 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 Law and will be provided in the following nine years. As a result, additional provision for policy reserves for the year ended March 31, 2009 and March 31, 2010 was ¥104,241 million and ¥96,154 million (US\$1,033 million), respectively.

DL formerly intended to provide the additional policy reserve over five years (until the year ending March 31, 2012). However, effective the year ended March 31, 2009, DL changed the provision period to nine years (until the year ending March 31, 2016). As a result, in the year ended March 31, 2009, reversal of provision for policy reserves increased by ¥41,633 million and net surplus from operations and net surplus before adjustment for taxes, etc. increased by ¥41,633 million.

(16) Lease transactions

Finance leases, other than those whose ownership transfers to the lessees, have previously been accounted for in the same manner applicable to ordinary operating leases. However, effective the year ended March 31, 2009, they are accounted for in the same manner applicable to purchased assets and reported as leased assets except small transactions by adopting the “Accounting Standard for Lease Transactions” issued on March 30, 2007 by the Accounting Standards Board of Japan (ASBJ) and the “Implementation Guidance on the Accounting Standard for Lease Transactions” issued on March 30, 2007 by the ASBJ.

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

As a result, leased assets increased by ¥247 million and lease liabilities increased by ¥247 million for the year ended March 31, 2009. This change did not have any impact on net surplus from operations and net surplus before adjustment for taxes, etc. for the year.

(17) Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the year ended March 31, 2009 and 2010 were as follows:

i) 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 property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

ii) Background for Recognition of Impairment Losses

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

iii) Breakdown of Impairment Losses

Impairment losses by asset group for the year ended March 31, 2009 were as follows:

Asset Group	Place	Number	Impairment Losses		
			Land	Buildings	Total
(millions of yen)					
Real estate for rent	Assets including Hirosaki City, Aomori Prefecture	2	¥ 354	¥ 227	¥ 582
Real estate not in use	Assets including Urayasu City, Chiba Prefecture	26	616	1,803	2,420
<b>Total</b>		<b>28</b>	<b>¥ 971</b>	<b>¥ 2,031</b>	<b>¥ 3,002</b>

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

Asset Group	Place	Number	Impairment Losses							
			Land Leasing				Land Leasing			
			Land	Rights	Buildings	Total	Land	Rights	Buildings	Total
(millions of yen)										
Real estate for rent	Assets including Yao City, Osaka Prefecture	6	¥ 341	¥ 200	¥ 605	¥ 1,147	\$ 3	\$ 2	\$ 6	\$ 12
Real estate not in use	Assets including Hiroshima City, Hiroshima Prefecture	56	2,733	–	1,016	3,749	29	–	10	40
<b>Total</b>		<b>62</b>	<b>¥ 3,074</b>	<b>¥ 200</b>	<b>¥ 1,621</b>	<b>¥ 4,897</b>	<b>\$ 33</b>	<b>\$ 2</b>	<b>\$ 17</b>	<b>\$ 52</b>

iv) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 3.13% and 2.96% for the years ended March 31, 2009 and 2010, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as the net sale value.

## (18) Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2009, the market value of the securities borrowed which were not sold or pledged was ¥13,830 million, among which no securities were pledged as collateral.

## (19) Policy Acquisition Costs

The costs of acquiring and renewing business, which include agent commissions and certain other costs directly related to the acquisition of business, are expensed when incurred as the Insurance Business Law in Japan does not permit insurance companies to defer and amortize these costs.

## 4. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

Cash and cash equivalents in the consolidated statements 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 funds included in securities, and overdrafts included in other liabilities.

## 5. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Securities (Government bonds) .....	¥ 488,503	¥ 390,274	\$ 4,194
Securities (Foreign securities) .....	9,595	8,791	94
Securities (Stocks) .....	4,320	-	-
Cash/deposits .....	86	86	0
Securities and cash/deposits pledged as collateral .....	¥ 502,506	¥ 399,153	\$ 4,290

The amounts of secured liabilities were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Cash collateral for securities lending transactions .....	¥ 484,550	¥ 390,728	\$ 4,199
Loan .....	26	14	0
Secured liabilities .....	¥ 484,576	¥ 390,743	\$ 4,199

Among the amounts, "Securities (Government bonds)" for securities lending transactions as of March 31, 2009 and 2010 were ¥475,736 million and ¥389,085 million (US\$4,181 million), respectively.

## 6. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheets. The total balance of securities lent as of March 31, 2009 and 2010 was ¥475,988 million and ¥436,743 million (US\$4,694 million), respectively.

## 7. Problem Loans

As of March 31, 2009 and 2010, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were ¥19,670 million and ¥35,981 million (US\$386 million), respectively. As of March 31, 2009, the amount of credits to bankrupt borrowers was ¥5,493 million, the amount of delinquent loans was ¥11,648 million, DL held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,528 million. As of March 31, 2010, the amount of credits to bankrupt borrowers was ¥5,259 million (US\$56 million), the amount of delinquent loans was ¥28,338 million (US\$304 million), DL 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).

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 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, ¥976 million and ¥3,169 million respectively, in the year ended March 31, 2009, and ¥736 million (US\$7 million) and ¥3,469 million (US\$37 million), respectively, in the year ended March 31, 2010.

#### 8. Commitment Line

As of March 31, 2009 and 2010, there were unused commitment line agreements under which DL is the lender of ¥12,507 million and ¥6,529 million (US\$70 million), respectively.

#### 9. Accounting of Beneficial Interests in Securitized Mortgage Loans

As of March 31, 2009 and 2010, the trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by DL in August 2000, amounted to ¥25,562 million and, ¥25,337 million (US\$272 million) respectively, and are included as loans in the consolidated balance sheets. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balances of the underlying loans in the trust as of March 31, 2009 and 2010 were ¥62,703 million and, ¥53,995 million (US\$580 million) respectively.

#### 10. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2009 and 2010 was ¥625,063 million and ¥645,081 million (US\$6,933 million), respectively.

#### 11. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Law as of March 31, 2009 and 2010 were ¥1,542,048 million and ¥2,470,865 million (US\$26,557 million), respectively. Separate account liabilities were the same amount as separate account assets.

#### 12. Reinsurance

As of March 31, 2009 and 2010, reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Law, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter, “reserves for outstanding claims reinsured”) were ¥49 million and ¥27 million (US\$0 million), respectively.

As of March 31, 2009 and 2010, the amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter, “policy reserves reinsured”) was ¥6,169 million and ¥1,498 million (US\$16 million), respectively.

#### 13. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Balance at the end of previous year .....	¥ 353,538	¥ 347,658	\$ 3,736
Transfer from surplus in previous year .....	89,227	64,963	698
Dividends paid in year .....	(105,997)	(93,808)	(1,008)
Interest accrual in year .....	10,890	10,401	111
Balance at the end of year .....	¥ 347,658	¥ 329,214	\$ 3,538

#### 14. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of DL and its 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 Law as of March 31, 2009 and 2010 were ¥61,957 million and ¥62,175 million (US\$668 million), respectively. These obligations will be recognized as operating expenses in the years in which they are paid.

#### 15. Revaluation of Land

Based on the “Law for Revaluation of Land” (Publicly Issued Law 34, March 31, 1998), DL 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 of Revaluation of Land as of March 31, 2010 was ¥8,994 million (US\$96 million).

## 16. Subordinated Bonds

Subordinated bonds of ¥49,102 million and ¥46,510 million (US\$499 million) shown in liabilities as of March 31, 2009 and 2010 were foreign currency-denominated subordinated bonds of US\$499 million, the repayment of which is subordinated to other obligations.

Issuer	Description	Issuance Date	Balance as of March 31, 2009	Balance as of March 31, 2010	Interest rate (%)	Collateral	Maturity Date
(millions of yen)							
DL	Foreign currency (US dollar) denominated subordinated bonds	March 17, 2004	49,102 (499 mil USD)	46,510 (499 mil USD)	5.73	None	March 17, 2014

Note:

- The figures in parentheses represent the balance in US dollars.
- The following table shows the maturities of long-term borrowings for the 5 years subsequent to March 31, 2010.

Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
(millions of yen)				
-	-	-	46,520	-

## 17. Subordinated Debt

As of March 31, 2009 and 2010, other liabilities included subordinated debt of ¥313,000 million and ¥313,000 million (US\$3,364 million), respectively, the repayment of which is subordinated to other obligations.

Category	Balance as of March 31, 2009	Balance as of March 31, 2010	Average interest rate (%)	Maturity
(millions of yen)				
Current portion of long-term borrowings .....	-	¥ 2	5.1	-
Current portions of lease obligations .....	¥ 59	161	-	-
Long-term borrowings (excluding current portion).....	313,025	313,012	2.2	September 2011~ January 2024
Lease obligations (excluding current portion) .....	188	485	-	April 2011~ January 2015
<b>Total .....</b>	<b>¥ 313,273</b>	<b>¥ 313,661</b>		

Note:

- Those borrowings and lease obligations above are included in the "other liabilities" on the consolidated balance sheets.
- The average interest rate represents the weighted-average rate applicable to the balance as of March 31, 2010. As for lease obligations, description is omitted since interest method is applied.
- The following table shows the maturities of long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2010.

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
(millions of yen)				
Long-term borrowings	¥ 2	¥ 2	¥ 30,002	¥ 1
Lease obligations	147	139	133	64

## 18. Assets Denominated in Foreign Currencies

Assets of DL denominated in foreign currencies as of March 31, 2009 and 2010 totaled ¥4,725,208 million and ¥5,382,291 million (US\$57,849 million), respectively. The principal foreign currency asset amounts as of March 31, 2009 and 2010 were US\$25,981 million and €12,970 million, and US\$27,224 million and €17,327 million, respectively.

## 19. Redemption of Foundation Funds and Provision for Accumulated Redeemed 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.

In the year ended March 31, 2010, due to the redemption of foundation funds of ¥120,000 million (including foundation fund of ¥20,000 million redeemed in August 2009), DL provided the same amount as accumulated redeemed foundation funds, in accordance with Article 56 of the Insurance Business Law.

## 20. Operating Expenses

Details of operating expenses for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Sales activity expenses .....	¥ 183,336	¥ 198,910	\$ 2,137
Sales management expenses.....	78,689	73,020	784
General management expenses.....	203,087	203,905	2,191

## 21. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Land.....	¥ 857	¥ 134	\$ 1
Buildings.....	27	25	0
Other tangible assets.....	0	6	0
Other intangible assets.....	12	0	0
Other assets.....	0	-	-
Total .....	¥ 897	¥ 166	\$ 1

## 22. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Land.....	¥ 63	¥ 102	\$ 1
Buildings.....	2,780	1,003	10
Leased assets.....	-	21	0
Other tangible assets.....	314	103	1
Software.....	341	150	1
Other intangible assets.....	0	266	2
Other assets.....	241	209	2
Total .....	¥ 3,742	¥ 1,857	\$ 19

## 23. Extraordinary Gains

Details of extraordinary gains for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Gains on disposal of fixed assets.....	¥ 897	¥ 166	\$ 1
Reversal of reserve for possible loan losses .....	1,102	-	-
Gains on collection of loans and claims written off.....	236	169	1
Reversal of reserve for price fluctuations .....	119,980	-	-
Gains on contribution of securities to retirement benefit trust .....	207	-	-
Other extraordinary gains .....	1	0	0
Total .....	¥ 122,424	¥ 336	\$ 3

## 24. Extraordinary Losses

Details of extraordinary losses for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Losses on disposal of fixed assets.....	¥ 3,742	¥ 1,857	\$ 19
Impairment losses on fixed assets .....	3,002	4,897	52
Provision for reserve for retirement benefits of directors, executive officers and corporate auditors .....	2,712	-	-
Provision for allowance for policyholder dividends .....	-	92,500	994
Provision for reserve for price fluctuations .....	-	14,050	151
Losses on accelerated redemption of foundation funds .....	-	2,372	25
Other extraordinary losses.....	2,433	906	9
<b>Total .....</b>	<b>¥ 11,891</b>	<b>¥ 116,583</b>	<b>\$ 1,253</b>

## 25. Policyholder Dividends in a Mutual Company

Appropriation of unappropriated net surplus for the fiscal year ended March 31, 2009 was approved by the general meeting of representative policyholders of DL held on June 30, 2009 and ¥64,963 million was transferred to the reserve for policyholder dividends.

## 26. Change in Scope of Consolidation

DL changed its scope of consolidation during the year ended March 31, 2009. As a result, consolidation surplus decreased by ¥904 million.

## 27. Minority Interests

The increases in minority interests in consolidated subsidiaries of DL during the fiscal year ended March 31, 2009 and 2010 were due to the increase in their capital stock by ¥8,702 million and ¥6,042 million (US\$64 million), respectively.

## 28. Reconciliations of Cash and Cash Equivalents

Reconciliations of cash and cash equivalents to balance sheet accounts as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Cash and cash deposits .....	¥ 245,895	¥ 188,208	\$ 2,022
Call loans .....	206,580	249,100	2,677
Commercial paper included in monetary claims bought .....	19,999	-	-
Monetary market fund included in securities.....	500	-	-
<b>Cash and cash equivalents.....</b>	<b>¥ 472,975</b>	<b>¥ 437,308</b>	<b>\$ 4,700</b>

## 29. Tangible Fixed Assets

Details of tangible fixed assets as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Land .....	¥ 814,730	¥ 814,807	\$ 8,757
Buildings .....	417,490	408,356	4,389
Leased assets.....	247	646	6
Construction in progress .....	2,937	15,766	169
Other tangible fixed assets .....	4,437	4,428	47
<b>Total .....</b>	<b>¥ 1,239,843</b>	<b>¥ 1,244,006</b>	<b>\$ 13,370</b>

## 30. Intangible Fixed Assets

Details of intangible fixed assets as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Software.....	¥ 72,765	¥ 71,850	\$ 772
Other intangible fixed assets .....	34,005	¥ 33,531	360
<b>Total .....</b>	<b>¥ 106,771</b>	<b>¥ 105,381</b>	<b>\$ 1,132</b>



### 31. Lease Transactions

#### Finance Leases (As lessee)

(i) Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2009 were as follows:

	Acquisition cost	Accumulated depreciation (millions of yen)	Net carrying amount
Tangible fixed assets .....	¥ 14,881	¥ 10,413	¥ 4,468
Total .....	¥ 14,881	¥ 10,413	¥ 4,468

Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2010 were as follows:

	Acquisition cost	Accumulated depreciation (millions of yen)	Net carrying amount	Acquisition Cost	Accumulated depreciation (millions of US\$)	Net carrying amount
Tangible fixed assets .....	¥ 12,520	¥ 10,856	¥ 1,663	\$ 134	\$ 116	\$ 17
Total .....	¥ 12,520	¥ 10,856	¥ 1,663	\$ 134	\$ 116	\$ 17

Note:

1. Acquisition cost is calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(ii) Obligations under finance leases as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009 (millions of yen)	2010 (millions of yen)	2010 (millions of US\$)
Due within one year .....	¥ 2,715	¥ 1,178	\$ 12
Due after one year .....	1,752	484	5
Total .....	¥ 4,468	¥ 1,663	\$ 17

Note:

1. Obligations under finance leases are calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(iii) Total payments for finance leases and depreciation for years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009 (millions of yen)	2010 (millions of yen)	2010 (millions of US\$)
Total payments for finance leases .....	¥ 3,002	¥ 2,513	\$ 27
Depreciation .....	3,002	2,513	27

(iv) Calculation method of depreciation

Depreciation for leased assets is calculated over the lease term by the straight-line method assuming zero salvage value.

#### Operating Lease

As Lessee:

Future minimum lease payments under noncancellable operating leases as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009 (millions of yen)	2010 (millions of yen)	2010 (millions of US\$)
Due within one year .....	¥ 2,298	¥ 2,259	\$ 24
Due after one year .....	9,047	6,914	74
Total .....	¥ 11,346	¥ 9,173	\$ 98

## 32. Financial instruments

For the fiscal year ended March 31, 2010

### 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, DL sets fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, DL holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

With respect to financing, DL 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, DL utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

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

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

### Financial Instruments Used and Their Risks

Securities included in financial assets of DL, 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, DL 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, DL is exposed to interest-rate risk, though some of such risk is hedged by utilizing interest rate swaps.

DL 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, DL conducts foreign currency forward contracts and currency options to hedge foreign currency risks associated with bonds in our asset portfolio and adopt fair value hedge method, in which adjustments (gains and losses) are made directly to the underlying assets. Also, DL utilizes 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.

### Risk Management

#### (i) Market risk management

Under its internal investment policy and risk management policy, DL 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

DL 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 foreign 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 DL to the board of directors, management meetings, and ALM committee.

#### d. Derivative transactions

For derivative transactions, DL 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, DL 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, DL 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 front offices 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.

**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 "Fair Values of Financial Instruments", the contract value itself does not indicate market risk related to derivative transactions.

**Fair Values of Financial Instruments**

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

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

	As of March 31, 2010							
	Carrying amount		Fair value		Gains (Losses)		Gains (Losses)	
	¥		¥		\$		\$	
	(millions of yen)			(millions of US\$)				
(1) Cash and deposits	188,208	188,222	14	2,022	2,023	0		
(2) Call loans	249,100	249,100	-	2,677	2,677	-		
(3) Monetary claims bought	289,885	289,885	-	3,115	3,115	-		
(4) Money held in trust	55,685	55,685	-	598	598	-		
(5) Securities								
1. Trading securities	2,371,687	2,371,687	-	25,491	25,491	-		
2. Held-to-maturity bonds	171,263	174,819	3,556	1,840	1,878	38		
3. Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	61,974	63,298	1,324		
4. Stocks of subsidiaries and affiliates	15,784	24,415	8,631	169	262	92		
5. Securities available for sale	15,466,378	15,466,378	-	166,233	166,233	-		
(6) Loans	3,834,955			41,218				
Reserves for possible loan losses <sup>(*)1</sup>	(19,478)			(209)				
	3,815,476	3,914,618	99,141	41,008	42,074	1,065		
<b>Total assets</b>	<b>¥ 28,389,540</b>	<b>¥ 28,624,119</b>	<b>¥ 234,579</b>	<b>\$ 305,132</b>	<b>\$ 307,653</b>	<b>\$ 2,521</b>		
(1) Bonds	46,510	48,112	1,602	499	517	17		
(2) Long-term borrowings	313,014	331,171	18,156	3,364	3,559	195		
<b>Total liabilities</b>	<b>¥ 359,524</b>	<b>¥ 379,283</b>	<b>¥ 19,758</b>	<b>\$ 3,864</b>	<b>\$ 4,076</b>	<b>\$ 212</b>		
<b>Derivative transactions <sup>(*)2</sup></b>								
1. Hedge accounting not applied	[4,582]	[4,582]	-	[49]	[49]	-		
2. Hedge accounting applied	[6,952]	[4,109]	2,842	[74]	[44]	30		
<b>Total derivative transactions</b>	<b>¥ [11,534]</b>	<b>¥ [8,691]</b>	<b>¥ 2,842</b>	<b>\$ [123]</b>	<b>\$ [93]</b>	<b>\$ 30</b>		

(\*)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:

1. Notes to Methods for Calculating Fair Values of Financial Instruments, 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 amount 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 amount since fair value is close to carrying amount.

(2) Call loans

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

(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 unit price.

For details on derivative transactions of money held in trust, please refer to 35. Derivative Transactions.

(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 unit price. 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 33. 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 amount on the balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (carrying amount on the balance sheet 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 DL 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 35. Derivative Transactions.

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

	As of March 31, 2010	
	Carrying amount (millions of yen)	Carrying amount (millions of US\$)
1. Unlisted domestic stocks <sup>(*)</sup> <sub>(*)</sub>	¥ 165,015	\$ 1,773
2. Unlisted foreign stocks <sup>(*)</sup> <sub>(*)</sub>	17,409	187
3. Other foreign securities <sup>(*)</sup> <sub>(*)</sub>	1,066,014	11,457
4. Other securities <sup>(*)</sup> <sub>(*)</sub>	107,733	1,157
<b>Total</b>	<b>¥ 1,356,172</b>	<b>\$ 14,576</b>

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

(\*) 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

As of March 31, 2010				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(millions of yen)				
Cash and deposits	¥ 187,858	¥ 150	¥ 200	¥ –
Call loans	249,100	–	–	–
Monetary claims bought	210	15,251	2,953	267,232
Money held in trust <sup>(*)1</sup>	–	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 <sup>(*)2</sup>	350,274	1,295,445	1,114,006	407,609

As of March 31, 2010				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(millions of US\$)				
Cash and deposits	\$ 2,019	\$ 1	\$ 2	\$ –
Call loans	2,677	–	–	–
Monetary claims bought	2	163	31	2,872
Money held in trust <sup>(*)1</sup>	–	16	–	–
Securities				
Held-to-maturity bonds	224	649	–	514
Held-to-maturity bonds (foreign bonds)	–	500	–	–
Policy-reserve-matching bonds	–	5,339	3,762	53,423
Available-for-sale securities with maturities (bonds)	5,090	20,185	23,768	27,153
Available-for-sale securities with maturities (foreign securities)	1,155	19,788	11,565	15,893
Available-for-sale securities with maturities (other securities)	0	600	252	343
Loans <sup>(*)2</sup>	3,764	13,923	11,973	4,381

(\*)1 Money held in trust without maturities amounted to ¥54,195 million and was 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, amounted to ¥29,801 million and were not included. Also, ¥637,371 million of loans without maturities were not included.

Note:

4. Scheduled maturities of bonds and long term borrowings

As of March 31, 2010						
	Due within one year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(millions of yen)						
Bonds	–	–	–	46,520	–	–
Long term borrowings	2	2	2	30,002	1	283,002

As of March 31, 2010						
	Due within one year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(millions of US\$)						
Bonds	–	–	–	500	–	–
Long term borrowings	0	0	0	322	0	3,041

**Additional Information**

Effective April 1, 2009, the Group 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.

## 33. Securities

Fiscal Year Ended March 31, 2009

Trading Securities:

	As of March 31, 2009
	(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 balance as of March 31, 2009 was ¥52,597 million.

Held-to-maturity Securities with Market Value:

	As of March 31, 2009		
	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds .....	¥ 80,095	¥ 81,529	¥ 1,433
1. Government bonds .....	80,095	81,529	1,433
(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 securities with unrealized losses:			
(1) Bonds .....	¥ 43,601	¥ 42,238	¥ (1,362)
1. Government bonds .....	43,601	42,238	(1,362)
Subtotal .....	¥ 43,601	¥ 42,238	¥ (1,362)
Total .....	¥ 173,462	¥ 177,941	¥ 4,479

Policy-reserve-matching Bonds with Market Value:

	As of March 31, 2009		
	Carrying amount	Market value	Unrealized gains (losses)
	(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 bonds .....	165,723	171,751	6,028
3. Corporate bonds .....	241,982	251,672	9,690
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. Corporate bonds .....	4,091	4,065	(26)
Subtotal .....	¥ 382,864	¥ 378,948	¥ (3,915)
Total .....	¥ 5,161,684	¥ 5,391,451	¥ 229,767



## Available-for-sale Securities with Market Value:

	As of March 31, 2009		
	Carrying amount	Market value	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)
<b>Total .....</b>	<b>¥ 15,032,418</b>	<b>¥ 14,958,490</b>	<b>¥ (73,927)</b>

## Note:

- 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.
- DL 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. The aggregate amount written down from the balance of available-for-sale securities with market value for the year ended March 31, 2009 was ¥409,903 million.

## Held-to-maturity Securities Sold:

DL and its consolidated subsidiaries sold no held-to-maturity securities during the year ended March 31, 2009.

## Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the year ended March 31, 2009 were as follows:

	Year Ended March 31, 2009
	(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

## Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2009 were as follows:

	Year Ended March 31, 2009
	(millions of yen)
Amount of available-for-sales securities sold .....	¥ 11,435,435
Gains on available-for-sales securities .....	336,841
Losses on sales of available-for-sales securities.....	503,342

## Carrying Amount of Securities not Recorded at Market Value:

	As of March 31, 2009
	(millions of yen)
Available-for-sale securities not recorded at market value:	
1. Unlisted domestic stocks	¥ 165,230
2. Unlisted foreign stocks	4,781
3. Other foreign securities	1,020,380
4. Other securities	371,077
<b>Total</b>	<b>¥ 1,561,471</b>

## 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.

## Scheduled Redemptions of Available-for-sale Securities, Held-to-maturity Bonds, and Policy-reserve Matching Bonds with Maturities:

	As of March 31, 2009			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(millions of yen)			
(1) Bonds	¥ 501,081	¥ 2,258,693	¥ 3,094,648	¥ 6,832,113
1. 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
(3) Other securities	115,911	70,074	13,823	274,260
<b>Total</b>	<b>¥ 752,978</b>	<b>¥ 3,929,069</b>	<b>¥ 4,136,531</b>	<b>¥ 8,691,906</b>

## Note:

1. Figures of the "(3) Other securities" in the chart above include (a) certificates of deposit, (b) trust beneficiary rights and (c) commercial paper, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively. The aggregate carrying amount of such (a) certificates of deposits, (b) trust beneficiary rights and (c) commercial papers were ¥90,000 million, ¥261,371 million and ¥19,999 million, respectively, as of March 31, 2009.

## Fiscal Year Ended March 31, 2010

## Trading Securities:

	as of March 31,	
	2010	2010
	(millions of yen)	(millions of US\$)
Gains (losses) on valuation of trading securities	¥ 309,530	\$ 3,326

## Held-to-maturity Securities:

	As of March 31, 2010					
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)			(millions of US\$)		
Held-to-maturity securities with unrealized gains:						
(1) Bonds	¥ 80,351	¥ 82,037	¥ 1,686	\$ 863	\$ 881	\$ 18
1. Government bonds	80,351	82,037	1,686	863	881	18
(2) Foreign securities	47,009	50,227	3,218	505	539	34
1. Foreign bonds	47,009	50,227	3,218	505	539	34
Subtotal	¥ 127,360	¥ 132,265	¥ 4,904	\$ 1,368	\$ 1,421	\$ 52
Held-to-maturity securities with unrealized losses:						
(1) Bonds	¥ 43,902	¥ 42,554	¥ (1,348)	\$ 471	\$ 457	\$ (14)
1. Government bonds	43,902	42,554	(1,348)	471	457	(14)
Subtotal	¥ 43,902	¥ 42,554	¥ (1,348)	471	457	(14)
<b>Total</b>	<b>¥ 171,263</b>	<b>¥ 174,819</b>	<b>¥ 3,556</b>	<b>\$ 1,840</b>	<b>\$ 1,878</b>	<b>\$ 38</b>

## Policy-reserve-matching Bonds:

	As of March 31, 2010					
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(millions of yen)			(millions of US\$)		
Policy-reserve-matching bonds with unrealized gains:						
(1) Bonds.....	¥ 4,119,105	¥ 4,255,837	¥ 136,732	\$ 44,272	\$ 45,742	\$ 1,469
1. Government bonds .....	3,709,800	3,826,857	117,056	39,873	41,131	1,258
2. Local Government bonds.....	166,394	174,155	7,761	1,788	1,871	83
3. Corporate bonds.....	242,910	254,824	11,914	2,610	2,738	128
Subtotal .....	¥ 4,119,105	¥ 4,255,837	¥ 136,732	\$ 44,272	\$ 45,742	\$ 1,469
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds.....	¥ 1,646,964	¥ 1,633,469	¥ (13,495)	\$ 17,701	\$ 17,556	\$ (145)
1. Government bonds .....	1,646,964	1,633,469	(13,495)	17,701	17,556	\$ (145)
Subtotal .....	¥ 1,646,964	¥ 1,633,469	¥ (13,495)	\$ 17,701	\$ 17,556	\$ (145)
Total .....	¥ 5,766,069	¥ 5,889,306	¥ 123,236	\$ 61,974	\$ 63,298	1,324

## Available-for-sale Securities:

	As of March 31, 2010					
	Carrying amount	Market value	Gains (Losses)	Carrying amount	Market value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Available for sale securities with gains:						
(1) Bonds.....	¥ 5,948,102	¥ 5,797,438	¥ 150,663	\$ 63,930	\$ 62,311	\$ 1,619
1. Government bonds .....	3,859,496	3,781,637	77,859	41,482	40,645	836
2. Local Government bonds.....	151,599	146,429	5,169	1,629	1,573	55
3. Corporate bonds.....	1,937,006	1,869,371	67,634	20,819	20,092	726
(2) Domestic stocks .....	2,228,949	1,526,004	702,945	23,956	16,401	7,555
(3) Foreign securities.....	3,890,328	3,737,672	152,656	41,813	40,172	1,640
1. Foreign bonds .....	3,753,565	3,629,147	124,418	40,343	39,006	1,337
2. Other foreign securities.....	136,762	108,525	28,237	1,469	1,166	303
(4) Other Securities .....	258,179	245,783	12,396	2,774	2,641	133
Subtotal .....	¥ 12,325,560	¥ 11,306,899	¥ 1,018,661	\$ 132,475	\$ 121,527	\$ 10,948
Available for sale securities with losses:						
(1) Bonds.....	¥ 1,266,061	¥ 1,272,811	¥ (6,750)	\$ 13,607	\$ 13,680	\$ (72)
1. Government bonds .....	1,109,300	1,113,592	(4,291)	11,922	11,968	(46)
2. Local Government bonds.....	2,920	2,930	(9)	31	31	(0)
3. Corporate bonds.....	153,839	156,289	(2,449)	1,653	1,679	(26)
(2) Domestic stocks .....	710,889	891,259	(180,369)	7,640	9,579	(1,938)
(3) Foreign securities.....	1,311,417	1,410,789	(99,372)	14,095	15,163	(1,068)
1. Foreign bonds .....	1,003,678	1,052,108	(48,429)	10,787	11,308	(520)
2. Other foreign securities.....	307,738	358,681	(50,943)	3,307	3,855	(547)
(4) Other Securities .....	165,335	174,470	(9,134)	1,777	1,875	(98)
Subtotal .....	¥ 3,453,703	¥ 3,749,330	¥ (295,626)	\$ 37,120	\$ 40,298	\$ (3,177)
Total.....	¥ 15,779,263	¥ 15,056,229	¥ 723,034	\$ 169,596	\$ 161,825	\$ 7,771

## Note:

1. Figures in the chart above include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively. The aggregate purchase cost and carrying amount of such certificates of deposits were ¥23,000 million (US\$247 million) and ¥22,999 million (US\$247 million), respectively, as of March 31, 2010. The aggregate purchase cost and carrying amount of trust beneficiary rights were ¥285,657 million (US\$3,070 million) and ¥289,885 million (US\$3,115 million), respectively, as of March 31, 2010.

## Held-to-maturity Securities Sold:

DL and its consolidated subsidiaries sold no held-to-maturity securities during the year ended March 31, 2010.

## Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the year ended March 31, 2010 were as follows:

	Year Ended March 31, 2010					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
		(millions of yen)		(millions of US\$)		
(1) Bonds.....	¥ 732,964	¥ 2,193	¥ 10,028	\$ 7,877	\$ 23	\$ 107
1. Government bonds .....	729,167	2,069	10,028	7,837	22	107
2. Corporate bonds .....	3,797	123	-	40	1	-
Total .....	¥ 732,964	¥ 2,193	¥ 10,028	\$ 7,877	\$ 23	\$ 107

## Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2010 were as follows:

	Year Ended March 31, 2010					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
		(millions of yen)		(millions of US\$)		
(1) Bonds.....	¥ 1,567,782	¥ 14,598	¥ 9,626	\$ 16,850	\$ 156	\$ 103
1. Government bonds .....	1,316,536	10,330	8,758	14,150	111	94
2. Local Government bonds.....	6,366	64	0	68	0	0
3. Corporate bonds .....	244,879	4,204	867	2,631	45	9
(2) Domestic stocks .....	398,087	103,379	51,171	4,278	1,111	549
(3) Foreign securities.....	5,166,457	116,528	137,067	55,529	1,252	1,473
1. Foreign bonds .....	5,052,264	87,735	136,415	54,302	942	1,466
2. Other foreign securities.....	114,193	28,792	651	1,227	309	6
(4) Other Securities .....	31,555	6,045	-	339	64	-
Total .....	¥ 7,163,883	¥ 240,552	¥ 197,865	\$ 76,997	\$ 2,585	\$ 2,126

## Securities Written Down:

DL 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. The aggregate amount written down from the balance of available-for-sale securities with market value for the year ended March 31, 2010 was ¥6,450 million (US\$69 million).

## 34. Money Held in Trust

## Fiscal Year Ended March 31, 2009

## Money Held in Trust for Trading:

	As of March 31, 2009
	(millions of yen)
Carrying amount on the consolidated balance sheets	¥ 30,427
Gains (losses) on valuation of money held in trust	(1,125)

## Money Held in Trust Available for Sale:

	As of March 31, 2009		
	Carrying amount	Market value	gains (losses)
		(millions of yen)	
Trust available for sale	¥ 1,176	¥ 1,176	-

## Note:

1.Trusts in which bank deposits are held are reported as "Trust available for sale".

## Fiscal Year Ended March 31, 2010

## Money Held in Trust for Trading:

	As of March 31,	
	2010	2010
	(millions of yen)	(millions of US\$)
Carrying amount on the consolidated balance sheets	¥ 55,685	\$ 598
Gains (losses) on valuation of money held in trust	(9,608)	(103)

### 35. Derivative Transactions

#### Fiscal Year Ended March 31, 2009

Status on Derivative Transactions:

##### (1) Types of transaction

The derivatives which the Group used for the fiscal year ended March 31, 2009 were as follows:

	Year ended March 31, 2009
Interest-related	Interest rate futures Interest rate swaps
Currency-related	Foreign 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

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

DL applied hedge accounting for the following derivative transactions for the year ended March 31, 2009:

Year ended March 31, 2009
<ul style="list-style-type: none"> <li>• Interest rate swap transactions used for hedging loans as well as debt payables as underlying assets</li> <li>• Foreign currency forward contracts used for hedging foreign currency-denominated bonds as underlying assets</li> <li>• Foreign currency forward contracts used for hedging foreign currency-denominated term deposits as underlying assets</li> </ul>

In applying hedge accounting, DL has established investment policy and procedure guidelines. In line with the policy and procedure guidelines, DL 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, 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 DL's business partners or contractual counterparties may default on contractual obligations due to bankruptcy of such partners or counterparties).

##### (4) Risks management

DL 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 counter-party.

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 DL 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:

	As of March 31, 2009					Total
	Currency-related	Interest-related	Stock-related	Bond-related	Others	
	(millions of yen)					
Hedge accounting applied.....	¥ (190,886)	¥ 1,459	-	-	-	¥ (189,427)
Hedge accounting not applied .....	(11,211)	18	¥ (4,014)	¥ 192	-	(15,014)
<b>Total .....</b>	<b>¥ (202,097)</b>	<b>¥ 1,477</b>	<b>¥ (4,014)</b>	<b>¥ 192</b>	<b>-</b>	<b>¥ (204,441)</b>

#### 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)
<b>Total Sold .....</b>	<b>¥ 2,486,960</b>	<b>¥ 2,688,334</b>	<b>¥ (201,373)</b>
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
<b>Total Bought.....</b>	<b>¥ 119,235</b>	<b>¥ 124,871</b>	<b>¥ 5,636</b>



## 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 dolla .....	14,537			
	[691]	7		(684)
<b>Total .....</b>				<b>¥ (202,097)</b>

## Note:

1. Forward exchange rates are used for fair value calculation at the end of the year.
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)
<b>Total .....</b>				<b>¥ 1,477</b>

## Note:

1. (1) Fair values of interest rate futures are based on the closing exchange-traded prices. (2) Fair values of yen interest rate swaps 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)
<b>Total .....</b>			<b>¥ (4,014)</b>

## Note :

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	0
	[7]		
Over-the-counter transactions:			
Bond OTC options:			
Sold:			
Call .....	7,317	10	13
	[24]		
Put .....	16,086	27	10
	[38]		
Bought:			
Call .....	16,086	11	(11)
	[22]		
Put .....	7,317	47	16
	[30]		
<b>Total .....</b>			<b>¥ 192</b>

## Note:

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

i) DFLI 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:			
Foreign 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
<b>Total .....</b>			<b>¥ (3,305)</b>

## Note:

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:	¥ 16,504	¥ 17,645	¥ (1,141)
Sold .....			
Foreign currency-denominated stock index futures:			
Sold .....	8,636	8,976	(339)
Total .....			¥ (1,480)

## Note:

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 bond futures:			
Sold .....	53,104	53,567	(463)
Total .....			¥ (419)

## Note:

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.

## Fiscal Year Ended March 31, 2010

## Derivative Transactions (Hedge Accounting Not Applied)

## (1) Currency-related transactions

As of March 31, 2010						
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
(millions of yen)			(millions of US\$)			
Over-the-counter transactions:						
Foreign currency forward contracts:						
Sold:	¥ 497,428	¥ (4,486)	¥ (4,486)	\$ 5,346	\$ (48)	\$ (48)
U.S. dollar .....	217,103	(5,221)	(5,221)	2,333	(56)	(56)
Euro .....	251,545	987	987	2,703	10	10
British pound .....	15,248	365	365	163	3	3
Canadian dollar .....	7,539	(533)	(533)	81	(5)	(5)
Australian dollar .....	4,113	(122)	(122)	44	(1)	(1)
Swedish krona .....	771	(1)	(1)	8	(0)	(0)
Danish krone .....	763	33	33	8	0	0
Norwegian krone .....	339	6	6	3	0	0
Swiss franc .....	2	(0)	(0)	0	(0)	(0)
Singapore dollar .....	0	(0)	(0)	0	(0)	(0)
Bought:	357,104	3,371	3,371	3838	36	36
U.S. dollar .....	143,371	2,285	2,285	1540	24	24
Euro .....	190,987	386	386	2052	4	4
British pound .....	14,444	316	316	155	3	3
Polish zloty .....	1,293	74	74	13	0	0
Swiss franc .....	800	57	57	8	0	0
Singapore dollar .....	486	27	27	5	0	0

Norwegian krone .....	503	23	23	5	0	0
Australian dollar .....	4,183	160	160	44	1	1
Canadian dollar .....	826	30	30	8	0	0
Swedish krona .....	2	0	0	0	0	0
Hong Kong dollar .....	192	7	7	2	0	0
Indian rupee .....	12	0	0	0	0	0
<b>Total .....</b>			<b>¥ (1,115)</b>			<b>\$ (11)</b>

Note:

1. Forward exchange rates are used for fair value calculation at the end of the year.
2. "Gains (losses)" represents fair value for forward contracts.
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)	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value	Gains (Losses)
	(millions of yen)				(millions of US\$)			
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, payments floating .....	¥ 1,000	¥ 1,000	¥ 37	¥ 37	\$ 10	\$ 10	\$ 0	\$ 0
<b>Total</b>				<b>¥ 37</b>				<b>\$ 0</b>

Note:

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. "Gains (losses)" represents fair value of foreign currency forward contracts.

## (3) Stock-related transactions

	As of March 31, 2010					
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Exchange-traded transactions:						
Yen stock index futures:						
Bought .....	¥ 12,820	¥ 512	¥ 512	\$ 137	\$ 5	\$ 5
Foreign currency-denominated stock index futures:						
Bought .....	2,945	34	34	31	0	0
Stock index options:						
Sold:						
Call .....	99,985			1,074		
	[1,786]	4,422	(2,635)	[19]	47	(28)
Bought:						
Put .....	100,000			1,074		
	[3,117]	286	2,830	[33]	3	30
<b>Total .....</b>			<b>¥ (4,919)</b>			<b>\$ (52)</b>

Note:

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 transactions

	As of March 31, 2010					
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Exchange-traded transactions:						
Yen bond futures:						
Sold .....	¥ 5,009	¥ 33	¥ 33	\$ 53	\$ 0	\$ 0
Over-the-counter transactions:						
Sold:						
Call .....	17,488			187		
	[46]	17	29	[0]	0	0
Put .....	45,815	187	(73)	492	2	(0)
	[114]			1		
Bought:						
Call .....	45,815			492		
	[68]	33	(34)	[0]	0	(0)
Put .....	374,384			4,023		
	[3,320]	221	(3,098)	[35]	2	(33)
<b>Total .....</b>			<b>¥ (3,144)</b>			<b>\$ (33)</b>

## Note:

- (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.
- Figures in [ ] are option premiums which are included in the consolidated balance sheets.
- Fair value for futures contracts and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

## (5) Others

i) DFLI 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, 2010					
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Exchange traded transactions:						
Currency futures:						
Sold .....	¥ 11,068	¥ (9)	¥ (9)	\$ 118	\$ (0)	\$ (0)
Bought .....	20,123	(748)	(748)	216	(8)	(8)
Over-the-counter transactions:						
Foreign currency forward contracts:						
Sold: .....	70,824	(2,466)	(2,466)	761	(26)	(26)
U.S. dollar .....	36,204	(1,450)	(1,450)	389	(15)	(15)
Euro .....	19,292	(437)	(437)	207	(4)	(4)
British pound .....	5,775	31	31	62	0	0
Australian dollar .....	3,051	(226)	(226)	32	(2)	(2)
Canadian dollar .....	2,956	(205)	(205)	31	(2)	(2)
Singapore dollar .....	834	(40)	(40)	8	(0)	(0)
Swiss franc .....	810	(50)	(50)	8	(0)	(0)
Swedish krona .....	500	(22)	(22)	5	(0)	(0)
Hong Kong dollar .....	461	(19)	(19)	4	(0)	(0)
Norwegian krone .....	287	(10)	(10)	3	(0)	(0)
Danish krone .....	248	(8)	(8)	2	(0)	(0)
New Zealand dollar .....	232	(12)	(12)	2	(0)	(0)
Polish zloty .....	169	(13)	(13)	1	(0)	(0)
Bought: .....	11,481	81	81	123	0	0
U.S. dollar .....	6,969	38	38	74	0	0
Euro .....	2,878	29	29	30	0	0
British pound .....	842	8	8	9	0	0
Australian dollar .....	426	2	2	4	0	0
Canadian dollar .....	365	2	2	3	0	0
<b>Total .....</b>			<b>¥ (2,384)</b>			<b>\$ (25)</b>

## Note:

- (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 foreign currency forward contracts at the end of the year.
- Fair values are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

## b) Stock-related transactions

	As of March 31, 2010					
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Exchange-traded transactions:						
Yen stock index futures:						
Sold .....	¥ 31,581	¥ (2,093)	¥ (2,093)	\$ 339	\$ (22)	\$ (22)
Foreign currency-denominated stock index futures						
Sold .....	22,495	(312)	(312)	241	(3)	(3)
Total .....			¥ (2,405)			\$ (25)

## Note:

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

	As of March 31, 2010					
	Notional amount/ contract value	Fair value	Gains (Losses)	Notional amount/ contract value	Fair value	Gains (Losses)
	(millions of yen)			(millions of US\$)		
Exchange-traded transactions:						
Yen bond futures:						
Bought .....	¥ 42,379	¥ (222)	¥ (222)	\$ 455	\$ (2)	\$ (2)
Foreign bond futures:						
Sold .....	90,683	(246)	(246)	974	(2)	(2)
Total .....			¥ (469)			\$ (5)

## Note:

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.

## Derivative Transactions (Hedge Accounting Applied)

## (1) Currency-related transactions

	As of March 31, 2010			
	Notional amount/ contract value	Fair value	Notional amount/ contract value	Fair value
	(millions of yen)		(millions of US\$)	
Fair value hedge:				
Foreign currency forward contracts to hedge foreign currency-denominated bonds:				
Sold: .....	¥ 2,875,475	¥ (3,887)	\$ 30,905	\$ (41)
U.S. dollar .....	1,336,048	(60,403)	14,359	(649)
Euro .....	1,271,841	55,215	13,669	593
British pound .....	153,954	8,023	1,654	86
Canadian dollar .....	23,054	(2,148)	247	(23)
Australian dollar .....	70,276	(4,918)	755	(52)
Swedish krona .....	10,052	29	108	0
Danish krone .....	7,024	248	75	2
Norwegian krone .....	3,223	66	34	0
Bought: .....	9,629	77	103	0
U.S. dollar .....	4,445	28	47	0
Euro .....	5,184	49	55	0
Foreign currency forward contracts, etc, allocated to and/or combined with corresponding hedged items				
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:				
Sold:				
Australian dollar .....	80,715	(*)	867	(*)
U.S. dollar .....	29,003	(*)	311	(*)

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

(\*) Foreign currency forward contracts other than those are applied fair value hedge method are recorded as the combined amount of such foreign 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.

## (2) Interest-related transactions



	As of March 31, 2010					
	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 Year included in (A)	Fair value
	(millions of yen)			(millions of US\$)		
Deferred hedge						
Yen interest rate swaps to hedge loans and loans payable:						
Receipts fixed, payments floating .....	¥ 5,000	¥ 5,000	¥ 36	\$ 53	\$ 53	\$ 0
Receipts floating, payments fixed .....	183,000	183,000	(3,179)	1,966	1,966	(34)
Special exemption						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating .....	120,666	104,830	2,842	1,296	1,126	30

Note:

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

### 36. Reserve for Employees' Retirement Benefits

Overview of Employees' Retirement Benefit Plan of DL:

As a defined benefit plan for its sales representatives, DL 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, DL 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 DL's consolidated subsidiaries, maintains a benefit plan consisting of (1) retirement lump sum grants and (2) tax qualified retirement pension, while DL's other consolidated subsidiaries maintain a benefit plan consisting of retirement lump sum grants.

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

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
a. Projected benefit obligations .....	¥ (634,578)	¥ (657,806)	\$ (7,070)
b. Pension assets .....	186,362	217,921	2,342
Retirement benefit trust included in the above pension assets .....	(88,607)	(111,546)	(1,198)
c. Unfunded benefit obligations (a + b) .....	(448,215)	(439,884)	(4,727)
d. Unrecognized actuarial differences .....	53,396	33,820	363
e. Unrecognized gains on plan amendments .....	(10,752)	(5,376)	(57)
f. Reserve for employees' retirement benefits (c + d + e) .....	(405,571)	(411,440)	(4,422)

Note :

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

#### Retirement Benefit Expenses

	Years ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Service cost (Note 1) .....	¥ 24,437	¥ 24,201	\$ 260
Interest cost .....	10,764	10,790	115
Estimated investment income .....	(1,781)	(1,653)	(17)
Amortization of unrecognized actuarial differences .....	18,444	15,215	163
Amortization of unrecognized gains on plan amendments .....	(5,376)	(5,376)	(57)
Retirement benefit expenses .....	46,489	43,177	464

Note:

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

## 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)

## 37. Deferred Tax Accounting

## Major Components of Deferred Tax Assets and Liabilities

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

	Millions of yen
Deferred tax assets:	
Insurance policy reserve .....	¥ 317,563
Reserve for employees' retirement benefits .....	177,561
Tax losses carried forward .....	84,445
Losses on valuation of securities .....	68,895
Reserve for price fluctuations .....	36,613
Others .....	53,184
Subtotal .....	738,263
Valuation allowances .....	(68,557)
Total .....	¥ 669,706
Deferred tax liabilities:	
Dividend receivables from stocks .....	¥ (10,248)
Reserve for tax basis adjustments of real estate .....	(9,233)
Gains on contribution of securities to retirement benefit trust .....	(5,348)
Others .....	(2,478)
Total .....	¥ (27,308)
Net deferred tax assets .....	¥ 642,397

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

	Millions of yen	Millions of US\$
Deferred tax assets:		
Insurance policy reserve .....	¥ 365,837	\$ 3,932
Reserve for employees' retirement benefits .....	179,689	1,931
Reserve for price fluctuations .....	41,682	448
Tax losses carried forward .....	34,305	368
Losses on valuation of securities .....	29,059	312
Others .....	43,298	465
Subtotal .....	693,873	7,457
Valuation allowances .....	(59,621)	(640)
Total .....	¥ 634,252	\$ 6,816
Deferred tax liabilities:		
Net unrealized gains on securities, net of tax .....	¥ (264,324)	\$ (2,840)
Reserve for tax basis adjustments of real estate .....	(9,268)	(99)
Dividend receivables from stocks .....	(8,867)	(95)
Others .....	(12,939)	(139)
Total .....	(295,400)	(3,174)
Net deferred tax assets .....	¥ 338,852	\$ 3,642

## Difference Between the Statutory Tax rate and Actual Effective Tax Rate after Considering Deferred Taxes

(1) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2009

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

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

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

### 38. Real Estate for Rent

DL owns 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. DL recorded extraordinary loss of ¥4,587 million for impairment loss on rental real estate.

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

Carrying amount			Market value	Carrying amount			Market value
Beginning balance	Net change during year	Ending balance		Beginning balance	Net change during year	Ending balance	
	(millions of yen)				(millions of US\$)		
¥ 807,666	¥ 4,579	¥ 812,246	¥ 900,371	\$ 8,680	\$ 49	\$ 8,730	\$ 9,677

Note:

1. The carrying amount of rental real estate on the consolidated balance sheets was net of acquisition costs after deducting accumulated depreciation and impairments.
2. Net change in carrying amount 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. DL calculates 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.

#### (Additional Information)

Effective the fiscal year ended March 31, 2010, DL has 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.

### 39. Segment Information

#### Business Segment Information

For the years ended March 31, 2009 and 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, total net surplus from operations and total assets from all segments of the Group. Therefore business segment information has been omitted.

#### Geographic Segment Information

For the years ended March 31, 2009 and 2010

Geographic segment information has been omitted as more than 90% of both the Group's total ordinary revenues and its total assets belong to its business units in Japan.

### Overseas Sales

For the years ended March 31, 2009 and 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.

#### 40. Related Party Transactions

**For the year ended March 31, 2009**

There are no significant transactions to be disclosed.

(Additional information)

Effective April 1, 2008, DL adopted ASBJ Statement No. 11, "Accounting Standard for Related Party Disclosures," and ASBJ Guidance No. 13, "Guidance on Accounting Standard for Related Party Disclosures," both released on October 17, 2006.

**For the year ended March 31, 2010**

There are no significant transactions to be disclosed.

#### 41. Specified Purpose Companies

Securitization of Foundation Funds and Subordinated Obligations

DL securitized foundation funds and subordinated obligations to broaden a range of investors and to secure a stable base for raising capital. For the securitization, DL 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. DL holds non-voting shares of Cayman-based special purpose companies (the "SPC"), which in turn hold specified shares in TMKs. DL monitors the TMKs' financial situation and appropriately recognizes those non-voting shares and writes down future possible losses associated with the shares, if necessary, 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, DL 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, DL had implemented four capital raisings through securitization and, therefore, four SPCs were founded to deal with the securitizations. DL liquidated one of the four SPCs on October 15, 2008. The remaining three SPCs are still engaged in transactions with DL, though two of them are scheduled to go into liquidation for the reason mentioned above.

The total of assets of these three companies at the end of their fiscal years (September 30, 2008 and September 30, 2009) were ¥151,400 million and ¥131,388 million (US\$1,412 million), respectively. Their total liabilities at the end of their fiscal years were ¥150,397 million and ¥130,383 million (US\$1,401 million), respectively.

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

The amounts involved in the principle transactions between DL and the TMKs for the fiscal years ended March 31, 2009 and 2010 were as follows:

	As of March 31,			Years ended March 31,			
	2009	2010	2010	2009	2010	2010	
	(millions of yen)	(millions of US\$)		(millions of yen)	(millions of US\$)		
Foundation funds obligation.....	¥120,000	-	-	Interest on foundation funds .....	¥ 2,328	¥ 5,963	\$ 64
Subordinated obligation .....	30,000	¥ 30,000	\$ 322	Interest expenses .....	616	618	6
Undrawn commitment line balance related to loans .....	2,107	1,129	12	-	-	-	-

#### Investment in Securitized Real Estate

To diversify investments in real estate and stabilize its investment returns, DL had an exposure to an investment project to securitize real estate as of March 31, 2009 and 2010. DL had three SPCs as of March 31, 2009 and 2010, and DL invested in the SPCs under an anonymous association contract based on the Commercial Code. The investment in the anonymous association contract was 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. DL anticipates no obligation in the future to cover possible losses of the SPCs. Even if the fair value of the real estates declines, the loss of DL is limited to the amount of investment in the anonymous association contract. Total assets and liabilities of the SPC(s) at the end of their fiscal years 2008 ended December 31, 2008 and January 31, 2009 and 2009 ended December 31, 2009 and January 31, 2010 amounted to ¥143,015 million and ¥95,685 million,

respectively, and ¥141,124 million (US\$1,516 million) and ¥94,396 million (US\$1,014 million), respectively. As of March 31, 2009 and 2010, DL had no management authority in the SPCs and the SPCs had no directors, officers, and employees transferred from DL.

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

	As of March 31,			Years ended March 31,			
	2009	2010	2010	2009	2010	2010	
	(millions of yen)	(millions of US\$)		(millions of yen)	(millions of US\$)		
Investment in anonymous association .....	¥ 30,430	¥ 29,952	\$ 321	Dividends.....	¥ 2,183	¥ 2,273	\$ 24
Preferred investments .....	3,000	2,900	31	Dividends.....	91	179	1

#### 42. Per Share Information

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

#### 43. Subsequent Events

DL reorganized from a mutual life insurance company to a joint stock life insurance 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.

##### Amount of Net Assets

Based on its plan for demutualization and others in accordance with Article 86 of the Insurance Business Act, DL 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
Reserve for tax basis adjustments of real estate	16,420	Fund for price fluctuation allowance	55,000
Other reserves	132	Reserve for tax basis adjustments of real estate	16,420
Unappropriated net surplus for the period	64,157	Retained earnings brought forward	64,157
Total of Foundation Funds and surplus	604,697	Shareholders' equity	604,697
Net unrealized gains (losses) on securities, net of tax	461,158	Net unrealized gains (losses) on securities, net of tax	461,158
Deferred hedge gains (losses)	(2,008)	Deferred hedge gains (losses)	(2,008)
Reserve for land revaluation	(63,540)	Reserve for land revaluation	(63,540)
Valuation and translation adjustments	395,609	Valuation and translation adjustments	395,609
<b>Total net assets</b>	<b>1,000,307</b>	<b>Total net assets</b>	<b>1,000,307</b>

On consolidated basis, net assets of DL 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 (losses) on securities, net of tax	462,289	Net unrealized gains (losses) 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
<b>Total net assets</b>	<b>964,193</b>	<b>Total net assets</b>	<b>964,193</b>

# Report of Independent Auditors



Ernst & Young ShinNihon LLC  
Hibiya Kokusai Bldg.  
2-2-3 Uchisaiwai-cho  
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100  
Fax : +81 3 3503 1197

## Report of Independent Auditors

The Board of Directors  
The Dai-ichi Life Insurance Company, Limited

We have audited the accompanying consolidated balance sheets of The Dai-ichi Mutual Life Insurance Company and consolidated subsidiaries as of March 31, 2009 and 2010, and the related consolidated statements of earnings, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Dai-ichi Mutual Life Insurance Company and consolidated subsidiaries at March 31, 2009 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

*Ernst & Young ShinNihon LLC*

June 28, 2010

A member firm of Ernst & Young Global Limited

## Non-Consolidated Balance Sheets

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
<b>(ASSETS)</b>			
Cash and deposits .....	¥ 222,407	¥ 168,804	\$ 1,814
Cash .....	1,019	931	10
Bank deposits .....	221,388	167,872	1,804
Call loans .....	171,100	228,800	2,459
Deposit paid for securities borrowing transactions .....	14,954	-	-
Monetary claims bought .....	281,371	289,885	3,115
Trading account securities .....	52,597	-	-
Money held in trust .....	13,265	22,258	239
Securities .....	22,667,846	23,987,934	257,823
Government bonds .....	10,147,344	10,688,290	114,878
Local government bonds .....	343,529	324,082	3,483
Corporate bonds .....	2,462,903	2,324,075	24,979
Stocks .....	3,139,601	3,598,019	38,671
Foreign securities .....	6,220,487	6,678,934	71,785
Other securities .....	353,980	374,532	4,025
Loans .....	4,248,438	3,834,365	41,212
Policy loans .....	604,706	571,443	6,141
Ordinary loans .....	3,643,732	3,262,921	35,070
Ordinary loans .....	3,618,169	3,237,583	34,797
Trust loans .....	25,562	25,337	272
Tangible fixed assets .....	1,239,487	1,243,607	13,366
Land .....	814,730	814,807	8,757
Buildings .....	417,454	408,325	4,388
Leased assets .....	242	642	6
Construction in progress .....	2,937	15,766	169
Other tangible fixed assets .....	4,122	4,065	43
Intangible fixed assets .....	107,423	106,602	1,145
Software .....	73,427	73,078	785
Other intangible fixed assets .....	33,996	33,524	360
Reinsurance receivables .....	148	1,309	14
Other assets .....	352,988	605,642	6,509
Accounts receivable .....	109,437	293,417	3,153
Prepaid expenses .....	14,136	15,251	163
Accrued revenue .....	129,934	129,893	1,396
Deposits .....	44,340	43,079	463
Margin money for futures trading .....	12,753	16,413	176
Differential account for futures trading .....	6	-	-
Derivatives .....	8,475	76,141	818
Suspense payment .....	18,804	15,164	162
Other assets .....	15,099	16,281	174
Deferred tax assets .....	640,990	337,687	3,629
Customers' liabilities for acceptances and guarantees .....	20,138	17,787	191
Reserve for possible loan losses .....	(10,916)	(21,095)	(226)
Reserve for possible investment losses .....	-	(1,123)	(12)
Total assets	¥ 30,022,243	¥ 30,822,467	\$ 331,281



	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
<b>(LIABILITIES)</b>			
Policy reserves and others .....	¥ 27,527,576	¥ 27,803,736	\$ 298,836
Reserves for outstanding claims .....	172,940	149,682	1,608
Policy reserves .....	27,006,977	27,324,838	293,689
Reserve for policyholder dividends .....	347,658	329,214	3,538
Reinsurance payables .....	512	525	5
Subordinated bonds .....	49,102	46,510	499
Other liabilities .....	1,169,969	1,206,894	12,971
Collateral for securities lending transactions .....	484,550	390,728	4,199
Long-term debt and other borrowings .....	313,025	313,014	3,364
Corporate income tax payable .....	320	571	6
Accounts payable .....	33,832	282,582	3,037
Accrued expenses .....	39,438	36,974	397
Unearned revenue .....	1,623	1,410	15
Deposits received .....	55,398	55,342	594
Guarantee deposits received .....	36,396	34,761	373
Differential account for futures trading .....	143	57	0
Trading account securities borrowed .....	1,022	-	-
Derivatives .....	202,802	87,677	942
Lease liabilities .....	242	642	6
Suspense receipt .....	986	3,080	33
Other liabilities .....	185	51	0
Reserve for employees' retirement benefits .....	403,662	409,639	4,402
Reserve for retirement benefits of directors, executive officers and corporate auditors .....	3,464	3,307	35
Reserve for possible reimbursement of prescribed claims .....	1,000	1,100	11
Allowance for policyholder dividends .....	-	92,500	994
Reserves under the special laws .....	101,453	115,453	1,240
Reserve for price fluctuations .....	101,453	115,453	1,240
Deferred tax liabilities for land revaluation .....	125,535	124,706	1,340
Acceptances and guarantees .....	20,138	17,787	191
Total liabilities .....	29,402,415	29,822,160	320,530
<b>(NET ASSETS)</b>			
Foundation funds .....	120,000	-	-
Accumulated redeemed foundation funds .....	300,000	420,000	4,514
Revaluation reserve .....	248	248	2
Surplus .....	309,690	184,448	1,982
Reserve for future losses .....	5,400	5,600	60
Other surplus .....	304,290	178,848	1,922
Reserve for redemption of foundation funds .....	81,300	-	-
Fund for risk allowance .....	43,139	43,139	463
Fund for price fluctuation allowance .....	30,000	55,000	591
Reserve for tax basis adjustments of real estate .....	15,961	16,420	176
Other reserves .....	122	132	1
Unappropriated net surplus for the period .....	133,766	64,157	689
Total of Foundation Funds and surplus .....	729,938	604,697	6,499
Net unrealized gains (losses) on securities, net of tax .....	(47,456)	461,158	4,956
Deferred hedge gains (losses) .....	(357)	(2,008)	(21)
Reserve for land revaluation .....	(62,297)	(63,540)	(682)
Total of valuation and translation adjustments .....	(110,111)	395,609	4,252
Total net assets .....	619,827	1,000,307	10,751
Total liabilities and net assets .....	¥ 30,022,243	¥ 30,822,467	\$ 331,281

# Non-Consolidated Statements of Earnings

	(millions of yen)		(millions of US\$)
	Years ended March 31,		
	2009	2010	2010
<b>ORDINARY REVENUES</b>	<b>¥ 5,182,814</b>	<b>¥ 4,331,560</b>	<b>\$ 46,555</b>
Premium and other income	2,904,336	2,837,251	30,494
Premium income	2,903,640	2,836,231	30,483
Reinsurance income	696	1,019	10
Investment income	1,178,355	1,153,480	12,397
Interest and dividends	741,330	708,082	7,610
Interest from bank deposits	6,316	2,832	30
Interest and dividends from securities	557,911	533,908	5,738
Interest from loans	97,400	91,517	983
Rental income	69,534	70,333	755
Other interest and dividends	10,165	9,489	101
Gains on trading account securities	1,484	1,336	14
Gains on money held in trust	-	3,295	35
Gains on sale of securities	382,670	242,556	2,607
Gains on redemption of securities	11,223	4,472	48
Derivative transaction gains	41,172	-	-
Other investment income	473	566	6
Gains on investment in separate accounts	-	193,170	2,076
Other ordinary revenues	1,100,122	340,828	3,663
Fund receipt for annuity rider of group insurance	1,004	1,036	11
Fund receipt for claim deposit payment	341,631	295,673	3,177
Transfer from reserves for outstanding claims	-	23,257	249
Transfer from policy reserves	737,755	-	-
Other ordinary revenues	19,730	20,861	224
<b>ORDINARY EXPENSES</b>	<b>5,073,668</b>	<b>4,137,940</b>	<b>44,474</b>
Benefits and claims	2,753,596	2,610,535	28,058
Claims	934,190	777,001	8,351
Annuities	441,857	478,704	5,145
Benefits	504,349	533,811	5,737
Surrender values	668,096	661,715	7,112
Other refunds	204,034	158,160	1,699
Ceding reinsurance commissions	1,067	1,141	12
Provision for policy reserves and others	27,138	328,262	3,528
Provision for reserves for outstanding claims	16,248	-	-
Provision for policy reserves	-	317,861	3,416
Provision for interest on policyholder dividends	10,890	10,401	111
Investment expenses	1,414,800	330,067	3,547
Interest expenses	9,402	12,725	136
Losses on money held in trust	6,729	-	-
Losses on sale of securities	504,840	207,894	2,234
Losses on valuation of securities	441,948	10,502	112
Losses on redemption of securities	2,240	2,470	26
Derivative transaction losses	-	16,772	180
Foreign exchange losses	91,499	18,528	199
Provision for reserve for possible loan losses	-	10,288	110
Provision for reserve for possible investment losses	-	1,123	12
Write-down of loans	905	573	6
Depreciation of rented real estate and others	15,110	15,016	161
Other investment expenses	41,687	34,171	367
Losses on investment in separate accounts	300,436	-	-
Operating expenses	444,015	438,729	4,715
Other ordinary expenses	434,117	430,345	4,625
Claim deposit payments	359,544	358,828	3,856
National and local taxes	23,952	23,592	253
Depreciation	30,661	31,563	339
Provision for reserve for employees' retirement benefits	9,314	5,976	64
Other ordinary expenses	10,646	10,384	111
<b>NET SURPLUS FROM OPERATIONS</b>	<b>¥109,146</b>	<b>¥193,620</b>	<b>\$2,081</b>
<b>EXTRAORDINARY GAINS</b>	<b>122,449</b>	<b>329</b>	<b>3</b>
Gains on disposal of fixed assets	897	159	1
Reversal of reserve for possible loan losses	1,108	-	-
Gains on collection of loans and claims written off	236	169	1
Reversal of reserve for price fluctuations	120,000	-	-
Gains on establishment of retirement benefit trust	207	-	-
<b>EXTRAORDINARY LOSSES</b>	<b>11,864</b>	<b>116,509</b>	<b>1,252</b>
Losses on disposal of fixed assets	3,715	1,833	19
Impairment losses on fixed assets	3,002	4,897	52
Provision for reserve for retirement benefits of directors, executive officers and corporate auditors	2,712	-	-
Provision for allowance for policyholder dividends	-	92,500	994
Provision for reserve for price fluctuations	-	14,000	150
Losses on accelerated redemption of foundation funds	-	2,372	25
Other extraordinary losses	2,433	906	9
Net surplus before adjustment for taxes, etc.	219,731	77,439	832
Corporate income taxes-current	859	317	3
Corporate income tax-deferred	88,335	16,315	175
Total of corporate income taxes	89,195	16,632	178
<b>Net surplus for the year</b>	<b>¥ 130,535</b>	<b>¥ 60,807</b>	<b>\$ 653</b>

# Non-Consolidated Statements of Changes in Net Assets

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
<b>Foundation funds and surplus</b>			
<b>Foundation funds</b>			
Beginning balance.....	¥ 120,000	¥ 120,000	\$ 1,289
Changes for the year			
Redemption of foundation funds.....	-	(120,000)	(1,289)
Changes for the year.....	-	(120,000)	(1,289)
Ending balance.....	120,000	-	-
<b>Accumulated redeemed foundation funds</b>			
Beginning balance.....	300,000	300,000	3,224
Changes for the year			
Transfer to accumulated redeemed foundation funds.....	-	120,000	1,289
Changes for the year.....	-	120,000	1,289
Ending balance.....	300,000	420,000	4,514
<b>Revaluation reserve</b>			
Beginning balance.....	248	248	2
Changes for the year			
Changes for the year.....	-	-	-
Ending balance.....	248	248	2
<b>Surplus</b>			
<b>Reserve for future losses</b>			
Beginning balance.....	5,100	5,400	58
Changes for the year			
Transfer to reserve for future losses.....	300	200	2
Changes for the year.....	300	200	2
Ending balance.....	5,400	5,600	60
<b>Other surplus</b>			
<b>Reserve for redemption of foundation funds</b>			
Beginning balance.....	42,600	81,300	873
Changes for the year			
Transfer to accumulated redeemed foundation funds.....	-	(120,000)	(1,289)
Transfer to reserve for redemption of foundation funds.....	38,700	38,700	415
Changes for the year.....	38,700	(81,300)	(873)
Ending balance.....	81,300	-	-
<b>Reserve for interest payment for foundation funds</b>			
Beginning balance.....	-	-	-
Changes for the year			
Transfer to reserve for interest payment for foundation funds..	-	1,263	13
Transfer from reserve for interest payment for foundation funds..	-	(1,263)	(13)
Changes for the year.....	-	-	-
Ending balance.....	-	-	-
<b>Fund for risk allowance</b>			
Beginning balance.....	43,139	43,139	463
Changes for the year			
Changes for the year.....	-	-	-
Ending balance.....	¥ 43,139	¥ 43,139	\$ 463

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
Fund for price fluctuation allowance			
Beginning balance .....	¥ 20,000	¥ 30,000	\$ 322
Changes for the year			
Transfer to fund for price fluctuation allowance .....	10,000	25,000	268
Changes for the year .....	10,000	25,000	268
Ending balance .....	30,000	55,000	591
Reserve for tax basis adjustments of real estate			
Beginning balance .....	15,635	15,961	171
Changes for the year			
Transfer to reserve for tax basis adjustments of real estate (*1) ..	482	540	5
Transfer to reserve for tax basis adjustments of real estate (*2) ..	-	200	2
Transfer from reserve for tax basis adjustments of real estate (*1) ..	(156)	(145)	(1)
Transfer from reserve for tax basis adjustments of real estate (*2) ..	-	(137)	(1)
Changes for the year .....	326	458	4
Ending balance .....	15,961	16,420	176
Other reserves .....			
Beginning balance .....	120	122	1
Changes for the year			
Transfer to other reserves .....	2,436	916	9
Transfer from other reserves .....	(2,433)	(906)	(9)
Changes for the year .....	2	9	0
Ending balance .....	122	132	1
Unappropriated net surplus for the year			
Beginning balance .....	143,318	133,766	1,437
Changes for the year			
Transfer to reserve for policyholder dividends .....	(89,227)	(64,963)	(698)
Transfer to reserve for future losses .....	(300)	(200)	(2)
Interest payment for foundation funds .....	(2,328)	(2,328)	(25)
Net surplus for the year .....	130,535	60,807	653
Transfer to reserve for redemption of foundation funds .....	(38,700)	(38,700)	(415)
Transfer to reserve for interest payment for foundation funds ..	-	(1,263)	(13)
Transfer from reserve for interest payment for foundation funds ..	-	1,263	13
Transfer to fund for price fluctuation allowance .....	(10,000)	(25,000)	(268)
Transfer to subsidy for social public enterprise .....	(2,326)	(826)	(8)
Transfer from subsidy for social public enterprise .....	2,326	826	8
Transfer to fund for Public Health Awards .....	(60)	(40)	(0)
Transfer from fund for Public Health Awards .....	60	36	0
Transfer to fund for Environmental Green Design Award .....	(50)	(50)	(0)
Transfer from fund for Environmental Green Design Award .....	46	44	0
Transfer to reserve for tax basis adjustments of real estate (*1) ..	(482)	(540)	(5)
Transfer to reserve for tax basis adjustments of real estate (*2) ..	-	(200)	(2)
Transfer from reserve for tax basis adjustments of real estate (*1) ..	156	145	1
Transfer from reserve for tax basis adjustments of real estate (*2) ..	-	137	1
Transfer from reserve for land revaluation .....	797	1,242	13
Changes for the year .....	(9,551)	(69,609)	(748)
Ending balance .....	¥ 133,766	¥ 64,157	\$ 689

	(millions of yen)		(millions of US\$)
	As of March 31,		
	2009	2010	2010
Total of surplus			
Beginning balance	¥ 269,913	¥ 309,690	\$ 3,328
Changes for the year			
Transfer to reserve for policyholder dividends	(89,227)	(64,963)	(698)
Transfer to accumulated redeemed foundation funds	-	(120,000)	(1,289)
Interest payment for foundation funds	(2,328)	(2,328)	(25)
Net surplus for the year	130,535	60,807	653
Transfer from reserve for land revaluation	797	1,242	13
Changes for the year	39,776	(125,241)	(1,346)
Ending balance	309,690	184,448	1,982
Total of foundation funds and surplus			
Beginning balance	690,162	729,938	7,845
Changes for the year			
Transfer to reserve for policyholder dividends	(89,227)	(64,963)	(698)
Interest payment for foundation funds	(2,328)	(2,328)	(25)
Net surplus for the year	130,535	60,807	653
Redemption of foundation funds	-	(120,000)	(1,289)
Transfer from reserve for land revaluation	797	1,242	13
Changes for the year	39,776	(125,241)	(1,346)
Ending balance	729,938	604,697	6,499
Valuation and translation adjustments			
Net unrealized gains (losses) on securities, net of tax			
Beginning balance	957,385	(47,456)	(510)
Changes for the year			
Net changes of items other than foundation funds and surplus	(1,004,841)	508,614	5,466
Changes for the year	(1,004,841)	508,614	5,466
Ending balance	(47,456)	461,158	4,956
Deferred hedge gains (losses)			
Beginning balance	-	(357)	(3)
Changes for the year			
Net changes of items other than foundation funds and surplus	(357)	(1,651)	(17)
Changes for the year	(357)	(1,651)	(17)
Ending balance	(357)	(2,008)	(21)
Reserve for land revaluation			
Beginning balance	(61,500)	(62,297)	(669)
Changes for the year			
Net changes of items other than foundation funds and surplus	(797)	(1,242)	(13)
Changes for the year	(797)	(1,242)	(13)
Ending balance	(62,297)	(63,540)	(682)
Total of valuation and translation adjustments			
Beginning balance	895,884	(110,111)	(1,183)
Changes for the year			
Net changes of items other than foundation funds and surplus	(1,005,996)	505,721	5,435
Changes for the year	(1,005,996)	505,721	5,435
Ending balance	(110,111)	395,609	4,252
Total			
Beginning balance	1,586,046	619,827	6,661
Changes for the year			
Transfer to reserve for policyholder dividends	(89,227)	(64,963)	(698)
Interest payment for foundation funds	(2,328)	(2,328)	(25)
Net surplus for the year	130,535	60,807	653
Redemption of foundation funds	-	(120,000)	(1,289)
Transfer from reserve for land revaluation	797	1,242	13
Net changes of items other than foundation funds and surplus	(1,005,996)	505,721	5,435
Changes for the year	(966,219)	380,479	4,089
Ending balance	¥ 619,827	¥ 1,000,307	\$ 10,751

## Non-Consolidated Statements of Surplus

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

# NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED MARCH 31, 2009 AND 2010

## I. PRESENTATION OF FINANCIAL STATEMENTS

### 1. Basis of Presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by The Dai-ichi Mutual Life Insurance Company, or The Dai-ichi Life Insurance Company, Limited after April 1, 2010 ("DL", the "Company" or the "Parent Company") in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the non-consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the non-consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥93.04=US\$1.00, the foreign exchange rate on March 31, 2010, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

## II. NOTES TO NON-CONSOLIDATED BALANCE SHEETS

### 1. Valuation Methods of Securities

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

#### (1) Trading Securities

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

#### (2) Held-to-maturity Securities

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

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

Policy-reserve Matching Bonds are stated at amortized cost determined by the moving average method.

#### (4) Stocks of Subsidiaries and Affiliated Companies

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

#### (5) Available-for-sale Securities

##### i. Available-for-sale Securities with Market Value

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

##### ii. Available-for-sale Securities Whose Market Values Are Extremely Difficult to Be Recognized

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

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

##### b. Others

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

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

The amortization of premiums or discounts is calculated by the straight-line method.

### 2. Trading Account Securities

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

### 3. Policy-reserve-matching Bonds

#### (1) Book Value and Market Value

The book value of policy-reserve-matching bonds as of March 31, 2009 and 2010 amounted to ¥5,161,684 million and ¥5,766,069 million (US\$61,974 million), respectively. The market value of these bonds as of March 31, 2009 and 2010 was ¥5,391,451 million and ¥5,889,306 million (US\$63,298 million), respectively.



## (2) Risk Management Policy

DL 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:

- individual life insurance and annuities,
- financial insurance and annuities, and
- group annuities,

with the exception of certain types.

## (3) Integration of Sub-groups

DL previously classified individual life insurance and annuities into sub-groups by duration of individual life insurance and annuities. However, effective the year ended March 31, 2009, DL integrates the sub-groups into a single group to control the duration of individual life insurance and annuities in the aggregate and to facilitate more sophisticated ALM. This change did not have any impact on profits and losses of DL for the year ended March 31, 2009.

## (4) Changes in Classification

Effective the fiscal year ended March 31, 2010, in order to achieve integrated duration control, and thus promote more sophisticated ALM, DL 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. Derivative Transactions

Derivative transactions are reported at fair value.

## 5. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), DL 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 (US\$96 million).

## 6. Depreciation of Depreciable Assets

## (1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

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

- i. Buildings (excluding leasehold improvements and structures)
    - a. Buildings (excluding leasehold improvements and structures)
      - Acquired on or before March 31, 2007  
Calculated by the previous straight-line method.
      - Acquired on or after April 1, 2007  
Calculated by the straight-line method.
    - b. Assets Other than Buildings
      - Acquired on or before March 31, 2007  
Calculated by the previous declining balance method.
      - Acquired on or after April 1, 2007  
Calculated by the declining balance method.
- Estimated useful lives of major assets are as follows:
- |                             |                     |
|-----------------------------|---------------------|
| Buildings                   | two to sixty years  |
| Other tangible fixed assets | two to twenty years |

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

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

- (2) **Amortization of Intangible Fixed Assets Excluding Leased Assets**  
DL uses the straight-line method of amortization for intangible fixed assets excluding lease assets. Amortization of software for internal use is based on the estimated useful life of five years.
- (3) **Depreciation of Leased Assets**  
Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value.  
Finance leases, which commenced before April 1, 2008, are accounted for in the same manner applicable to ordinary operating leases.
- (4) **Accumulated Depreciation of Tangible Fixed Assets**  
Accumulated depreciation of tangible fixed assets as of March 31, 2009 and 2010 was ¥624,460 million and ¥644,389 million (US\$6,925 million), respectively.
7. **Translation of Assets and Liabilities Denominated in Foreign Currencies to Yen**  
DL translated foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.
8. **Reserve for Possible Loan Losses**  
The 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 amounts written off during the years ended March 31, 2009 and 2010 were ¥4,145 million and ¥4,206 million (US\$45 million), respectively.
9. **Accounting of Beneficial Interests in Securitized Mortgage Loans**  
As of March 31, 2009 and 2010, the trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by DL in August 2000, amounted to ¥25,562 million and, ¥25,337 million (US\$272 million) respectively, and are included as loans in the consolidated balance sheets. The reserve for possible loan losses for these particular beneficial interests is calculated based on the balance of the underlying loans. The balances of the underlying loans in the trust as of March 31, 2009 and 2010 were ¥62,703 million and, ¥53,995 million (US\$580 million) respectively.
10. **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.  
Gains/losses on plan amendments are amortized by the straight-line method through a certain period of 7 years, which is within the employees’ average remaining service period.  
Actuarial differences are amortized by the straight-line method through a certain period of 7 years starting from the following year, which is within the employees’ average remaining service period.  
Effective the fiscal year ended March 31, 2010, DL 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 DL.
11. **Reserve for Possible Investment Losses**  
In order to provide for future investment losses, a reserve for possible investment losses of DL is established for securities whose market values are extremely difficult to be recognized. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

## 12. 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 year in accordance with the provisions of Article 115 of the Insurance Business Law.

## 13. Lease Transactions

Finance leases, other than those whose ownership transfers to the lessees, have previously been accounted for in the same manner applicable to ordinary operating leases. However, effective the year ended March 31, 2009, they are accounted for in the same manner applicable to purchased assets and reported as leased assets except small transactions by adopting the "Accounting Standard for Lease Transactions" issued on March 30, 2007 by the Accounting Standards Board of Japan (ASBJ) and the "Implementation Guidance on the Accounting Standard for Lease Transactions" issued on March 30, 2007 by the ASBJ.

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

As a result, leased assets increased by ¥242 million and lease liabilities increased by ¥242 million for the year ended March 31, 2009. This change did not have any impact on net surplus from operations and net surplus before adjustment for taxes, etc. for the year.

### Finance Leases (As lessee)

(1) Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2009 were as follows:

	Acquisition cost	Accumulated depreciation	Net carrying amount
	(millions of yen)		
Tangible fixed assets .....	¥ 14,768	¥ 10,341	¥ 4,427
<b>Total .....</b>	<b>¥ 14,768</b>	<b>¥ 10,341</b>	<b>¥ 4,427</b>

Acquisition cost, accumulated depreciation and net carrying amount of finance leases as of March 31, 2010 were as follows:

	Acquisition cost	Accumulated depreciation	Net carrying amount	Acquisition Cost	Accumulated depreciation	Net carrying amount
	(millions of yen)			(millions of US\$)		
Tangible fixed assets .....	¥ 12,450	¥ 10,808	¥ 1,641	\$ 133	\$ 116	\$ 17
<b>Total .....</b>	<b>¥ 12,450</b>	<b>¥ 10,808</b>	<b>¥ 1,641</b>	<b>\$ 133</b>	<b>\$ 116</b>	<b>\$ 17</b>

Note:

1. Acquisition cost is calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(2) Obligations under finance leases as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Due within one year .....	¥ 2,696	¥ 1,167	\$ 12
Due after one year .....	1,730	474	5
<b>Total .....</b>	<b>¥ 4,427</b>	<b>¥ 1,641</b>	<b>\$ 17</b>

Note:

1. Obligations under finance leases are calculated by the interest-payable-including-method, as the obligations under finance leases represent a low percentage of tangible fixed assets.

(3) Total payments for finance leases and depreciation for years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Total payments for finance leases .....	¥ 2,978	¥ 2,496	\$ 26
Depreciation .....	2,978	2,496	26

Depreciation for leased assets is calculated over the lease term by the straight-line method assuming zero salvage value.

### Operating Lease (As Lessee)

Future minimum lease payments under noncancellable operating leases as of March 31, 2009 and 2010 were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Due within one year .....	¥ 2,298	¥ 2,257	\$ 24
Due after one year .....	9,047	6,909	74
Total .....	¥ 11,346	¥ 9,167	\$ 98

## 14. Methods for Hedge Accounting

### (1) Methods for Hedge Accounting

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

### (2) Hedging Instruments and Hedged Instruments

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

### (3) Hedging Policies

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

### (4) Assessment of Hedge Effectiveness

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

## 15. Calculation of National and Local Consumption Tax

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

## 16. Policy Reserves

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

- 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).
- 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 (including lump-sum payment), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Law and will be provided in the following nine years. As a result, additional provision for policy reserves for the year ended March 31, 2009 and March 31, 2010 were ¥104,241 million and ¥96,154 million (US\$1,033 million), respectively.

DL formerly intended to provide the additional policy reserve over five years (until the year ending March 31, 2012). However, effective the year ended March 31, 2009, DL changed the provision period to nine years (until the year ending March 31, 2016). As a result, in the year ended March 31, 2009, reversal of provision for policy reserves increased by ¥41,633 million and net surplus from operations and net surplus before adjustment for taxes, etc. increased by ¥41,633 million.

#### 17. 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 DL, (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 DL 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 DL are provided.

Actual corporate-pension payments to directors, executive officers, and corporate auditors who retired before the approval of the 105th general meeting of representative policyholders were recognized as expenses when they were paid until the year ended March 31, 2008. However, effective the year ended March 31, 2009, reserve for retirement benefits of directors, executive officers, and corporate auditors is calculated by adding items (1) and (2) above and the amount of payments for the year ended March 31, 2009 was reported as an extraordinary loss. As a result of this change, extraordinary losses increased by ¥2,712 million and net surplus before adjustment for taxes, etc. decreased by ¥2,712 million for the year ended March 31, 2009.

#### 18. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had run out in the previous years, DL provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

#### 19. Allowance for Policyholder Dividends

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

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

However, DL's reserve for policyholder dividends, effective the fiscal year ending March 31, 2011, represents a combined amount of its allowance for policyholder dividends and reserve for policyholder dividends.

#### 20. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheets. The total balance of securities lent as of March 31, 2009 and 2010 was ¥475,988 million and ¥436,743 million (US\$4,694 million), respectively.

#### 21. Problem Loans

As of March 31, 2009 and 2010, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were ¥19,670 million and ¥35,981 million (US\$386 million), respectively. As of March 31, 2009, the amount of credits to bankrupt borrowers was ¥5,493 million, the amount of delinquent loans was ¥11,648 million, DL held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,528 million. As of March 31, 2010, the amount of credits to bankrupt borrowers was ¥5,259 million (US\$56 million), the amount of delinquent loans was ¥28,338 million (US\$304 million), DL 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).

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 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 the 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 ¥976 million and ¥3,169 million respectively, in the year ended March 31, 2009, and ¥736 million (US\$7 million) and ¥3,469 million (US\$37 million), respectively, in the year ended March 31, 2010.

## 22. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Law as of March 31, 2009 and 2010 were ¥1,159,122 million and ¥1,292,250 million (US\$13,889 million), respectively. Separate account liabilities were the same amount as separate account assets.

## 23. Receivables and Payables to Subsidiaries

The total amounts of receivables and payables to subsidiaries and affiliated companies were ¥19,893 million and ¥5,078 million as of March 31, 2009, and ¥33,048 million (US\$355 million) and ¥4,418 million (US\$47 million) as of March 31, 2010, respectively.

## 24. Deferred Tax Accounting

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

	(millions of yen)
Deferred tax assets:	
Insurance policy reserve .....	¥ 315,896
Reserve for employees' retirement benefits .....	176,716
Losses on valuation of securities .....	68,895
Tax losses carried forward .....	65,964
Reserve for price fluctuations .....	36,604
Others .....	50,607
Subtotal .....	¥ 714,684
Valuation allowances .....	(46,582)
Total .....	668,101
Deferred tax liabilities:	
Dividend receivables from stocks .....	¥ (10,248)
Reserve for tax basis adjustments of real estate .....	(9,233)
Gains on contribution of securities to retirement benefit trust .....	(5,348)
Others .....	(2,280)
Total .....	(27,110)
Net deferred tax assets .....	¥ 640,990

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

	millions of yen	millions of US\$
Deferred tax assets:		
Insurance policy reserve .....	¥ 349,598	\$ 3,757
Reserve for employees' retirement benefits .....	178,872	1,922
Reserve for price fluctuations .....	41,655	447
Losses on valuation of securities .....	29,059	312
Tax losses carried forward .....	27,510	295
Others .....	40,286	432
Subtotal .....	666,982	7,168
Valuation allowances .....	(34,666)	(372)
Total .....	¥ 632,316	\$ 6,796
Deferred tax liabilities:		
Net unrealized gains on securities, net of tax .....	¥ (263,647)	\$ (2,833)
Reserve for tax basis adjustments of real estate .....	(9,268)	(99)
Dividend receivables from stocks .....	(8,867)	(95)
Others .....	(12,844)	(138)
Total .....	(294,628)	(3,166)
Net deferred tax assets .....	¥ 337,687	\$ 3,629

(3) Difference between the statutory tax rate and actual effective tax rate after considering deferred taxes

- i. The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2009

Statutory tax rate .....	36.08%
(Adjustments)	
Increase in valuation allowances .....	13.54%
Reserve for policyholder dividends .....	(10.67)%
Others .....	1.64%
Actual effective tax rate after considering deferred taxes .....	40.59%

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

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

## 25. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Balance at the end of previous year .....	¥ 353,538	¥ 347,658	\$ 3,736
Transfer from surplus in previous year .....	89,227	64,963	698
Dividends paid in year .....	(105,997)	(93,808)	(1,008)
Interest accrual in year .....	10,890	10,401	111
Balance at the end of year .....	¥ 347,658	¥ 329,214	\$ 3,538

## 26. Stocks of Subsidiaries

The amount of stocks of subsidiaries DL held as of March 31, 2009 and 2010 was ¥207,232 million and ¥220,111 million (US\$2,365 million), respectively.

## 27. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Securities (Government bonds) .....	¥ 488,482	¥ 390,274	\$ 4,194
Securities (Foreign securities) .....	9,595	8,791	94
Securities (Stocks) .....	4,320	-	-
Cash/deposits .....	86	86	0
Securities and cash/deposits pledged as collateral .....	¥ 502,485	¥ 399,153	\$ 4,290

The amounts of secured liabilities were as follows:

	As of March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Cash collateral for securities lending transactions .....	¥ 484,550	¥ 390,728	\$ 4,199
Loan .....	26	14	0
Secured liabilities .....	¥ 484,576	¥ 390,743	\$ 4,199



Among the amounts, “Securities (Government bonds)” for securities lending transactions as of March 31, 2009 and March 31, 2010 were ¥475,736 million and ¥389,085 million (US\$4,181 million), respectively.

#### 28. 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 Law, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter, “reserves for outstanding claims reinsured”) were ¥12 million (US\$0 million), while DL had no reserves for outstanding claims reinsured as of March 31, 2009.

As of March 31, 2009 and 2010, the amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter, “policy reserves reinsured”) was ¥0 million and ¥0 million (US\$0 million), respectively.

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

The total amount of adjustment items for redemption of foundation funds and appropriation of net surplus as of March 31, 2009 and 2010, defined in Article 30, Paragraph 2 of the Enforcement Regulations of the Insurance Business Law, were minus ¥108 million and ¥459,398 million (US\$4,937 million), respectively.

In accordance with the Plan for Demutualization approved at the 108th general meeting of representative policyholders, in preparation for demutualization DL 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.

In the year ended March 31, 2010, due to the redemption of foundation funds of ¥120,000 million (including foundation fund of ¥20,000 million redeemed in August 2009), DL provided the same amount as accumulated redeemed foundation funds, in accordance with Article 56 of the Insurance Business Law.

#### 30. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2009, the market value of the securities borrowed which were not sold or pledged was ¥13,830 million, among which no securities were pledged as collateral.

#### 31. Commitment Line

As of March 31, 2009 and 2010, there were unused commitment line agreements under which DL is the lender of ¥12,507 million and ¥6,529 million (US\$70 million), respectively.

#### 32. Subordinated Debt

As of March 31, 2009 and 2010, other liabilities included subordinated debt of ¥313,000 million and ¥313,000 million (US\$3,364 million), respectively, the repayment of which is subordinated to other obligations.

#### 33. Subordinated Bonds

Subordinated bonds of ¥49,102 million and ¥46,510 million (US\$499 million) shown in liabilities as of March 31, 2009 and 2010 were foreign currency-denominated subordinated bonds of US\$499 million, the repayment of which is subordinated to other obligations.

#### 34. Assets Denominated in Foreign Currencies

Assets of DL denominated in foreign currencies as of March 31, 2009 and 2010 totaled ¥4,725,208 million and ¥5,382,291 million (US\$57,849 million), respectively. The principal foreign currency asset amounts as of March 31, 2009 and 2010 were US\$25,981 million and €12,970 million, and US\$27,224 million and €17,327 million, respectively.

#### 35. Securities

Fiscal Year Ended March 31, 2009

(1) Stocks of DL's subsidiaries and affiliates with market value

	As of March 31,		
	Carrying Amount	Market Value	Gains (Losses)
	(millions of yen)		
Stocks of subsidiaries and affiliates with market value .....	¥ 16,345	¥ 16,345	–

#### Fiscal Year Ended March 31, 2010

##### (1) Stocks of DL's subsidiaries and affiliates

	As of March 31, 2010					
	Acquisition cost	Accumulated depreciation	Net carrying amount	Acquisition cost	Accumulated depreciation	Net carrying amount
	(millions of yen)			(millions of US\$)		
Stocks of subsidiaries and affiliates ....	¥ 17,208	¥ 24,415	¥ 7,206	\$ 184	\$ 262	\$ 77

Note:

The table above does not include stocks of DL's subsidiaries and affiliates whose market values are extremely difficult to be recognized. Carrying amounts of such stocks are as follows:

	As of March 31, 2010	
	Carrying Amount	Carrying Amount
	(millions of yen)	(millions of US\$)
Subsidiaries .....	¥ 178,359	\$ 1,917
Affiliates .....	24,543	263

#### 36. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of DL to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law as of March 31, 2009 and 2010 were ¥61,824 million and ¥61,661 million (US\$662 million), respectively. These obligations will be recognized as operating expenses in the years in which they are paid.

### III. NOTES TO NON-CONSOLIDATED STATEMENTS OF EARNINGS

#### 1. Total of Corporate Income Taxes

Effective the fiscal year ended March 31, 2009, in accordance with the revised format attached to the Enforcement Regulation of the Insurance Business Law (Article 25 of the Cabinet Office Ordinance, April 17, 2009), DL presented corporate income taxes, resident taxes, and taxes deferred, collectively as "total of corporate income taxes".

#### 2. Revenues and Expenses from Transactions with Subsidiaries

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥5,591 million and ¥28,305 million, respectively in the fiscal year ended March 31, 2009, and ¥7,754 million (US\$83 million) and ¥23,899 million (US\$256 million), respectively, in the fiscal year ended March 31, 2010.

#### 3. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥130,575 million, ¥52,221 million and ¥199,873 million, respectively, in the fiscal year ended March 31, 2009, and ¥16,603 million (US\$178 million), ¥109,425 million (US\$1,176 million) and ¥116,528 million (US\$1,252 million), respectively, in the fiscal year ended March 31, 2010.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥23,091 million, ¥54,194 million and ¥427,555 million, respectively, in the fiscal year ended March 31, 2009, and ¥19,655 million (US\$211 million), ¥51,171 million (US\$549 million) and ¥137,067 million (US\$1,473 million), respectively, in the fiscal year ended March 31, 2010.

Losses on valuation of securities included losses on valuation of domestic bonds, domestic stocks, foreign securities and other securities of ¥179 million, ¥217,817 million, ¥222,970 million, and ¥980 million, respectively, in the fiscal year ended March 31, 2009, and those on domestic stocks and foreign securities of ¥7,121 million (US\$76 million) and ¥3,380 million (US\$36 million), respectively, in the fiscal year ended March 31, 2010.

#### 4. Reinsurance

In calculating a provision for reserves for outstanding claims in the fiscal year ended March 31, 2009, there was no adjustment for a provision for reserves for outstanding claims reinsured. In calculating a reversal of reserves for outstanding claims in the fiscal year ended March 31, 2010, ¥12 million (US\$0 million) was added to a provision for reserves for outstanding claims reinsured as an adjustment.

In calculating the reversal of policy reserves, a reversal of policy reserves reinsured of ¥0 million (US\$0 million) was added back in the fiscal year ended March 31, 2009, and a reversal of policy reserves reinsured of ¥0 million (US\$0 million) was added back in the fiscal year ended March 31, 2010, respectively.

5. Gains/Losses on Trading Account Securities

Gains on trading account securities included interest and dividends, gains on the sale of securities and losses on the valuation of securities of ¥1,026 million, ¥586 million and ¥88 million, respectively, in the fiscal year ended March 31, 2009 and ¥531 million (US\$5 million), ¥906 million (US\$9 million), and ¥94 million (US\$1 million), respectively, in the fiscal year ended March 31, 2010.

6. Gains/Losses on Money Held in Trust

Gains/losses on money held in trust included losses on valuation of securities of ¥962 million in the fiscal year ended March 31, 2009, and losses on valuation of securities of ¥3,303 million (US\$35 million) in the fiscal year ended March 31, 2010.

7. Derivative Transaction Gains/Losses

Derivative transaction gains included valuation losses of ¥20,993 million in the fiscal year ended March 31, 2009, and valuation gains of ¥9,182 million (US\$98 million) in the fiscal year ended March 31, 2010.

8. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Land .....	¥ 857	¥ 134	\$ 1
Buildings .....	27	25	0
Other tangible assets .....	0	-	-
Other intangible assets .....	12	-	-
Other assets .....	0	-	-
<b>Total .....</b>	<b>¥ 897</b>	<b>¥ 159</b>	<b>\$ 1</b>

9. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the years ended March 31, 2009 and 2010 were as follows:

	Years Ended March 31,		
	2009	2010	2010
	(millions of yen)		(millions of US\$)
Land .....	¥ 63	¥ 102	\$ 1
Buildings .....	2,780	999	10
Leased assets .....	-	21	0
Other tangible assets .....	310	95	1
Software .....	340	150	1
Other intangible assets .....	0	266	2
Money on deposit .....	-	0	0
Other assets .....	220	197	2
<b>Total .....</b>	<b>¥ 3,715</b>	<b>¥ 1,833</b>	<b>\$ 19</b>

10. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the year ended March 31, 2009 and 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 property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value in some asset groups, DL 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, 2009 were as follows:

Asset Group	Place	Number	Impairment Losses		
			Land	Buildings	Total
(millions of yen)					
Real estate for rent	Assets including Hirosaki City, Aomori Prefecture	2	¥ 354	¥ 227	¥ 582
Real estate not in use	Assets including Urayasu City, Chiba Prefecture	26	616	1,803	2,420
<b>Total</b>		<b>28</b>	<b>¥ 971</b>	<b>¥ 2,031</b>	<b>¥ 3,002</b>

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

Asset Group	Place	Number	Impairment Losses							
			(millions of yen)				(millions of US\$)			
			Land	Land Leasing Rights	Buildings	Total	Land	Land Leasing Rights	Buildings	Total
Real estate for rent	Assets including Yao City, Osaka Prefecture	6	¥ 341	¥ 200	¥ 605	¥ 1,147	\$ 3	\$ 2	\$ 6	\$ 12
Real estate not in use	Assets including Hiroshima City, Hiroshima Prefecture	56	2,733	–	1,016	3,749	29	–	10	40
<b>Total</b>		<b>62</b>	<b>¥ 3,074</b>	<b>¥ 200</b>	<b>¥ 1,621</b>	<b>¥ 4,897</b>	<b>\$ 33</b>	<b>\$ 2</b>	<b>\$ 17</b>	<b>\$ 52</b>

#### (4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 3.13% and 2.96% for the years ended March 31, 2009 and 2010, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value is used as the net sale value.

## IV. NOTES TO NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Transfer to reserve for tax basis adjustments of real estate (\*1) and Transfer from reserve for tax basis adjustments of real estate (\*1)  
The general meeting of representative policyholders of DL before demutualization approved the surplus appropriation of those items.
2. Transfer to reserve for tax basis adjustments of real estate (\*2) and Transfer from reserve for tax basis adjustments of real estate (\*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 DL's demutualization on April 1, 2010, they were recorded in the fiscal year ended March 31, 2010, as is the case for stock companies.

## V. PER SHARE INFORMATION

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

## VI. SUBSEQUENT EVENTS

DL reorganized from a mutual life insurance company to a joint stock life insurance 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, DL realigned its net assets in the non-consolidated balance sheet as follows:

As of March 31, 2010		As of April 1, 2010	
Accumulated redeemed foundation funds	420,000	Capital stock	210,200
Revaluation reserve	248	Capital surplus	210,200
Surplus	184,448	Legal capital surplus	210,200
Reserve for future losses	5,600	Retained earnings	184,297
Other surplus	178,848	Legal retained earnings	5,600
Fund for risk allowance	43,139	Other retained earnings	178,697
Fund for price fluctuation allowance	55,000	Fund for risk allowance	43,120
Reserve for tax basis adjustments of real estate	16,420	Fund for price fluctuation allowance	55,000
Other reserves	132	Reserve for tax basis adjustments of real estate	16,420
Unappropriated net surplus for the period	64,157	Retained earnings brought forward	64,157
Total of Foundation Funds and surplus	604,697	Shareholders' equity	604,697
Net unrealized gains (losses) on securities, net of tax	461,158	Net unrealized gains (losses) on securities, net of tax	461,158
Deferred hedge gains (losses)	(2,008)	Deferred hedge gains (losses)	(2,008)
Reserve for land revaluation	(63,540)	Reserve for land revaluation	(63,540)
Valuation and translation adjustments	395,609	Valuation and translation adjustments	395,609
<b>Total net assets</b>	<b>1,000,307</b>	<b>Total net assets</b>	<b>1,000,307</b>

## VII. SUPPLEMENTAL TABLES

### 1. Details of Operating Expenses

	Year Ended March 31, 2010	
	(millions of yen)	(millions of US\$)
Sales activity expenses .....	¥ 164,555	\$ 1,768
Related to sales representatives .....	160,994	1,730
Related to sales agencies .....	1,995	21
Related to selection of policyholders .....	1,566	16
Sales management expenses .....	72,977	784
Related to management of sales representatives .....	69,555	747
Related to advertisement .....	3,422	36
General management expenses .....	201,196	2,162
Personal expenses .....	88,785	954
Property expenses .....	106,250	1,141
(Donation, co-sponsoring and membership fees) .....	(570)	(6)
Obligation expenses .....	6,160	66
<b>Total .....</b>	<b>¥ 438,729</b>	<b>\$ 4,715</b>

Note:

1. Large portion of property expenses consists of (1) expenses for operations for policyholders and information systems to maintain and manage life insurance policies and (2) various transaction costs associated with portfolio managements.
2. Obligation expenses represent obligations to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act.

### 2. Details of Tangible Fixed Assets for the Fiscal Year Ended March 31, 2010

	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation at the end of period	Depreciation for the period	Ending balance (net)
(millions of yen)							
Tangible fixed assets							
Land .....	¥ 814,730	¥ 3,602	¥ 3,524 [3,074]	¥ 814,807	-	-	¥ 814,807
Buildings .....	1,019,739	14,358	2,915 [1,621]	1,031,183	622,858	21,544	408,325
Leased assets .....	289	656	213	732	89	85	642
Construction in progress .....	2,937	30,800	17,972	15,766	-	-	15,766
Others .....	26,249	2,241	2,984	25,507	21,441	1,818	4,065
Total .....	¥ 1,863,947	¥ 51,659	¥ 27,610 [4,696]	¥ 1,887,996	¥ 644,389	¥ 23,448	¥ 1,243,607
Intangible fixed assets							
Software .....	-	-	-	131,432	58,354	22,482	73,078
Others .....	-	-	-	33,585	61	6	33,524
Total .....	-	-	-	¥ 165,018	¥ 58,415	¥ 22,489	¥ 106,602
Long-term prepaid expenses .....	-	-	-	-	-	-	-
Deferred assets .....	-	-	-	-	-	-	-
Total of deferred assets .....	-	-	-	-	-	-	-

	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation at the end of period	Depreciation for the period	Ending balance (net)
(millions of US\$)							
Tangible fixed assets							
Land .....	\$ 8,756	\$ 38	\$ 37 [33]	\$ 8,757	-	-	\$ 8,757
Buildings .....	10,960	154	31 [17]	11,083	6,694	231	4,388
Leased assets .....	3	7	2	7	0	0	6
Construction in progress .....	31	331	193	169	-	-	169
Others .....	282	24	32	274	230	19	43
Total .....	\$ 20,033	\$ 555	\$ 296 [50]	\$ 20,292	\$ 6,925	\$ 252	\$ 13,366
Intangible fixed assets							
Software .....	-	-	-	1,412	627	241	785
Others .....	-	-	-	360	0	0	360
Total .....	-	-	-	\$ 1,773	\$ 627	\$ 241	\$ 1,145
Long-term prepaid expenses .....	-	-	-	-	-	-	-
Deferred assets .....	-	-	-	-	-	-	-
Total of deferred assets .....	-	-	-	-	-	-	-

Note:

- Figures in [ ] represents impairment losses.
- Some figures associated with intangible fixed assets are omitted as intangible fixed assets accounts for less than 1% of DL's total assets.

### 3. Details of Reserves and Allowances for the Fiscal Year Ended March 31, 2010

	Beginning balance	Increase	Amount used for original purposes	Decrease for other reasons	Ending balance
	(millions of yen)				
Reserve for possible loan losses.....	¥ 10,916	¥ 21,095	¥ 90	¥ 10,825	¥ 21,095
General purpose .....	7,481	4,853	–	7,481	4,853
Set aside for particular companies.....	3,435	16,241	90	3,344	16,241
Reserve for possible investment losses.....	–	1,123	–	–	1,123
Reserve for retirement benefits of directors, executive officers and corporate auditors.....	3,464	41	198	–	3,307
Reserve for possible reimbursement of prescribed claims.....	1,000	425	325	–	1,100
Allowance for policyholder dividends.....	–	92,500	–	–	92,500
Reserve for price fluctuation .....	101,453	14,000	–	–	115,453

	Beginning balance	Increase	Amount used for original purposes	Decrease for other reasons	Ending balance
	(millions of US\$)				
Reserve for possible loan losses.....	\$ 117	\$ 226	\$ 0	\$ 116	\$ 226
General purpose .....	80	52	–	80	52
Set aside for particular companies.....	36	174	0	35	174
Reserve for possible investment losses.....	–	12	–	–	12
Reserve for retirement benefits of directors, executive officers and corporate auditors.....	37	0	2	–	35
Reserve for possible reimbursement of prescribed claims.....	10	4	3	–	11
Allowance for policyholder dividends.....	–	994	–	–	994
Reserve for price fluctuation .....	1,090	150	–	–	1,240

## Note:

1. Decrease of reserve for possible loan losses (general purpose) for other reasons represents adding back the credited reserve amount in full to renew the reserve.
2. Decrease of reserve for possible loan losses (set aside for particular companies) for other reasons represents adding back the credited reserve amount in full to renew the reserve.



# Report of Independent Auditors



Ernst & Young ShinNihon LLC  
Hibiya Kokusai Bldg.  
2-2-3 Uchisaiwai-cho  
Chiyoda-ku, Tokyo, Japan 100-0011

Tel: +81 3 3503 1100  
Fax: +81 3 3503 1197

## Report of Independent Auditors

The Board of Directors  
The Dai-ichi Life Insurance Company, Limited

We have audited the accompanying non-consolidated balance sheets of The Dai-ichi Mutual Life Insurance Company as of March 31, 2009 and 2010, and the related non-consolidated statements of earnings, and changes in net assets for the years then ended, and the related non-consolidated statement of surplus for the year ended March 31, 2009, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of The Dai-ichi Mutual Life Insurance Company at March 31, 2009 and 2010, and the non-consolidated results of their operations for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I.1.

*Ernst & Young ShinNihon LLC*

June 28, 2010

A member firm of Ernst & Young Global Limited

# SUPPLEMENTARY FINANCIAL DATA

## TABLE OF CONTENTS

TABLE OF CONTENTS	102	(21) Fair Value Information on Derivative Transactions (General Account)	118
1. INSURANCE POLICIES	103	3. LIABILITIES	121
(1) Policies in Force by Product Line	103	(1) Policy Reserves by Product Line	121
(2) New Policies by Product Line	103	(2) Reserve for Policyholder Dividends	121
(3) Annualized Net Premium of Individual Insurance and Individual Annuities	103	(3) Reserve for Possible Loan Losses	121
(4) Policies in Force by Benefit	104	4. INSURANCE INCOME & EXPENSES	122
(5) Changes in Policies in Major Product Line	104	(1) Insurance Premiums by Product Line	122
(6) Policies in Force of Individual Insurance by Product	106	(2) Benefits and Claims by Product Line	122
(7) Amount of Claims and Benefit Paid to Earned Premiums in the Third Sector	106	5. INVESTMENT INCOME & EXPENSES	123
2. ASSETS	107	(1) Investment Income (General Account)	123
(1) Asset Composition (General Account)	107	(2) Investment Expense (General Account)	123
(2) Changes (Increase/Decrease) in Assets (General Account)	107	(3) Net Investment Income (General Account)	123
(3) Rates of Return (General Account)	108	6. SOLVENCY MARGIN RATIO	124
(4) Average Daily Balance (General Account)	108	7. EMBEDDED VALUE	125
(5) Breakdown of Securities (General Account)	108	(1) Embedded Value	125
(6) Securities by Contractual Maturity Dates (General Account)	109	(2) EEV Results of the Group	125
(7) Domestic Stocks by Industry (General Account)	109	(3) Analysis of Change in EEV from March 31, 2009 to March 31, 2010	126
(8) Local Government Bonds by Region (General Account)	110	(4) Effects of Changes in Assumptions (Sensitivities)	126
(9) Breakdown of Loans (General Account)	110	(5) Major Assumptions Used in the Calculation of EEV	127
(10) Loans by Contractual Maturity Dates (General Account)	110	(6) Note in Using EV	127
(11) Loans to Domestic Companies by Company Size (General Account)	110	8. SEPARATE ACCOUNT	128
(12) Loans by Industry (General Account)	111	(1) Separate Account Assets by Product	128
(13) Loans by Region (General Account)	111	(2) Individual Variable Insurance (Separate Account)	128
(14) Loans by Collateral Type (General Account)	112	(3) Individual Variable Annuities (Separate Account)	130
(15) Risk-Monitored Loans	112	9. COMPANY TOTAL OF GENERAL ACCOUNT AND SEPARATE ACCOUNT	132
(16) Disclosed Claims Based on Categories of Obligors	112	(1) Asset Composition	132
(17) Foreign Investments (General Account)	112	(2) Changes (Increase/Decrease) in Assets	132
(18) Tangible Fixed Assets (General Account)	114	(3) Fair Value Information on Securities and Others	132
(19) Real Estate by Its Use (General Account)	114	(4) Fair Value Information on Derivative Transactions	135
(20) Fair Value Information on Securities and Others (General Account)	114	10. CONSOLIDATED FINANCIAL SUMMARY	141
		(1) Selected Financial Data and Other Information	141
		(2) Scope of Consolidation and Application of Equity Method	141
		(3) Risk-Monitored Loans	141
		(4) Segment Information	142

# Supplementary Financial Data

## 1. Insurance Policies

### (1) Policies in Force by Product Line

	As of March 31,							
	2009				2010			
	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%
Individual insurance	11,051	(1.5)	159,072.0	(5.0)	10,970	(0.7)	150,575.1	(5.3)
Insurance against death	5,903	2.5	73,458.6	(4.3)	6,330	7.2	75,560.5	2.9
Mixed insurance	4,644	(6.8)	84,294.6	(5.7)	4,118	(11.3)	73,681.2	(12.6)
Endowment insurance	503	4.7	1,318.7	2.1	521	3.5	1,333.3	1.1
Individual annuities	1,202	0.1	6,975.8	(0.7)	1,233	2.6	7,196.6	3.2
Group insurance	26,915	(0.9)	54,769.4	0.6	26,389	(2.0)	54,051.1	(1.3)
Group annuities	14,794	(1.5)	6,140.6	(4.6)	13,959	(5.6)	6,192.2	0.8
Financial insurance	110	(5.4)	282.7	(1.3)	104	(5.9)	277.9	(1.7)
Financial annuities	54	(1.4)	134.7	(3.1)	53	(3.1)	129.7	(3.7)
Medical care insurance	596	(1.9)	1.0	(3.0)	587	(1.4)	0.9	(3.4)
Group disability	50	(10.9)	3.1	(16.3)	48	(3.9)	3.2	2.5

Note:

- Number of group insurance, group annuities, financial insurance, financial annuities, medical care and group disability show the number of insured.
- The amounts in individual annuities, group insurance (annuity riders) and financial annuities show the sum of (a) the funds to be held at the time payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
- The amount in group annuities, financial insurance and others show the amount of outstanding corresponding policy reserve.
- The amount in medical care insurance shows the daily amount to be paid for hospitalization from sickness.
- The amount in group disability insurance shows the amount of disability benefits paid per month.

### (2) New Policies by Product Line

	Years ended March 31,							
	2009				2010			
	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%	Number (Thousands)	Increase (Decrease)%	Amount (Billions of yen)	Increase (Decrease)%
Individual insurance	608	(0.6)	7,127.2	(5.7)	628	3.3	6,778.4	(4.9)
Insurance against death	312	34.7	2,781.7	21.5	420	34.6	3,589.1	29.0
Mixed insurance	236	(28.0)	4,203.7	(18.2)	153	(34.9)	3,056.6	(27.3)
Endowment insurance	59	15.3	141.7	9.6	53	(8.9)	132.6	(6.4)
Individual annuities	35	(17.0)	257.4	(24.3)	64	80.0	449.0	74.4
Group insurance	234	(5.5)	749.2	72.8	107	(54.3)	221.5	(70.4)
Group annuities	88	91.7	1.3	39.5	20	(77.0)	1.9	44.3
Financial insurance	2	7.7	0.2	24.8	1	(32.8)	0.2	(21.8)
Financial annuities	0	0.9	0.0	1.8	0	(5.2)	0.0	(7.1)
Medical care insurance	3	(14.2)	0.0	(21.5)	6	104.0	0.0	113.3
Group disability	1	-	0.0	-	-	(100.0)	-	(100.0)

Note:

- Number of group insurance, group annuities, financial insurance, financial annuities, medical care and group disability show the number of insured.
- The amounts in individual annuities and financial annuities show the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced.
- The amounts in group annuities, financial insurance and financial annuities show the initial premium payment.
- The amount in medical care insurance shows the daily amount to be paid for hospitalization from sickness.
- The amount in group disability insurance shows the amount of disability benefits paid per month.
- New policies do not include new policies by conversion.

### (3) Annualized Net Premium of Individual Insurance and Individual Annuities

	(billions of yen except percentages)			
	As of March 31, 2009		As of March 31, 2010	
	% of March 31, 2008 total		% of March 31, 2009 total	
Policies in Force				
Individual insurance	1,766.8	96.9	1,722.8	97.5
Individual annuities	285.5	103.0	297.5	104.2
Total	2,052.4	97.7	2,020.4	98.4
Medical and survival benefits	492.7	100.8	494.8	100.4
	(billions of yen except percentages)			
	Year Ended March 31, 2009		Year Ended March 31, 2010	
New Policies	% of March 31, 2008 total		% of March 31, 2009 total	
Individual insurance	108.1	95.2	103.8	96.0
Individual annuities	12.3	61.8	15.8	128.6
Total	120.4	90.2	119.6	99.3
Medical and survival benefits	40.6	92.4	36.4	89.7

Note:

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

#### (4) Policies in Force by Benefit

As of March 31, 2009	(billions of yen)					
	Individual Insurance	Individual Annuities	Group Insurance	Group Annuities	Others	Total
<b>Death benefit</b>						
General	144,570	0	54,761	-	47	199,380
Accidental	(23,201)	(388)	(2,344)	(-)	(55)	(25,990)
Others	(0)	(-)	(110)	(-)	(0)	(110)
<b>Survival benefits</b>						
Benefits and claims	14,501	6,365	0	-	89	20,957
Annuities	(-)	(784)	(0)	(-)	(7)	(792)
Others	-	609	7	6,140	328	7,085
<b>Hospitalization benefits</b>						
Accidental	(40)	(0)	(1)	(-)	(1)	(43)
Sickness	(40)	(0)	(0)	(-)	(1)	(41)
Others	(24)	(0)	(0)	(-)	(0)	(25)
<b>Disability benefits</b>						
	-	-	-	-	3	3
<b>As of March 31, 2010</b>						
<b>Death benefit</b>						
General	134,687	0	54,043	-	3,534	192,265
Accidental	(20,956)	(392)	(2,242)	(-)	50	(23,641)
Others	(0)	(-)	(105)	(-)	(0)	(106)
<b>Survival benefits</b>						
Benefits and claims	15,887	6,526	0	-	82	22,497
Annuities	(-)	(814)	(0)	(-)	(7)	(823)
Others	-	669	7	6,192	324	7,194
<b>Hospitalization benefits</b>						
Accidental	(40)	(0)	(1)	(-)	(0)	(42)
Sickness	(39)	(0)	(0)	(-)	(0)	(41)
Others	(23)	(0)	(0)	(-)	(0)	(24)
<b>Disability benefits</b>						
	-	-	-	-	3	3

Note:

- Figures in ( ) show supplementary benefits portion of base insurance policy and policy riders. However, the general death benefits portion of term insurance riders are accounted for as basic insurance policy.
- The amount of "Individual Annuities" and "Group Insurance" (annuities rider) in the "Benefits and claims" column of the Survival benefits shows the funds to be held at the time payments are to commence for an annuity for which payments has not yet commenced.
- The amount in the "Annuities" column of the Survival benefits shows the annual annuity payments.
- The amount in the "Others" column of "Survival benefits" shows outstanding corresponding policy reserve for individual annuities for which payments have commenced, group insurance whose annuity rider payments have commenced, and group annuities.
- The amounts of "Hospitalization benefits" show the daily amount to be paid for hospitalization.

#### (5) Changes in Policies in Major Product Line

##### A. Individual Insurance

	(billions of yen and thousands of policies)					
	Years ended March 31,					
	2008		2009		2010	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	11,391	175,392.2	11,221	167,436.8	11,051	159,072.0
Increase due to:						
New policies	612	7,556.6	608	7,127.2	628	6,778.4
Renewal	12	1,684.5	15	1,583.7	41	1,670.4
Reinstatements	35	736.4	28	592.4	26	550.1
Conversions	429	13,713.8	452	13,568.5	445	12,323.6
Decrease due to:						
Death	51	454.5	51	423.8	52	418.3
Maturity	154	4,135.4	186	3,874.6	182	4,267.0
Decrease in coverage amount	-	1,711.3	-	1,479.6	-	1,443.3
Conversions	418	12,781.5	444	13,773.2	437	12,704.2
Surrender	451	8,338.4	450	8,135.3	423	7,751.7
Lapse	180	3,257.0	136	2,563.9	121	2,271.7
Others	3	968.4	4	986.2	4	963.1
At year-end	11,221	167,436.8	11,051	159,072.0	10,970	150,575.1
Net increase (decrease)	(169)	(7,955.4)	(169)	(8,364.7)	(81)	(8,496.8)

## B. Individual Annuities

(billions of yen and thousands of policies)

	Years ended March 31,					
	2008		2009		2010	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	1,193	6,984.3	1,201	7,025.7	1,202	6,975.8
Increase due to:						
New policies	43	340.1	35	257.4	64	449.0
Reinstatements	1	10.9	1	9.5	1	10.9
Conversions	-	-	-	-	-	-
Decrease due to:						
Death	3	27.2	4	28.9	4	28.4
Full payment	2	2.4	3	3.2	4	4.2
Decrease in coverage amount	-	10.6	-	10.6	-	12.0
Conversions	2	14.1	1	10.0	1	11.1
Surrender	23	146.4	24	155.6	22	144.1
Lapse	4	33.7	4	28.8	4	31.7
Others	(0)	74.8	(1)	79.4	(2)	7.4
At year-end	1,201	7,025.7	1,202	6,975.8	1,233	7,196.6
Net increase (decrease)	7	41.4	0	(49.9)	31	220.8

Note: Policy amounts for individual annuities are equal to the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and the amount of policy reserve for an annuity for which payments have commenced. Because the amount of policy reserves changes over time, in contrast to the static nature of policy amounts of insurance policies, the amount of net increase in the policy amount column does not match the total of the individual items.

## C. Group Insurance

(billions of yen and thousands of policies)

	Years ended March 31,					
	2008		2009		2010	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	27,443	54,013.0	27,167	54,461.6	26,915	54,769.4
Increase due to:						
New policies	248	433.5	234	749.2	107	221.5
Renewal	13,847	29,111.9	13,913	29,399.8	13,858	29,276.9
Reinstatements	2,299	4,864.6	2,244	4,767.4	2,174	5,182.6
Increase in coverage amount	-	956.5	-	780.4	-	854.5
Decrease due to:						
Death	59	92.9	57	91.0	56	89.9
Maturity	14,118	29,571.4	14,152	29,925.6	14,066	29,710.7
Withdrawal	2,437	2,045.1	2,388	1,991.1	2,470	2,161.2
Decrease in coverage amount	-	3,150.7	-	3,223.0	-	4,203.1
Surrender	61	163.0	42	101.1	68	94.9
Lapse	0	4.0	0	1.9	0	2.2
Others	(6)	(109.2)	3	55.3	1	(8.3)
At year-end	27,167	54,461.6	26,915	54,769.4	26,389	54,051.1
Net increase (decrease)	(276)	448.6	(251)	307.7	(525)	(718.3)

## D. Group Annuities

(billions of yen and thousands of policies)

	Years ended March 31,					
	2008		2009		2010	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the year	15,294	6,559.2	15,020	6,436.8	14,794	6,140.6
Increase due to:						
New policies	46	0.9	88	1.3	20	1.9
Decrease due to:						
Annuity payments	4,096	212.1	4,172	247.5	4,252	272.2
Lump-sum payments	930	316.6	924	319.4	853	338.1
Surrender	202	166.6	210	127.9	333	124.7
At year-end	15,020	6,436.8	14,794	6,140.6	13,959	6,192.2
Net increase (decrease)	(273)	(122.3)	(226)	(296.2)	(834)	51.6

Note:

- The tables above do not include new insured persons entered, and insured persons existing without benefit payments, with respect to an existing group annuity contract during each respective period. As a result, the amount of net increase in the number of insured column does not match the total of the individual items.
- The new policy amount is equal to the initial premium payment and the total policy amount in force is equal to the amount of outstanding corresponding policy reserves. Because the amount of policy reserves changes over time, in contrast to the static nature of policy amounts of insurance policies, the amount of net increase in the policy amount column does not match the total of the individual items.

## (6) Policies in Force of Individual Insurance by Product

(thousands of policies, billions of yen, %)

As of March 31, 2009	New Policies				Policies in Force			
	Number	%	Amount	%	Number	%	Amount	%
Renewable type whole life	116	11.0	1,723	8.3	2,495	22.6	58,786	37.0
transferable term insurance	(338)	(31.9)	(7,203)	(34.8)				
Whole life with term Insurance	61	5.8	790	3.8	3,016	27.3	37,138	23.3
	(206)	(19.5)	(4,184)	(20.2)				
Whole Life	148	14.0	529	2.6	1,710	15.5	12,247	7.7
	(160)	(15.1)	(626)	(3.0)				
Others	281	26.5	4,083	19.7	3,829	34.6	50,899	32.0
	(354)	(33.5)	(8,681)	(41.9)				
<b>Total</b>	<b>608</b>	<b>57.3</b>	<b>7,127</b>	<b>34.4</b>	<b>11,051</b>	<b>100.0</b>	<b>159,072</b>	<b>100.0</b>
	(1,060)	(100.0)	(20,695)	(100.0)				
<b>As of March 31, 2010</b>								
Renewable type whole life	46	4.3	667	3.5	2,120	19.3	48,072	31.9
transferable term insurance	(121)	(11.3)	(2,451)	(12.8)				
Whole life with term Insurance	136	12.7	1,682	8.8	3,281	29.9	40,392	26.8
	(433)	(40.3)	(8,305)	(43.5)				
Whole Life	201	18.7	683	3.6	1,844	16.8	12,426	8.3
	(215)	(20.1)	(815)	(4.3)				
Others	244	39.0	3,744	55.2	3,723	33.9	49,684	33.0
	(302)	(28.2)						
<b>Total</b>	<b>628</b>	<b>58.5</b>	<b>6,778</b>	<b>35.5</b>	<b>10,970</b>	<b>100.0</b>	<b>150,575</b>	<b>100.0</b>
	(1,073)	(100.0)	(19,102)	(100.0)				

Note: Figures in ( ) show the total number and amount of new businesses and new policies by conversion.

## (7) Amount of Claims and Benefit Paid to Earned Premiums in the Third Sector

%

	Year ended March 31, 2009	Year ended March 31, 2010
Third sector total	37.1	36.8
Medical (disease)	32.8	32.5
Cancer	42.7	41.6
Nursing care	13.4	15.2
Others	43.6	43.3

Note: Each insurance type is classified based on the principal benefit types.

## 2. Assets

### (1) Asset Composition (General Account)

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

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

### (2) Changes (Increase/Decrease) in Assets (General Account)

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

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



### (3) Rates of Return (General Account)

	(%)	
	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, and call loans	0.63	0.24
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.52	0.10
Monetary claims bought	1.76	2.31
Trading account securities	1.74	1.85
Money held in trust	(29.26)	22.39
Securities	(0.29)	2.31
Domestic bonds	2.85	1.85
Domestic stocks	(3.33)	3.22
Foreign securities	(3.48)	2.72
Foreign bonds	(2.25)	2.37
Foreign stocks and other securities	(7.77)	3.85
Loans	2.17	2.03
Ordinary loans	1.75	1.55
Real estate	4.73	4.47
Total	0.22	2.17
Foreign investments	(3.24)	2.68

Note:

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

### (4) Average Daily Balance (General Account)

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

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

### (5) Breakdown of Securities (General Account)

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
National government bonds	9,859,150	45.7	10,404,682	45.6
Local government bonds	338,276	1.6	318,778	1.4
Corporate bonds	2,422,804	11.2	2,266,518	9.9
Public entity bonds	936,328	4.3	846,516	3.7
Domestic stocks	2,846,053	13.2	3,258,143	14.3
Foreign securities	5,908,767	27.4	6,325,956	27.8
Foreign bonds	4,459,828	20.7	4,782,266	21.0
Foreign stocks and other securities	1,448,938	6.7	1,543,689	6.8
Other securities	213,921	1.0	219,225	1.0
Total	21,588,974	100.0	22,793,303	100.0

(6) Securities by Contractual Maturity Dates (General Account)

	(millions of yen)							Total
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date		
As of March 31, 2009								
National government bonds	285,976	150,594	1,142,753	325,772	1,405,461	6,548,592	9,859,150	
Local government bonds	23,592	38,794	94,392	124,892	25,537	31,065	338,276	
Corporate bonds	144,336	298,234	509,247	546,928	642,537	281,519	2,422,804	
Domestic stocks	-	-	-	-	-	2,846,053	2,846,053	
Foreign securities	135,985	645,562	952,419	261,937	765,368	3,147,494	5,908,767	
Foreign bonds	135,985	645,562	952,419	261,937	765,368	1,698,555	4,459,828	
Foreign stocks and other securities	-	-	-	-	-	1,448,938	1,448,938	
Other securities	4,497	6,246	50,114	5,142	4,615	143,303	213,921	
Monetary claims bought	21,413	630	13,084	4,064	-	242,178	281,371	
Certificates of deposit	90,000	-	-	-	-	-	90,000	
Others	1,000	-	473	-	-	11,792	13,265	
<b>Total</b>	<b>594,388</b>	<b>1,139,432</b>	<b>2,748,928</b>	<b>1,264,674</b>	<b>2,843,521</b>	<b>12,998,029</b>	<b>21,588,974</b>	
As of March 31, 2010								
National government bonds	338,275	119,703	1,110,518	287,056	1,346,128	7,203,000	10,404,682	
Local government bonds	26,151	31,720	184,917	33,913	13,429	28,645	318,778	
Corporate bonds	124,052	261,073	711,399	479,957	410,208	279,828	2,266,518	
Domestic stocks	-	-	-	-	-	3,258,143	3,258,143	
Foreign securities	108,437	959,761	971,432	534,270	587,479	3,164,575	6,325,956	
Foreign bonds	108,437	959,761	970,838	527,736	587,479	1,628,012	4,782,266	
Foreign stocks and other securities	-	-	593	6,533	-	1,536,562	1,543,689	
Other securities	4	56,285	657	4,766	19,890	137,621	219,225	
Monetary claims bought	210	9,114	6,246	2,945	-	271,368	289,885	
Certificates of deposit	22,999	-	-	-	-	-	22,999	
Others	-	1,489	-	-	-	20,769	22,258	
<b>Securities</b>	<b>596,920</b>	<b>1,428,545</b>	<b>2,978,924</b>	<b>1,339,964</b>	<b>2,377,136</b>	<b>14,071,813</b>	<b>22,793,303</b>	

(7) Domestic Stocks by Industry (General Account)

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Forestry and fisheries	413	0.0	447	0.0
Mining	373	0.0	463	0.0
Construction	50,608	1.8	58,628	1.8
Manufacturing industries				
Food products	88,647	3.1	103,333	3.2
Textiles and clothing	25,574	0.9	28,480	0.9
Pulp and paper	7,291	0.3	3,144	0.1
Chemicals	107,489	3.8	146,657	4.5
Medical supplies	84,672	3.0	85,567	2.6
Oil and coal products	10,084	0.4	6,400	0.2
Rubber products	15,344	0.5	12,011	0.4
Glass and stone products	71,182	2.5	91,470	2.8
Steel	71,006	2.5	105,285	3.2
Non-steel metals	14,102	0.5	21,436	0.7
Metal products	23,228	0.8	27,899	0.9
Machinery	95,890	3.4	117,873	3.6
Electric appliances	440,374	15.5	636,204	19.5
Transportation vehicles	181,402	6.4	252,989	7.8
Precision instruments	61,912	2.2	98,781	3.0
Others	54,151	1.9	69,219	2.1
Electric and gas utilities	287,913	10.1	280,661	8.6
Transportation and communications industries				
Ground transportation	194,579	6.8	201,847	6.2
Water transportation	1,274	0.0	1,190	0.0
Air transportation	2,838	0.1	1,406	0.0
Warehouses	5,227	0.2	5,103	0.2
Telecommunications	47,955	1.7	40,591	1.2
Commerce				
Wholesale	68,361	2.4	93,110	2.9
Retail	99,712	3.5	74,400	2.3
Financial industries				
Banks	464,124	16.3	398,971	12.2
Security and trading companies	20,588	0.7	22,832	0.7
Insurance	169,886	6.0	185,745	5.7
Other	14,435	0.5	18,381	0.6
Real estate	20,612	0.7	18,113	0.6
Service	44,790	1.6	49,491	1.5
<b>Total</b>	<b>2,846,053</b>	<b>100.0</b>	<b>3,258,143</b>	<b>100.0</b>

Note: Industry categories above are based on classification by Securities Identification Code Committee.

## (8) Local Government Bonds by Region (General Account)

	(millions of yen)	
	As of March 31, 2009	As of March 31, 2010
	Carrying value	Carrying value
Hokkaido	8,293	6,402
Tohoku	203	202
Kanto	141,445	132,134
Chubu	35,565	31,296
Kinki	36,048	33,966
Chugoku	5,142	4,935
Shikoku	2,332	1,186
Kyushu	22,610	21,504
Others	86,633	87,148
<b>Total</b>	<b>338,276</b>	<b>318,778</b>

Note: "Others" in the above table shows publicly offered co-issue local government bonds.

## (9) Breakdown of Loans (General Account)

	(millions of yen)	
	As of March 31, 2009	As of March 31, 2010
Policy loans	604,706	571,443
Premium loans	86,356	74,762
Policyholder loans	518,349	496,680
Ordinary loans	3,643,732	3,262,921
[Loans to non-residents]	[181,772]	[157,043]
Loans to corporations	3,139,885	2,793,625
[Loans to domestic corporations]	[3,075,087]	[2,732,734]
Loans to national government, government-related organizations and international organizations	11,134	80,260
Loans to local governments and public entities	360,031	358,129
Mortgage loans	32,400	30,701
[Trust loans]	[25,562]	[25,337]
Consumer loans	82	71
Others	199	132
<b>Total loans</b>	<b>4,248,438</b>	<b>3,834,365</b>

## (10) Loans by Contractual Maturity Dates (General Account)

	(millions of yen)						Total
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	
<b>As of March 31, 2009</b>							
Floating-rate loans	55,981	65,311	77,351	40,262	38,191	29,502	306,600
Fixed-rate loans	263,300	558,985	619,462	561,593	722,878	610,911	3,337,132
<b>Total</b>	<b>319,282</b>	<b>624,296</b>	<b>696,813</b>	<b>601,855</b>	<b>761,069</b>	<b>640,414</b>	<b>3,643,732</b>
<b>As of March 31, 2010</b>							
Floating-rate loans	19,917	63,561	66,746	35,089	15,377	25,943	226,636
Fixed-rate loans	253,914	565,492	572,457	604,654	535,858	503,906	3,036,284
<b>Total</b>	<b>273,832</b>	<b>629,054</b>	<b>639,203</b>	<b>639,744</b>	<b>551,236</b>	<b>529,850</b>	<b>3,262,921</b>

## (11) Loans to Domestic Companies by Company Size (General Account)

		(millions of yen except number of borrowers)			
		As of March 31, 2009		As of March 31, 2010	
			%		%
Large corporations	Number of borrowers	562	47.3	471	48.8
	Amount of loans	2,561,594	83.3	2,295,991	84.0
Medium-sized corporations	Number of borrowers	86	7.2	71	7.4
	Amount of loans	19,051	0.6	17,023	0.6
Small-sized corporations	Number of borrowers	539	45.4	423	43.8
	Amount of loans	494,441	16.1	419,719	15.4
<b>Total</b>	Number of borrowers	1,187	100.0	965	100.0
	Amount of loans	3,075,087	100.0	2,732,734	100.0

Note:

1. Categorization by company size is based on the following criteria:

- (1) Large corporations include corporations with paid-in capital of at least ¥1 billion and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
- (2) Medium-sized corporations include corporations with paid-in capital of more than ¥300 million and less than ¥1 billion (more than ¥50 million and less than ¥1 billion in the case of retailers, restaurants and service companies; more than ¥100 million and less than ¥1 billion in the case of wholesalers) and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
- (3) Small corporations include all other corporations.

2. Number of borrowers does not equal the number of loan transactions.

## (12) Loans by Industry (General Account)

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Domestic				
Manufacturing industries	595,586	16.3	544,190	16.7
Foodstuffs and beverages	50,045	1.4	33,202	1.0
Textile products	13,829	0.4	8,206	0.3
Lumber and wood products	2,475	0.1	1,529	0.0
Pulp, paper and paper products	54,995	1.5	41,947	1.3
Printing	11,507	0.3	10,146	0.3
Chemical and allied products	73,260	2.0	61,640	1.9
Petroleum refining	26,324	0.7	27,313	0.8
Ceramic, stone and clay products	16,079	0.4	20,882	0.6
Iron and steel	61,748	1.7	69,237	2.1
Non-ferrous metals and products	17,423	0.5	15,831	0.5
Fabricated metal products	2,951	0.1	2,472	0.1
General-purpose and production- and business-oriented machinery	92,674	2.5	78,133	2.4
Electrical machinery equipment and supplies	94,452	2.6	92,314	2.8
Transportation equipment	55,319	1.5	61,387	1.9
Miscellaneous manufacturing industries	22,499	0.6	19,943	0.6
Agriculture and forestry	67	0.0	17	0.0
Fishery	-	-	-	-
Mining and quarrying of stone and gravel	500	0.0	-	-
Construction	18,022	0.5	20,213	0.6
Electricity, gas, heat supply and water	400,235	11.0	393,849	12.1
Information and communications	73,650	2.0	22,034	0.7
Transport and postal activities	268,769	7.4	266,394	8.2
Wholesale trade	529,864	14.5	548,193	16.8
Retail trade	42,852	1.2	35,769	1.1
Finance and insurance	1,011,177	27.8	816,181	25.0
Real estate	238,821	6.6	214,501	6.6
Goods rental and leasing	202,016	5.5	167,329	5.1
Scientific research, professional and technical services	2,581	0.1	1,239	0.0
Accommodations	2,774	0.1	2,079	0.1
Eating and drinking services	4,326	0.1	3,073	0.1
Living-related and personal services and amusement services	8,283	0.2	7,179	0.2
Education, learning support	214	0.0	140	0.0
Medical, health care and welfare	564	0.0	102	0.0
Other services	4,363	0.1	2,850	0.1
Local governments	24,002	0.7	29,031	0.9
Individuals	32,482	0.9	30,773	0.9
Others	800	0.0	733	0.0
Total domestic	3,461,960	95.0	3,105,877	95.2
Foreign				
Governments	116,974	3.2	96,152	2.9
Financial institutions	13,000	0.4	13,000	0.4
Commercial and industrial	51,798	1.4	47,891	1.5
Total foreign	181,772	5.0	157,043	4.8
Total	3,643,732	100.0	3,262,921	100.0

## Note:

1. Policy loans are excluded.
2. Domestic industry categories above are based on classification used by Bank of Japan in survey of loans.

## (13) Loans by Region (General Account)

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Hokkaido	45,187	1.3	43,635	1.4
Tohoku	34,591	1.0	32,097	1.0
Kanto	2,622,852	76.5	2,331,433	75.8
Chubu	209,269	6.1	217,904	7.1
Kinki	365,305	10.7	312,713	10.2
Chugoku	48,363	1.4	43,819	1.4
Shikoku	24,623	0.7	22,508	0.7
Kyushu	79,525	2.3	71,180	2.3
Total	3,429,719	100.0	3,075,292	100.0

## Note:

1. Loans to individuals and non-residents and policy loans are excluded.
2. Categorization of region is based on borrowers' registered head offices.

## (14) Loans by Collateral Type (General Account)

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Secured loans	38,468	1.1	29,458	0.9
Stocks and other securities	5,364	0.1	4,395	0.1
Real and personal estate	31,135	0.9	24,234	0.7
Others	1,969	0.1	828	0.0
Guarantees	186,633	5.1	159,789	4.9
Unsecured loans	3,386,389	92.9	3,043,088	93.3
Others	32,240	0.9	30,585	0.9
Total loans	3,643,732	100.0	3,262,921	100.0
Subordinated loans	481,563	13.2	380,563	11.7

Note: Policy loans are excluded.

## (15) Risk-Monitored Loans

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

Note:

- For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2009 and March 31, 2010 were 976 million yen and 736 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2009 and March 31, 2010 were 3,169 million yen and 3,469 million yen, respectively.
- Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
- 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 the loans, excluding those loans 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.

## (16) Disclosed Claims Based on Categories of Obligors

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

Note:

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

## (17) Foreign Investments (General Account)

## A. Breakdown of Investment by Asset Category (General Account)

## (a) Assets denominated in foreign currency

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Foreign bonds	4,075,617	65.0	4,344,132	62.3
Foreign stocks	254,844	4.1	301,274	4.3
Cash, cash equivalents and other assets	73,666	1.2	382,459	5.5
Sub-total	4,404,129	70.3	5,027,866	72.1

## (b) Assets swapped into yen

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Foreign bonds	-	-	-	-
Cash, cash equivalents and other assets	101,013	1.6	109,924	1.6
Sub-total	101,013	1.6	109,924	1.6

## (c) Assets denominated in yen

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Loans to borrowers outside Japan	181,772	2.9	157,043	2.3
Foreign bonds and others	1,581,483	25.2	1,683,368	24.1
Sub-total	1,763,256	28.1	1,840,412	26.4

## (d) Total

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Foreign investments	6,268,399	100.0	6,978,204	100.0

Note: Assets swapped into yen are assets whose settlement amounts are fixed into yen by foreign currency forward contracts and other agreements and which are reported in the yen amounts on the balance sheets.

## B. Foreign Currency-Denominated Assets by Currency (General Account)

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
U.S. dollar	2,408,564	54.7	2,382,644	47.4
Euro	1,575,946	35.8	2,103,597	41.8
British pound	210,129	4.8	233,330	4.6
Australian dollar	57,090	1.3	136,532	2.7
Chinese yuan	36,351	0.8	44,219	0.9
New Taiwan dollar	31,085	0.7	39,008	0.8
Canadian dollar	39,790	0.9	34,619	0.7
Total (including others not listed above)	4,404,129	100.0	5,027,866	100.0

## C. Investments by Region (General Account)

	(millions of yen)							
	Foreign securities		Bonds		Stocks and other securities		Loans to borrowers located outside Japan	
	Carrying value	%	Carrying value	%	Carrying value	%	Carrying value	%
<b>As of March 31, 2009</b>								
North America	2,500,556	42.3	2,471,281	55.4	29,275	2.0	40,887	22.5
Europe	1,701,799	28.8	1,665,328	37.3	36,417	2.5	70,811	39.0
Oceania	34,052	0.6	17,754	0.4	16,297	1.1	10,000	5.5
Asia	86,453	1.5	6,838	0.2	79,615	5.5	3,813	2.1
Latin America	1,450,596	24.5	163,319	3.7	1,287,277	88.8	4,810	2.6
Middle East	-	-	-	-	-	-	-	-
Africa	2	0.0	-	-	2	0.0	-	-
International organizations	135,305	2.3	135,305	3.0	-	-	51,450	28.3
Total	5,908,767	100.0	4,459,828	100.0	1,448,938	100.0	181,772	100.0
<b>As of March 31, 2010</b>								
North America	2,382,606	37.7	2,302,280	48.1	80,326	5.2	38,333	24.4
Europe	2,120,455	33.5	2,064,592	43.2	55,862	3.6	55,710	35.5
Oceania	69,198	1.1	49,618	1.0	19,579	1.3	10,000	6.4
Asia	103,610	1.6	6,886	0.1	96,723	6.3	492	0.3
Latin America	1,446,603	22.9	155,510	3.3	1,291,092	83.6	4,057	2.6
Middle East	-	-	-	-	-	-	-	-
Africa	104	0.0	-	-	104	0.0	-	-
International organizations	203,377	3.2	203,377	4.3	-	-	48,450	30.9
Total	6,325,956	100.0	4,782,266	100.0	1,543,689	100.0	157,043	100.0

Note: Categorization of region is generally based on nationalities of issuers or borrowers.

## (18) Tangible Fixed Assets (General Account)

(millions of yen)							
Year ended March 31, 2009	At previous year-end	Increase	Decrease	Depreciation	At year-end	Accumulated depreciation	Accumulated depreciation ratio %
Land	807,248	9,605	2,124 (971)	-	814,730	-	-
Buildings	424,341	16,903	2,417 (2,031)	21,372	417,454	602,285	59.1
Leased assets	-	289	-	47	242	47	16.3
Construction in progress	2,392	27,091	26,545	-	2,937	-	-
Other tangible fixed assets	4,810	1,962	310	2,340	4,122	22,127	84.3
Total	1,238,793	55,852	31,398 (3,002)	23,760	1,239,487	624,460	-
<hr/>							
<b>Year ended March 31, 2010</b>							
Land	814,730	3,602	3,524 (3,074)	-	814,807	-	-
Buildings	417,454	14,358	1,942 (1,621)	21,544	408,325	622,858	60.4
Leased assets	242	656	170	85	642	89	12.2
Construction in progress	2,937	30,800	17,972	-	15,766	-	-
Other tangible fixed assets	4,122	2,241	479	1,818	4,065	21,441	84.1
Total	1,239,487	51,659	24,090 (4,696)	23,448	1,243,607	644,389	-
Real estate for rent	779,494	24,530	4,800	15,001	784,222	378,090	57.6

## (19) Real Estate by Its Use (General Account)

(millions of yen)		
	As of March 31, 2009	As of March 31, 2010
Real estate for business use	456,282	456,110
Real estate for rent	778,840	782,788
Total	1,235,122	1,238,898
Number of buildings for rent	288	290

## (20) Fair Value Information on Securities and Others (General Account)

## A. Valuation Gains and Losses on Trading Securities (General Account)

(millions of yen)				
	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	64,687	(1,139)	22,258	3,359
Trading account securities	52,597	(178)	-	56
Money held in trust	12,089	(961)	22,258	3,303

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



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

As of March 31, 2009	(millions of yen)				
	Book value	Fair value	Gains (losses)	Gains	Losses
Bonds held to maturity	173,462	177,941	4,479	5,842	1,362
Domestic bonds	123,697	123,767	70	1,433	1,362
Foreign bonds	49,765	54,174	4,408	4,408	-
Policy-reserve-matching bonds	5,161,684	5,391,451	229,767	233,682	3,915
Domestic bonds	5,161,684	5,391,451	229,767	233,682	3,915
Stocks of subsidiaries and affiliates	16,345	16,345	(0)	-	0
Securities available for sale	14,936,493	14,862,019	(74,473)	571,671	646,145
Domestic bonds	7,160,812	7,334,849	174,037	195,947	21,910
Domestic stocks	2,606,474	2,509,680	(96,794)	277,480	374,274
Foreign securities	4,943,671	4,805,430	(138,240)	96,950	235,190
Foreign bonds	4,465,666	4,410,063	(55,603)	86,170	141,774
Foreign stocks and other securities	478,004	395,367	(82,637)	10,779	93,416
Other securities	115,534	102,058	(13,476)	1,293	14,770
Monetary claims bought	19,999	19,999	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	20,287,986	20,447,758	159,772	811,196	651,424
Domestic bonds	12,446,194	12,850,068	403,874	431,063	27,188
Domestic stocks	2,606,474	2,509,680	(96,794)	277,480	374,274
Foreign securities	5,009,343	4,875,512	(133,831)	101,358	235,190
Foreign bonds	4,515,431	4,464,237	(51,194)	90,579	141,774
Foreign stocks and other securities	493,911	411,274	(82,637)	10,779	93,416
Other securities	115,973	102,496	(13,476)	1,293	14,770
Monetary claims bought	19,999	19,999	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
As of March 31, 2010					
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	17,209	24,415	7,206	7,206	0
Securities available for sale	14,921,552	15,642,718	721,166	1,016,728	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,126,575	5,179,708	53,133	152,490	99,357
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	467,156	444,451	(22,705)	28,233	50,938
Other securities	111,595	110,630	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	20,876,095	21,731,260	855,165	1,165,572	310,406
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,189,931	5,253,489	63,558	162,915	99,357
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	483,503	468,005	(15,498)	35,440	50,938
Other securities	112,458	111,492	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-

Note:

1. The table above includes assets which are considered appropriate to deem as securities as defined in the Securities and Exchange Law.
2. Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above. Book value, equivalent of fair value, of the trust as of March 31, 2009 amounted to 1,176 million yen. As of March 31, 2010, the Company had no such money held in trust.

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

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

Note:

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

(Reference)

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

As of March 31, 2009	(millions of yen)				
	Book value	Fair value	Gains (losses)	Gains	Losses
Bonds held to maturity	173,462	177,941	4,479	5,842	1,362
Domestic bonds	123,697	123,767	70	1,433	1,362
Foreign bonds	49,765	54,174	4,408	4,408	-
Policy-reserve-matching bonds	5,161,684	5,391,451	229,767	233,682	3,915
Domestic bonds	5,161,684	5,391,451	229,767	233,682	3,915
Stocks of subsidiaries and affiliates	207,232	203,809	(3,423)	-	3,423
Domestic stocks	171,210	171,210	-	-	-
Foreign stocks	33,365	29,942	(3,422)	-	3,422
Other securities	2,656	2,656	(0)	-	0
Securities available for sale	16,492,208	16,417,966	(74,242)	571,903	646,145
Domestic bonds	7,160,812	7,334,849	174,037	195,947	21,910
Domestic stocks	2,771,637	2,674,843	(96,794)	277,480	374,274
Foreign securities	5,963,646	5,825,636	(138,009)	97,181	235,190
Foreign bonds	4,465,666	4,410,063	(55,603)	86,170	141,774
Foreign stocks and other securities	1,497,979	1,415,573	(82,406)	11,010	93,416
Other securities	224,741	211,264	(13,476)	1,293	14,770
Monetary claims bought	281,371	281,371	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	22,034,588	22,191,169	156,580	811,428	654,847
Domestic bonds	12,446,194	12,850,068	403,874	431,063	27,188
Domestic stocks	2,942,848	2,846,053	(96,794)	277,480	374,274
Foreign securities	6,046,776	5,909,753	(137,022)	101,590	238,613
Foreign bonds	4,515,431	4,464,237	(51,194)	90,579	141,774
Foreign stocks and other securities	1,531,344	1,445,516	(85,828)	11,010	96,839
Other securities	227,398	213,921	(13,476)	1,293	14,770
Monetary claims bought	281,371	281,371	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-

As of March 31, 2010

Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	220,112	223,306	3,194	7,335	4,141
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	35,156	38,351	3,194	7,335	4,140
Other securities	2,275	2,274	(0)	-	0
Securities available for sale	16,227,281	16,948,744	721,463	1,017,025	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,552,887	3,075,462	522,575	702,945	180,369
Foreign securities	6,190,359	6,243,790	53,430	152,788	99,358
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	1,530,941	1,508,533	(22,408)	28,530	50,938
Other securities	217,916	216,950	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	22,384,726	23,236,177	851,450	1,165,998	314,547
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,735,567	3,258,143	522,575	702,945	180,369
Foreign securities	6,272,525	6,332,369	59,843	163,342	103,498
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	1,566,097	1,546,884	(19,213)	35,866	55,079
Other securities	220,191	219,225	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-

Note:

- The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.
- Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above. Book value, equivalent of fair value, of the trust as of March 31, 2009 amounted to 1,176 million yen. As of March 31, 2010, the Company had no money held in trust.

### C. Fair Value Information on Money Held in Trust (General Account)

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

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.  
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

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

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	12,089	(961)	22,258	3,303

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

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

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

As of March 31, 2010					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	-	-	-	-	-

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

## (21) Fair Value Information on Derivative Transactions (General Account)

### A. Gains and Losses on Derivatives

	(millions of yen)											
	As of March 31, 2009						As of March 31, 2010					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	1,459	(190,886)	-	-	-	(189,427)	(299)	(3,809)	-	-	-	(4,109)
Hedge accounting not applied	18	(10,214)	(4,362)	192	-	(14,365)	37	(411)	(5,466)	(3,144)	-	(8,985)
Total	1,477	(201,100)	(4,362)	192	-	(203,792)	(262)	(4,221)	(5,466)	(3,144)	-	(13,094)

Note: Regarding the table above, following figures are reported in the statements of earnings:

Year ended March 31, 2009: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 190,886 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 14,365 million yen), totalling loss of 205,251 million yen.

Year ended March 31, 2010: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 3,809 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 8,985 million yen), totalling loss of 12,794 million yen.

### B. Fair Value Information on Derivatives

#### (a) Interest-related transactions

	(millions of yen)										
	As of March 31, 2009					As of March 31, 2010					
	Notional amount/ Contract value	Over 1 Year	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ Contract value	Over 1 Year	Fair value	Gains (losses)	Hedge accounting applied	
Exchange-traded transactions											
Foreign 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	2,055	126,666	110,830	2,917	2,917	2,879	
Receipts floating, payments fixed	198,000	183,000	(615)	(615)	(596)	183,000	183,000	(3,179)	(3,179)	(3,179)	
Total				1,477	1,459				(262)	(299)	

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

#### (Reference) Interest rate swaps by contractual maturity dates

	(millions of yen, %)							
	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	
As of March 31, 2009								
Notional amount (receipts fixed, payments floating)	46,840	37,692	58,300	26,090	9,842	-	178,764	
Average fixed rate (receipt)	0.86	1.06	1.22	1.56	1.65	-	1.16	
Average floating rate (payment)	0.78	0.90	0.78	0.79	0.93	-	0.81	
Notional amount (receipts floating, payments fixed)	15,000	-	183,000	-	-	-	198,000	
Average fixed rate (payment)	1.08	-	1.12	-	-	-	1.12	
Average floating rate (receipt)	0.82	-	0.75	-	-	-	0.75	
Total	61,840	37,692	241,300	26,090	9,842	-	376,764	
As of March 31, 2010								
Notional amount (receipts fixed, payments floating)	15,836	40,600	49,900	15,970	4,360	-	126,666	
Average fixed rate (receipt)	0.88	1.25	1.34	1.51	1.50	-	1.28	
Average floating rate (payment)	0.46	0.36	0.40	0.36	0.47	-	0.39	
Notional amount (receipts floating, payments fixed)	-	-	183,000	-	-	-	183,000	
Average fixed rate (payment)	-	-	1.12	-	-	-	1.12	
Average floating rate (receipt)	-	-	0.56	-	-	-	0.56	
Total	15,836	40,600	232,900	15,970	4,360	-	309,666	

## (b) Currency-related transactions

(millions of yen)

	As of March 31, 2009				As of March 31, 2010			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold								
U.S. dollar	2,433,432	2,633,422	(199,989)	(191,340)	3,334,360	3,340,933	(6,573)	(3,887)
Euro	1,440,280	1,536,558	(96,277)	(90,137)	1,542,163	1,607,335	(65,171)	(60,403)
British pound	801,859	888,498	(86,639)	(84,845)	1,503,317	1,446,283	57,033	55,215
Australian dollar	132,412	142,310	(9,898)	(9,549)	168,416	159,997	8,419	8,023
Canadian dollar	19,005	22,517	(3,511)	(3,326)	74,224	79,260	(5,035)	(4,918)
Swedish krona	20,751	22,109	(1,357)	(1,260)	24,200	26,408	(2,208)	(2,148)
Danish krone	9,279	10,342	(1,062)	(1,037)	10,687	10,653	33	29
Norwegian krone	6,994	7,756	(762)	(735)	7,787	7,505	281	248
Swiss franc	2,845	3,324	(479)	(448)	3,562	3,489	72	66
	3	3	0	-	-	-	-	-
Bought								
Euro	80,872	86,122	5,249	453	345,972	348,324	2,351	77
U.S. dollar	32,127	35,391	3,264	175	195,500	195,912	411	49
British pound	41,280	42,678	1,397	106	136,547	138,305	1,758	28
Australian dollar	6,538	7,066	527	172	9,044	9,042	(1)	-
Canadian dollar	306	335	28	-	3,980	4,127	146	-
Hong Kong dollar	59	59	(0)	-	690	718	28	-
Indian rupee	192	193	1	-	192	200	7	-
Norwegian krone	11	11	0	-	12	12	0	-
Swedish krona	25	26	0	-	3	3	0	-
Danish krone	260	282	21	-	-	-	-	-
	70	78	8	-	-	-	-	-
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)	-	[-]	-	-	-
New Taiwan dollar	14,537				-			
	[691]	7	(684)	-	[-]	-	-	-
Total			(210,100)	(190,886)			(4,221)	(3,809)

## Note:

- Figures in [ ] are option premiums which are included in the balance sheets.
- Forward exchange rates are used for exchange rates as of year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Differences between contract value and fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

## (c) Stock-related transactions

(millions of yen)

	As of March 31, 2009				As of March 31, 2010			
	Notional amount/ contract value	Fair Value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions								
Stock index options								
Sold								
Call	-				99,985			
	[-]	-	-	-	[1,786]	4,422	(2,635)	-
Bought								
Put								
	55,992				100,000			
	[5,616]	1,254	(4,362)	-	[3,117]	286	(2,830)	-
Total			(4,362)	-			(5,466)	-

## Note:

- Figures in [ ] are option premiums which are included in the balance sheets.
- Differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

## (d) Bond-related transactions

(millions of yen)

	As of March 31, 2009				As of March 31, 2010			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions								
Yen bond futures								
Sold	28,506	28,320	185	-	5,009	4,975	33	-
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				17,488			
	[24]	10	13	-	[46]	17	29	-
Put	16,086				45,815			
	[38]	27	10	-	[114]	187	(73)	-
Bought								
Call	16,086				45,815			
	[22]	11	(11)	-	[68]	33	(34)	-
Put	7,317				374,384			
	[30]	47	16	-	[3,320]	221	(3,098)	-
<b>Total</b>			192	-			(3,144)	-

## Note:

- Figures in [ ] are option premiums which are included in the balance sheets.
- Differences between contract value and fair value for futures contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

### 3. Liabilities

#### (1) Policy Reserves by Product Line

	(millions of yen)	
	As of March 31, 2009	As of March 31, 2010
Policy reserves:		
Individual Insurance	16,532,707	16,666,069
(General Account)	(16,490,321)	(16,618,195)
(Separate Account)	(42,385)	(47,874)
Individual Annuities	3,383,207	3,507,259
(General Account)	(3,236,547)	(3,344,858)
(Separate Account)	(146,660)	(162,401)
Group Insurance	22,903	23,603
(General Account)	(22,903)	(23,603)
Group Annuities	6,140,650	6,192,257
(General Account)	(5,192,274)	(5,130,960)
(Separate Account)	(948,376)	(1,061,297)
Others	418,414	408,555
(General Account)	(418,414)	(408,555)
Subtotal	26,497,883	26,797,745
(General Account)	(25,360,461)	(25,526,173)
(Separate Account)	(1,137,422)	(1,271,572)
Contingency reserves	509,093	527,093
(General Account)	(509,093)	(527,093)
Total	27,006,977	27,324,838
(General Account)	(25,869,555)	(26,053,266)
(Separate Account)	(1,137,422)	(1,271,572)

#### (2) Reserve for Policyholder Dividends

	(millions of yen)						
	Individual Insurance	Individual Annuities	Group Insurance	Group Annuities	Financial Insurance/Annuities	Others	Total
Year ended March 31, 2009							
Balance at the end of previous fiscal year	330,109	6,368	6,372	7,514	2,808	363	353,538
Transfer from surplus in previous year	23,545	988	52,063	10,398	-	2,232	89,227
Interest accrual in fiscal year	10,685	180	6	4	12	0	10,890
Dividends paid in fiscal year	39,058	598	53,186	10,586	355	2,210	105,997
Other increase (decrease)	-	-	5,500	(5,500)	-	-	-
Balance at the end of fiscal year	325,281	6,938	10,756	1,829	2,466	385	347,658
Year ended March 31, 2010							
Balance at the end of previous fiscal year	325,281	6,938	10,756	1,829	2,466	385	347,658
Transfer from surplus in previous year	17,233	908	44,639	-	-	2,182	64,963
Interest accrual in fiscal year	10,204	172	7	4	12	0	10,401
Dividends paid in fiscal year	39,124	624	51,325	240	330	2,162	93,808
Other increase (decrease)	-	-	-	-	-	-	-
Balance at the end of fiscal year	313,594	7,394	4,077	1,593	2,148	405	329,214

#### (3) Reserve for Possible Loan Losses

	(millions of yen)		
	As of March 31, 2009	As of March 31, 2010	Change
(1) Total of reserves for possible loan losses			
(a) general reserve	7,481	4,853	(2,627)
(b) specific reserve	3,435	16,241	12,806
(c) specific reserve for loans to refinancing countries	-	-	-
(2) Specific reserve			
(a) provision for the year	3,433	16,256	12,822
(b) reversal for the year	6,479	3,340	(3,139)
[excludes reversal due to write-offs]			
(c) net amount of provision	(3,045)	12,916	15,961
(3) Specific reserve for loans to refinancing countries			
(a) number of countries	1	1	-
(b) amount of loans	-	-	-
(c) provision for the year	-	-	-
(d) reversal for the year	-	-	-
[excludes reversal due to write-offs]			
(4) Write-down of loans	905	573	(331)

Note:

1. Specific reserve is calculated after direct write-offs of the amount unrecoverable from collateral and guarantees for loans and claims to bankrupt and substantially bankrupt obligors.

The amounts written off were as follows:

- Fiscal year ended March 31, 2009: 4,145 million yen
- Fiscal year ended March 31, 2010: 4,206 million yen

2. Amounts of loans shown in (3)(b) are net amounts after deducting estimated recoverable amount of collateral or guarantees from the book value of loans and claims.



## 4. Insurance Income & Expenses

### (1) Insurance Premiums by Product Line

(millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Individual Insurance	1,736,571	1,756,700
Individual Annuities	180,733	155,758
Group Insurance	163,162	163,141
Group Annuities	777,469	716,387
Others	45,703	44,245
<b>Total</b>	<b>2,903,640</b>	<b>2,836,231</b>

Note: "Others" include premiums from financial insurance, financial annuities, and reinsurance written.

### (2) Benefits and Claims by Product Line

(millions of yen)

Year ended March 31, 2009	Individual Insurance	Individual Annuities	Group Insurance	Group Annuities	Financial Insurance/ Annuities	Others	Total
Claims	823,508	151	92,360	16,514	1,126	528	934,190
Death	329,248	126	85,234	-	4	511	415,125
Accidental	4,891	13	164	-	169	-	5,238
Disability	21,722	12	6,024	-	-	-	27,758
Maturity	437,169	-	778	16,514	952	-	455,415
Others	30,476	-	158	-	-	17	30,652
Annuities	80,412	105,271	999	247,536	7,638	-	441,857
Benefits	140,526	40,082	251	319,050	3,576	861	504,349
Death	998	16,330	-	272	332	-	17,934
Hospitalization	54,474	460	86	-	-	660	55,681
Operation	30,099	317	-	-	-	147	30,564
Disability	2,970	4	65	61	-	-	3,102
Survival	43,439	2,775	-	-	3,243	-	49,458
Lump-sum payment	-	20,183	94	318,715	-	-	338,993
Others	8,544	12	5	-	-	53	8,615
Surrender values	450,245	67,586	390	110,827	39,046	-	668,096
<b>Year ended March 31, 2010</b>							
Claims	683,219	142	90,048	1,613	1,307	670	777,001
Death	32,036	129	83,228	-	-	660	404,054
Accidental	4,989	1	250	-	150	-	5,391
Disability	22,996	12	6,147	-	-	-	29,155
Maturity	305,488	-	261	1,613	1,156	-	308,519
Others	29,709	-	160	-	-	9	29,880
Annuities	78,092	119,415	1,004	272,213	7,977	-	478,704
Benefits	150,804	40,215	227	338,096	3,640	826	533,811
Death	1,208	15,959	-	199	421	-	17,788
Hospitalization	53,106	435	73	-	-	614	54,230
Operation	31,484	331	-	-	-	156	31,971
Disability	2,818	18	43	77	2	-	2,961
Survival	54,405	1,877	-	-	3,216	-	59,499
Lump-sum payment	-	25,181	105	337,819	-	-	359,506
Others	7,780	11	5	-	-	55	7,853
Surrender values	453,161	32,684	559	137,222	38,087	-	661,715

## 5. Investment Income & Expenses

### (1) Investment Income (General Account)

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

### (2) Investment Expense (General Account)

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

### (3) Net Investment Income (General Account)

	(millions of yen)	
	Year ended March 31, 2009	Year ended March 31, 2010
Net investment income	63,992	630,242

## 6. Solvency Margin Ratio

		(millions of yen)	
		As of March 31, 2009	As of March 31, 2010
Total solvency margin (A)		2,786,154	3,525,861
Foundation funds and surplus <sup>*1</sup>		660,468	594,697
Reserve for price fluctuations		101,453	115,453
Contingency reserve		509,093	527,093
General reserve for possible loan losses		7,481	4,853
Net unrealized gains on securities (before tax) × 90% <sup>*2</sup>		(74,242)	649,316
Net unrealized gains (losses) on real estate × 85% <sup>*2</sup>		137,022	77,247
Policy reserves in excess of surrender values		1,148,880	1,245,466
Qualifying subordinated debt		346,282	328,906
Excluded items		(158,381)	(169,881)
Others		108,095	152,707
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)		725,395	739,535
Insurance risk R1		105,703	102,331
3rd sector insurance risk R8		147,184	150,182
Assumed investment yield risk R2		136,819	130,566
Investment risk R3		516,918	538,537
Business risk R4		18,265	18,556
Guaranteed minimum benefit risk R7 <sup>*3</sup>		6,626	6,209
Solvency margin ratio		768.1%	953.5%
$\frac{(A)}{(1/2) \times (B)} \times 100$			

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

\*2: Multiplied by 100% if losses.

\*3: Calculated by standard method.

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

## 7. Embedded Value

### (1) Embedded Value

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. It therefore serves as a valuable supplement to statutory financial information.

The Dai-ichi Life Group has been disclosing EV (“EEV”) pursuant to the European Embedded Value (EEV) Principles since March 31, 2008, with the aim of facilitating understanding of the Group.

\* The European Embedded Value Principles were published in May 2004 by the CFO Forum, an organization comprising the chief financial officers of Europe’s leading life insurers, to improve consistency and transparency in EV reporting.

### (2) EEV Results of the Group

The EEVs valued at the ends of the last two fiscal years are shown in the table below.

	(billions of yen)					
	Dai-ichi Life Group			Dai-ichi Life (Non-consolidated)		
	As of March 31, 2009	As of March 31, 2010	Increase (Decrease)	As of March 31, 2009	As of March 31, 2010	Increase (Decrease)
EEV	1,758.4	<b>2,836.3</b>	1,077.8	1,795.9	<b>2,868.0</b>	1,072.1
Adjusted net worth	1,296.6	<b>1,863.5</b>	566.8	1,345.8	<b>1,880.9</b>	535.0
Total net assets on the balance sheet <sup>(1)</sup>	645.0	<b>720.9</b>	75.8	540.4	<b>604.6</b>	64.2
Retained earnings in liabilities <sup>(2)</sup>	625.8	<b>698.5</b>	72.7	621.4	<b>653.6</b>	32.2
General reserve for possible loan losses	7.4	<b>4.8</b>	(2.6)	7.4	<b>4.8</b>	(2.6)
Unrealized gains (losses) on securities and miscellaneous items <sup>(3)</sup>	264.1	<b>1,068.2</b>	804.1	263.5	<b>1,066.4</b>	802.8
Unrealized gains (losses) on loans	160.5	<b>209.3</b>	48.8	160.5	<b>209.3</b>	48.8
Unrealized gains (losses) on real estate <sup>(4)</sup>	261.0	<b>105.0</b>	(155.9)	261.0	<b>105.0</b>	(155.9)
Unrealized gains (losses) on liabilities <sup>(5)</sup>	(9.7)	<b>(19.7)</b>	(10.0)	(9.7)	<b>(19.7)</b>	(10.0)
Unfunded retirement benefit obligation <sup>(6)</sup>	(42.8)	<b>(28.5)</b>	14.3	(42.8)	<b>(28.5)</b>	14.3
Tax effect equivalent of above items	(456.1)	<b>(715.6)</b>	(259.4)	(455.9)	<b>(714.9)</b>	(258.9)
Consolidation adjustment <sup>(7)</sup>	(151.9)	<b>(163.4)</b>	(11.5)	-	-	-
Minority interest in DFL’s adjusted net worth <sup>(8)</sup>	(6.6)	<b>(16.2)</b>	(9.6)	-	-	-
Value of in-force business	461.8	<b>972.8</b>	510.9	450.0	<b>987.1</b>	537.1
Certainty equivalent present value of future profits <sup>(9)</sup>	644.2	<b>1,182.3</b>	538.1	615.9	<b>1,141.5</b>	525.5
Time value of financial options and guarantees	(97.4)	<b>(123.3)</b>	(25.8)	(82.6)	<b>(71.4)</b>	11.2
Cost of holding required capital	(36.9)	<b>(38.2)</b>	(1.3)	(35.6)	<b>(35.9)</b>	(0.3)
Allowance for non-financial risks	(48.0)	<b>(48.0)</b>	0.0	(47.6)	<b>(47.0)</b>	0.6
Value of new business	83.5	<b>118.9</b>	35.3	102.1	<b>135.6</b>	33.5

Note:

1. Foundation funds, the total amount of valuation and translation adjustments and expected disbursements from capital outside the company are excluded. Expected shareholder dividends as of March 31, 2010 is not included in expected disbursements from capital outside the company.
  2. The sum of reserve for price fluctuations, contingency reserve, and the unallocated portion of reserve for policyholder dividends is reported.
  3. For purposes of EEV calculations, domestic listed stocks are recorded at their market value as of the end of the reporting period, whereas for accounting purposes under Japanese GAAP, they are recorded on the balance sheet at their average value during the last month of the reporting period.  
The difference (the value for purposes of EEV calculations less than the value recorded on our balance sheet) (after taxes) was ¥37.2 billion as of March 31, 2009, and ¥85.2 billion as of March 31, 2010 on both consolidated and non-consolidated bases.
  4. With respect to land, the difference between fair value and carrying value before revaluation is posted.
  5. The figure represents the unrealized gains (losses) in foundation funds and subordinated debt that Dai-ichi Life issued.
  6. The sum of unrecognized gains on plan amendments and unrecognized actuarial differences is reported.
  7. Dai-ichi Life’s carrying amount of equity of DFL, which is reported in “Total net assets on the balance sheet”, is deducted to offset.
  8. Minority interest in DFL’s adjusted net worth is deducted.
  9. The increase in certainty equivalent present value of future profits is principally attributed to the rise in risk-free rates.
- \* Group values from “Total net assets on the balance sheet” to “Tax effect equivalent of above items” are the simple summations of values for Dai-ichi Life and DFL.

### (3) Analysis of Change in EEV from March 31, 2009 to March 31, 2010

The followings are the effects on the EEV of changes in assumptions.

	(billions of yen)					
	Dai-ichi Life Group			Dai-ichi Life (Non-consolidated)		
	Adjusted net worth	Value of in-force business	EEV	Adjusted net worth	Value of in-force business	EEV
Values as of March 31, 2009	1,296.6	461.8	1,758.4	1,345.8	450.0	1,795.9
(1) Adjustments to the values as of March 31, 2009	2.1	(0.4)	1.6	0.0	0.0	0.0
Adjusted values as of March 31, 2009	1,298.8	461.3	1,760.1	1,345.8	450.0	1,795.9
(2) Value of new business	0.0	118.9	118.9	0.0	135.6	135.6
(3) Expected existing business contribution (risk-free rate)	3.1	15.5	18.6	2.8	10.6	13.4
(4) Expected existing business contribution (in excess of risk-free rate)	14.7	260.2	274.9	14.1	244.9	259.0
(5) Expected transfer from VIF to adjusted net worth on in-force at beginning of year	22.0	(22.0)	0.0	8.1	(8.1)	0.0
on new business	167.6	(167.6)	0.0	156.3	(156.3)	0.0
(6) Non-economic experience variances	(145.6)	145.6	0.0	(148.1)	148.1	0.0
(7) Non-economic assumptions changes	6.1	0.1	6.2	7.8	0.2	8.0
(8) Economic variances	0.0	58.4	58.4	0.0	57.3	57.3
Values as of March 31, 2010	518.7	80.1	598.8	502.0	96.5	598.5
	<b>1,863.5</b>	<b>972.8</b>	<b>2,836.3</b>	<b>1,880.9</b>	<b>987.1</b>	<b>2,868.0</b>

### (4) Effects of Changes in Assumptions (Sensitivities)

The followings are the effects on the EEV of changes in assumptions.

Assumptions	(billions of yen)			
	Dai-ichi Life Group		Dai-ichi Life (Non-consolidated)	
	EEV	Increase (Decrease)	EEV	Increase (Decrease)
Values as of March 31, 2010	2,836.3	-	2,868.0	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	3,182.3	345.9	3,207.4	339.3
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	2,412.0	(424.2)	2,451.9	(416.0)
Sensitivity 3: 10% decline in equity and real estate values	2,515.5	(320.8)	2,549.7	(318.3)
Sensitivity 4: 10% decline in maintenance expenses	2,973.8	137.4	3,004.4	136.4
Sensitivity 5: 10% decline in surrender and lapse rate	2,974.2	137.9	3,007.8	139.7
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	2,958.4	122.1	2,990.2	122.1
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	2,828.9	(7.3)	2,860.5	(7.4)
Sensitivity 8: Setting required capital at statutory minimum level	2,874.0	37.7	2,903.9	35.9
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	2,807.6	(28.6)	2,857.3	(10.7)
Sensitivity 10: 25% increase in implied volatilities of swaptions	2,824.9	(11.3)	2,856.0	(11.9)

## (5) Major Assumptions Used in the Calculation of EEV

### A. Economic Assumptions

In the certainty equivalent calculation, the Japanese Government Bond (JGB) is used as a proxy for risk-free rates, taking assets in the Group's portfolio and the liquidity in the market into account.

The table below shows, for selected terms, the risk-free rates (spot rates) which are used in the calculations.

Term	March 31, 2009	March 31, 2010
1 Year	0.328%	0.108%
2 Year	0.418%	0.157%
3 Year	0.555%	0.289%
4 Year	0.698%	0.416%
5 Year	0.811%	0.575%
10 Year	1.416%	1.454%
15 Year	1.869%	2.024%
20 Year	2.074%	2.338%
25 Year	2.157%	2.418%
30 Year	2.199%	2.444%

We assumed that forward rates in the 31st year and beyond were equal to those in the 30th year.

### B. Non-Economic Assumptions

All cash flows (premium, operating expense, benefits and claims, cash surrender value, tax, etc.) are projected applying the best estimate assumptions up to the termination of the policies, by product, referring to past, current and expected future experience.

## (6) Note in Using EV

1. The calculation of EV involves certain assumptions regarding future projections that are subject to risks and uncertainties. Actual future results might materially differ from the assumptions used in the EV calculations. We therefore ask that full care is exercised when using or analyzing EV.
2. In calculating EV, the Group requested a third party (an actuarial firm) with expertise in actuarial calculation to review the assumptions and method of calculation, and obtained a written opinion. For information on the written opinion, please refer to the news release posted on the Company's website ([http://www.dai-ichi-life.co.jp/english/investor/ir/financial/results/2010/pdf/index\\_009.pdf](http://www.dai-ichi-life.co.jp/english/investor/ir/financial/results/2010/pdf/index_009.pdf)).

## 8. Separate Account

### (1) Separate Account Assets by Product

	(millions of yen)	
	As of March 31, 2009	As of March 31, 2010
Individual variable insurance	43,670	48,107
Individual variable annuities	157,410	174,050
Group annuities	958,041	1,070,091
Separate account total	1,159,122	1,292,250

### (2) Individual Variable Insurance (Separate Account)

#### A. Sum Insured of Policies in Force

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

Note: Policies in force include term life riders.

#### B. Breakdown of Separate Account Assets for Individual Variable Insurance in Sum Insured

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

#### C. Investment Gains and Losses of Separate Account for Individual Variable Insurance

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



## D. Fair Value Information on Securities in Separate Account for Individual Variable Insurance

\* Valuation gains (losses) of trading securities

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	39,243	(5,223)	45,335	8,702

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

\* Fair value information on money held in trust

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

## E. Fair Value Information on Derivative Transactions (Individual Variable Insurance)

(a) Gains and losses on derivatives

As of March 31, 2009	(millions of yen)					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(27)	-	-	-	(27)
<b>Total</b>	<b>-</b>	<b>(27)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27)</b>
<b>As of March 31, 2010</b>						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(4)	-	-	-	(4)
<b>Total</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>

Note: All gains and losses above are reported in the statements of earnings.

(b) Fair value information on derivatives

\* Currency-related transactions

	(millions of yen)							
	As of March 31, 2009				As of March 31, 2010			
	Contract Value	Fair Value	Gains (losses)	Hedge Accounting Applied	Contract Value	Fair Value	Gains (losses)	Hedge Accounting Applied
<b>Over-the-counter transactions</b>								
<b>Currency forward contracts</b>								
<b>Sold</b>								
Euro	2,219	2,260	(40)	-	940	978	(38)	-
U.S. dollar	1,105	1,140	(34)	-	469	483	(14)	-
Canadian dollar	965	970	(5)	-	240	250	(9)	-
British pound	18	18	(0)	-	222	236	(14)	-
Swiss franc	97	97	0	-	8	8	(0)	-
Swedish krona	9	9	0	-	-	-	-	-
Polish zloty	7	8	(0)	-	-	-	-	-
Australian dollar	5	6	(0)	-	-	-	-	-
Hong Kong dollar	5	5	0	-	-	-	-	-
Danish krone	2	2	(0)	-	-	-	-	-
Norwegian krone	1	1	0	-	-	-	-	-
Singapore dollar	0	0	(0)	-	-	-	-	-
<b>Bought</b>								
U.S. dollar	1,688	1,701	12	-	725	759	34	-
British pound	478	481	2	-	379	396	17	-
Polish zloty	65	66	0	-	197	207	10	-
Swiss franc	44	47	2	-	51	53	2	-
Norwegian krone	42	43	1	-	31	33	1	-
Singapore dollar	16	17	0	-	19	20	0	-
Australian dollar	25	25	0	-	19	20	0	-
Canadian dollar	3	3	0	-	10	11	0	-
Euro	4	4	0	-	8	8	0	-
Swedish krona	1,008	1,012	3	-	5	5	0	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(27)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>(4)</b>	<b>-</b>

Note:

- Forward exchange rates are used for exchange rates as of year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Differences between contract value and fair value are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

The Company held no interest-related, stock-related or bond-related derivative instruments as of March 31, 2010 or March 31, 2009.

### (3) Individual Variable Annuities (Separate Account)

#### A. Sum Insured of Policies in Force

	(millions of yen except number of policies)			
	As of March 31, 2009		As of March 31, 2010	
	Number	Amount	Number	Amount
Individual variable annuities	49,673	146,677	46,803	162,411

#### B. Breakdown of Separate Account Assets for Individual Variable Annuities in Sum Insured

	(millions of yen except percentages)			
	As of March 31, 2009		As of March 31, 2010	
	Amount	%	Amount	%
Cash, deposits, and call loans	2,121	1.3	1,645	0.9
Securities	153,064	97.2	170,423	97.9
Domestic bonds	4,870	3.1	4,971	2.9
Domestic stocks	2,775	1.8	3,804	2.2
Foreign securities	5,358	3.4	6,340	3.6
Foreign bonds	2,789	1.8	2,391	1.4
Foreign stocks and other securities	2,569	1.6	3,948	2.3
Other securities	140,059	89.0	155,307	89.2
Loans	-	-	-	-
Others	2,223	1.4	1,982	1.1
Reserve for possible loan losses	-	-	-	-
Total	157,410	100.0	174,050	100.0

#### C. Investment Gains and Losses of Separate Account for Individual Variable Annuities

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

## D. Fair Value Information on Securities in Separate Account for Individual Variable Annuities

### \* Valuation gains (losses) of trading securities

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	153,064	(50,407)	170,423	32,520

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

### \* Fair value information on money held in trust

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

## E. Fair Value Information on Derivative Transactions (Individual Variable Annuities)

### (a) Gains and losses on derivatives

	(millions of yen)					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
<b>As of March 31, 2009</b>						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(0)	-	-	-	(0)
<b>Total</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>
<b>As of March 31, 2010</b>						
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(0)	-	-	-	(0)
<b>Total</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>

Note: All gains and losses above are reported in the statements of earnings.

### (b) Fair value information on derivatives

#### \* Currency-related transactions

	(millions of yen)							
	As of March 31, 2009				As of March 31, 2010			
	Contract Value	Fair Value	Gains (losses)	Hedge Accounting Applied	Contract Value	Fair Value	Gains (losses)	Hedge Accounting Applied
<b>Over-the-counter transactions</b>								
<b>Currency forward contracts</b>								
Sold								
U.S. dollar	27	28	(0)	-	5	5	(0)	-
Euro	0	0	(0)	-	3	3	(0)	-
British pound	15	16	(0)	-	1	1	(0)	-
Canadian dollar	8	8	(0)	-	0	0	(0)	-
Swiss franc	2	2	(0)	-	-	-	-	-
Australian dollar	0	0	0	-	-	-	-	-
Danish krone	0	0	0	-	-	-	-	-
Hong Kong dollar	0	0	(0)	-	-	-	-	-
Bought	26	27	0	-	5	5	0	-
U.S. dollar	5	5	0	-	3	3	0	-
Canadian dollar	4	4	0	-	1	1	0	-
Euro	5	5	0	-	0	0	0	-
British pound	11	11	0	-	-	-	-	-
<b>Total</b>			<b>(0)</b>	<b>-</b>			<b>(0)</b>	<b>-</b>

Note:

- Forward exchange rates are used for exchange rates as of year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Differences between contract value and fair value are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

The Company held no interest-related, stock-related or bond-related derivative instruments as of March 31, 2010 or March 31, 2009.

## 9. Company Total of General Account and Separate Account

### (1) Asset Composition

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	393,507	1.3	397,604	1.3
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	14,954	0.0	-	-
Monetary claims bought	281,371	0.9	289,885	0.9
Trading account securities	52,597	0.2	-	-
Money held in trust	13,265	0.0	22,258	0.1
Securities	22,667,846	75.5	23,987,934	77.8
Domestic bonds	12,953,777	43.1	13,336,448	43.3
Domestic stocks	3,139,601	10.5	3,598,019	11.7
Foreign securities	6,220,487	20.7	6,678,934	21.7
Foreign bonds	4,617,915	15.4	4,944,976	16.0
Foreign stocks and other securities	1,602,571	5.3	1,733,957	5.6
Other securities	353,980	1.2	374,532	1.2
Loans	4,248,438	14.2	3,834,365	12.4
Policy loans	604,706	2.0	571,443	1.9
Ordinary loans	3,643,732	12.1	3,262,921	10.6
Real estate	1,235,122	4.1	1,238,898	4.0
Deferred tax assets	640,990	2.1	337,687	1.1
Others	485,063	1.6	734,927	2.4
Reserve for possible loan losses	(10,916)	(0.0)	(21,095)	(0.1)
Total	30,022,243	100.0	30,822,467	100.0
Foreign currency-denominated assets	4,725,208	15.7	5,382,291	17.5

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

### (2) Changes (Increase/Decrease) in Assets

	(millions of yen)	
	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, and call loans	9,391	4,096
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	(32,318)	(14,954)
Monetary claims bought	(35,395)	8,513
Trading account securities	5,934	(52,597)
Money held in trust	(11,958)	8,993
Securities	(1,649,294)	1,320,088
Domestic bonds	409,589	382,671
Domestic stocks	(1,799,921)	458,418
Foreign securities	(107,199)	458,447
Foreign bonds	(95,327)	327,061
Foreign stocks and other securities	(11,871)	131,385
Other securities	(151,764)	20,551
Loans	(398,760)	(414,073)
Policy loans	(24,828)	(33,262)
Ordinary loans	(373,932)	(380,811)
Real estate	1,140	3,775
Deferred tax assets	478,598	(303,303)
Others	(180,403)	249,864
Reserve for possible loan losses	1,405	(10,179)
Total	(1,811,662)	800,224
Foreign currency-denominated assets	(623,298)	657,083

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

### (3) Fair Value Information on Securities and Others

#### A. Valuation Gains and Losses on Trading Securities

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	1,143,559	(219,536)	1,216,890	219,533
General account	64,687	(1,139)	22,258	3,359
Separate account	1,078,872	(218,397)	1,194,631	216,173

Note:

1. The table above includes money held in trust classified as trading securities.

2. "Valuation gains (losses) included in statement of earnings" includes reversal gains (losses) at the beginning of the year.

B. Fair Value Information on Securities (securities with fair value except for trading securities)

As of March 31, 2009	(millions of yen)				
	Book value	Fair value	Gains (losses)	Gains	Losses
Bonds held to maturity	173,462	177,941	4,479	5,842	1,362
Domestic bonds	123,697	123,767	70	1,433	1,362
Foreign bonds	49,765	54,174	4,408	4,408	-
Policy-reserve-matching bonds	5,161,684	5,391,451	229,767	233,682	3,915
Domestic bonds	5,161,684	5,391,451	229,767	233,682	3,915
Stocks of subsidiaries and affiliates	16,345	16,345	(0)	-	0
Securities available for sale	14,936,493	14,862,019	(74,473)	571,671	646,145
Domestic bonds	7,160,812	7,334,849	174,037	195,947	21,910
Domestic stocks	2,606,474	2,509,680	(96,794)	277,480	374,274
Foreign securities	4,943,671	4,805,430	(138,240)	96,950	235,190
Foreign bonds	4,465,666	4,410,063	(55,603)	86,170	141,774
Foreign stocks and other securities	478,004	395,367	(82,637)	10,779	93,416
Other securities	115,534	102,058	(13,476)	1,293	14,770
Monetary claims bought	19,999	19,999	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
Total	<b>20,287,986</b>	<b>20,447,758</b>	<b>159,772</b>	<b>811,196</b>	<b>651,424</b>
Domestic bonds	12,446,194	12,850,068	403,874	431,063	27,188
Domestic stocks	2,606,474	2,509,680	(96,794)	277,480	374,274
Foreign securities	5,009,343	4,875,512	(133,831)	101,358	235,190
Foreign bonds	4,515,431	4,464,237	(51,194)	90,579	141,774
Foreign stocks and other securities	493,911	411,274	(82,637)	10,779	93,416
Other securities	115,973	102,496	(13,476)	1,293	14,770
Monetary claims bought	19,999	19,999	-	-	-
Certificates of deposit	90,000	90,000	-	-	-
Others	-	-	-	-	-
As of March 31, 2010					
Bonds held to maturity	171,263	174,819	3,556	4,904	1,348
Domestic bonds	124,253	124,592	338	1,686	1,348
Foreign bonds	47,009	50,227	3,218	3,218	-
Policy-reserve-matching bonds	5,766,069	5,889,306	123,236	136,732	13,495
Domestic bonds	5,766,069	5,889,306	123,236	136,732	13,495
Stocks of subsidiaries and affiliates	17,209	24,415	7,206	7,206	0
Securities available for sale	14,921,552	15,642,718	721,166	1,016,728	295,562
Domestic bonds	6,957,460	7,099,655	142,195	148,896	6,700
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,126,575	5,179,708	53,133	152,490	99,357
Foreign bonds	4,659,418	4,735,257	75,838	124,257	48,419
Foreign stocks and other securities	467,156	444,451	(22,705)	28,233	50,938
Other securities	111,595	110,630	(965)	7,184	8,150
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-
Total	<b>20,876,095</b>	<b>21,731,260</b>	<b>855,165</b>	<b>1,165,572</b>	<b>310,406</b>
Domestic bonds	12,847,783	13,113,554	265,770	287,314	21,544
Domestic stocks	2,417,263	2,939,839	522,575	702,945	180,369
Foreign securities	5,189,931	5,253,489	63,558	162,915	99,357
Foreign bonds	4,706,428	4,785,484	79,056	127,475	48,419
Foreign stocks and other securities	483,503	468,005	(15,498)	35,440	50,938
Other securities	112,458	111,492	(966)	7,184	8,151
Monetary claims bought	285,657	289,885	4,227	5,211	983
Certificates of deposit	23,000	22,999	(0)	0	0
Others	-	-	-	-	-

Note:

1. The table above includes assets which are considered appropriate to deem as securities as defined in the Securities and Exchange Law.
2. Money held in trust classified as other than trading securities, in which bank deposits are held, is excluded from the table above. Book value, equivalent of fair value, of the trust as of March 31, 2009 amounted to 1,176 million yen. As of March 31, 2010, the Company had no such money held in trust.

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

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

Note:

- The table above includes assets which are considered appropriate to deem as securities as defined in the Securities and Exchange Law.
- The amounts of foreign exchange valuation gains/losses on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows: loss of 3,714 million yen as of March 31, 2010 and loss of 3,191 million yen as of March 31, 2009.

### C. Fair Value Information on Money Held in Trust

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

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis. "Gains (losses)" include gains (losses) from derivative transactions within the trusts.

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

	(millions of yen)			
	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	12,089	(961)	22,258	3,303

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

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

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

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

#### (4) Fair Value Information on Derivative Transactions

##### A. Credit Risk Information on OTC Derivative Transactions

(billions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Notional amount/ Contract value	Credit risk amount	Notional amount/ Contract value	Credit risk amount
Interest rate swaps	376.7	4.1	309.6	4.5
Foreign currency forward contracts	2,606.1	34.0	3,751.4	112.4
Currency options	162.9	1.6	-	-
Bond forward contracts	-	-	-	-
Bond options	46.8	0.0	483.5	0.4
<b>Total</b>	<b>3,192.6</b>	<b>39.9</b>	<b>4,544.6</b>	<b>117.5</b>

Note: Figures in "Credit risk amount" show the replacement cost based on the current exposure method for OTC derivative transactions.

##### B. Gains and Losses on Derivatives

(millions of yen)

	Interest- related	Currency- related	Stock- related	Bond- related	Others	Total
<b>As of March 31, 2009</b>						
Hedge accounting applied	1,459	(190,886)	-	-	-	(189,427)
Hedge accounting not applied	18	(11,211)	(4,014)	192	-	(15,014)
<b>Total</b>	<b>1,477</b>	<b>(202,097)</b>	<b>(4,014)</b>	<b>192</b>	<b>-</b>	<b>(204,441)</b>
<b>As of March 31, 2010</b>						
Hedge accounting applied	(299)	(3,809)	-	-	-	(4,109)
Hedge accounting not applied	37	(1,115)	(4,919)	(3,144)	-	(9,141)
<b>Total</b>	<b>(262)</b>	<b>(4,925)</b>	<b>(4,919)</b>	<b>(3,144)</b>	<b>-</b>	<b>(13,250)</b>

Note: Regarding the table above, following figures are reported in the statements of earnings:

Year ended March 31, 2009: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 190,886 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 15,014 million yen), totalling loss of 205,900 million yen.

Year ended March 31, 2010: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 3,809 million yen), and gains/losses from derivatives with hedge accounting not applied (loss of 9,141 million yen), totalling loss of 12,951 million yen.



## C. Fair Value Information on Derivatives

### (a) Hedge accounting not applied

#### (i) Interest-related transactions

	(millions of yen)							
	As of March 31, 2009				As of March 31, 2010			
	Notional amount/ Contract value	Over 1 Year	Fair value	Gains (losses)	Notional amount/ Contract value	Over 1 Year	Fair value	Gains (losses)
Exchange-traded transactions								
Foreign interest rate futures								
Bought	22,367	-	22,368	0	-	-	-	-
Over-the-counter transactions								
Yen interest rate swaps								
Receipts fixed, payments floating	7,000	1,000	36	36	1,000	1,000	37	37
Receipts floating, payments fixed	15,000	-	(19)	(19)	-	-	-	-
Total				18				37

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

#### (Reference) Interest rate swaps by contractual maturity dates

	(millions of yen, %)						
	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2009							
Notional amount (receipts fixed, payments floating)	6,000	-	-	1,000	-	-	7,000
Average fixed rate (receipt)	1.12	-	-	1.47	-	-	1.17
Average floating rate (payment)	0.79	-	-	0.68	-	-	0.77
Notional amount (receipts floating, payments fixed)	15,000	-	-	-	-	-	15,000
Average fixed rate (payment)	1.08	-	-	-	-	-	1.08
Average floating rate (receipt)	0.82	-	-	-	-	-	0.82
Total	21,000	-	-	1,000	-	-	22,000
As of March 31, 2010							
Notional amount (receipts fixed, payments floating)	-	-	-	1,000	-	-	1,000
Average fixed rate (receipt)	-	-	-	1.47	-	-	1.47
Average floating rate (payment)	-	-	-	0.25	-	-	0.25
Notional amount (receipts floating, payments fixed)	-	-	-	-	-	-	-
Average fixed rate (payment)	-	-	-	-	-	-	-
Average floating rate (receipt)	-	-	-	-	-	-	-
Total	-	-	-	1,000	-	-	1,000

## (ii) Currency-related transactions

(millions of yen)

	As of March 31, 2009			As of March 31, 2010		
	Contract Value	Fair Value	Gains (losses)	Contract Value	Fair Value	Gains (losses)
Over-the-counter transactions						
Currency forward contracts						
Sold	193,645	203,679	(10,033)	497,428	501,915	(4,486)
Euro	75,595	78,466	(2,870)	251,545	250,557	987
U.S. dollar	101,249	107,653	(6,403)	217,103	222,325	(5,221)
British pound	11,495	11,857	(362)	15,248	14,882	365
Canadian dollar	1,593	1,696	(102)	7,539	8,073	(533)
Australian dollar	1,171	1,360	(189)	4,113	4,236	(122)
Swedish krona	1,225	1,268	(43)	771	773	(1)
Danish krone	709	737	(27)	763	730	33
Norwegian krone	361	392	(30)	339	333	6
Swiss franc	185	188	(2)	2	2	(0)
Singapore dollar	7	7	(0)	0	0	(0)
Hong Kong dollar	44	44	(0)	-	-	-
Polish zloty	5	6	(0)	-	-	-
Bought	110,991	116,173	5,182	357,104	360,475	3,371
Euro	47,921	51,030	3,109	190,987	191,374	386
U.S. dollar	52,032	53,461	1,429	143,371	145,656	2,285
British pound	6,518	6,902	384	14,444	14,761	316
Australian dollar	382	418	36	4,183	4,343	160
Polish zloty	1,137	1,225	88	1,293	1,368	74
Canadian dollar	292	298	6	826	857	30
Swiss franc	1,082	1,130	48	800	858	57
Norwegian krone	448	477	28	503	526	23
Singapore dollar	640	662	21	486	513	27
Hong Kong dollar	192	193	1	192	200	7
Indian rupee	11	11	0	12	12	0
Swedish krona	260	282	21	2	2	0
Danish krone	70	78	8	-	-	-
Currency options						
Bought						
Put	162,909			-		
U.S. dollar	[6,510]	150	(6,360)	[-]	-	-
Euro	80,960			-		
New Taiwan dollar	[2,784]	19	(2,765)	[-]	-	-
U.S. dollar	67,411			-		
Euro	[3,033]	123	(2,910)	[-]	-	-
New Taiwan dollar	14,537			-		
U.S. dollar	[691]	7	(684)	[-]	-	-
Total			(11,211)			(1,115)

## Note:

- Figures in [ ] are option premiums which are included in the balance sheets.
- Forward exchange rates are used for exchange rates as of year ends.
- Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
- Differences between contract value and fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

## (iii) Stock-related transactions

	(millions of yen)					
	As of March 31, 2009			As of March 31, 2010		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen stock index futures						
Bought	12,646	12,983	337	12,820	13,333	512
Foreign currency-denominated stock index futures						
Bought	3,247	3,258	11	2,945	2,980	34
Stock index options						
Sold						
Call	-	-	-	99,985	-	-
	[ - ]	-	-	[1,786]	4,422	(2,635)
Bought						
Put	55,992	-	-	100,000	-	-
	[5,616]	1,254	(4,362)	[3,117]	286	(2,830)
Total			(4,014)			(4,919)

Note:

- Figures in [ ] are option premiums which are included in the balance sheets.
- Differences between contract value and fair value for futures contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

## (iv) Bond-related transactions

	(millions of yen)					
	As of March 31, 2009			As of March 31, 2010		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen bond futures						
Sold	28,506	28,320	185	5,009	4,975	33
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	-	-	17,488	-	-
	[24]	10	13	[46]	17	29
Put	16,086	-	-	45,815	-	-
	[38]	27	10	[114]	187	(73)
Bought						
Call	16,086	-	-	45,815	-	-
	[22]	11	(11)	[68]	33	(34)
Put	7,317	-	-	374,384	-	-
	[30]	47	16	[3,320]	221	(3,098)
Total			192			(3,144)

Note:

- Figures in [ ] are option premiums which are included in the balance sheets.
- Differences between contract value and fair value for futures contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
- There were no transactions with maturity of more than one year in the table above.

(v) Others

The Company held no derivative instruments categorized as Others as of March 31, 2009 or March 31, 2010. Therefore no information for (v) Others is provided in the report.

(b) Hedge accounting applied

(i) Interest-related transactions

As of March 31, 2009

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	Notional Amount		Fair Value	Gains (losses)
			Over 1 year			
Deferred hedge	Yen interest rate swaps Receipts fixed, payments floating	loans	171,764	130,924	2,055	2,055
Special exemption	Receipts floating, payments fixed	loans payable	183,000	183,000	(596)	(596)
<b>Total</b>						<b>1,459</b>

Note: Fair values are shown in "Gains (losses)".

As of March 31, 2010

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	Notional Amount		Fair Value	Gains (losses)
			Over 1 year			
Deferred hedge	Yen interest rate swaps Receipts fixed, payments floating	loans	125,666	109,830	2,879	2,879
Special exemption	Receipts floating, payments fixed	loans payable	183,000	183,000	(3,179)	(3,179)
<b>Total</b>						<b>(299)</b>

Note: Fair values are shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, %)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2009							
Notional amount (receipts fixed, payments floating)	40,840	37,692	58,300	25,090	9,842	-	171,764
Average fixed rate (receipt)	0.82	1.06	1.22	1.56	1.65	-	1.16
Average floating rate (payment)	0.78	0.90	0.78	0.79	0.93	-	0.82
Notional amount (receipts floating, payments fixed)	-	-	183,000	-	-	-	183,000
Average fixed rate (payment)	-	-	1.12	-	-	-	1.12
Average floating rate (receipt)	-	-	0.75	-	-	-	0.75
<b>Total</b>	<b>40,840</b>	<b>37,692</b>	<b>241,300</b>	<b>25,090</b>	<b>9,842</b>	<b>-</b>	<b>354,764</b>
As of March 31, 2010							
Notional amount (receipts fixed, payments floating)	15,836	40,600	49,900	14,970	4,360	-	125,666
Average fixed rate (receipt)	0.88	1.25	1.34	1.51	1.50	-	1.28
Average floating rate (payment)	0.46	0.36	0.40	0.37	0.47	-	0.39
Notional amount (receipts floating, payments fixed)	-	-	183,000	-	-	-	183,000
Average fixed rate (payment)	-	-	1.12	-	-	-	1.12
Average floating rate (receipt)	-	-	0.56	-	-	-	0.56
<b>Total</b>	<b>15,836</b>	<b>40,600</b>	<b>232,900</b>	<b>14,970</b>	<b>4,360</b>	<b>-</b>	<b>308,666</b>

## (ii) Currency-related transactions

As of March 31, 2009

(millions of yen)

Type of hedge accounting	Type	Hedged item	Contract Value		Fair Value	Gains (losses)
				Over 1 year		
Currency forward contracts						
Fair value hedge	Sold	Foreign currency-denominated bonds	2,293,315	-	2,484,655	(191,340)
	U.S. dollar		1,364,804	-	1,454,941	(90,137)
	Euro		750,436	-	835,281	(84,845)
	British pound		123,575	-	133,125	(9,549)
	Canadian dollar		19,507	-	20,767	(1,260)
	Australian dollar		17,937	-	21,263	(3,326)
	Swedish krona		8,242	-	9,279	(1,037)
	Danish krone		6,310	-	7,045	(735)
	Norwegian krone		2,501	-	2,950	(448)
	Bought		8,244	-	8,697	453
	Euro		3,642	-	3,817	175
	U.S. dollar		2,928	-	3,035	106
	British pound		1,673	-	1,845	172
<b>Total</b>						<b>(190,886)</b>

Note:

1. Forward exchange rates are used for exchange rates as of year ends.
2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
3. Differences between contract value and fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

As of March 31, 2010

(millions of yen)

Type of hedge accounting	Type	Hedged item	Contract Value		Fair Value	Gains (losses)
				Over 1 year		
Currency forward contracts						
Fair value hedge	Sold	Foreign currency-denominated bonds	2,875,475	-	2,879,363	(3,887)
	U.S. dollar		1,336,048	-	1,396,452	(60,403)
	Euro		1,271,841	-	1,216,625	55,215
	British pound		153,954	-	145,931	8,023
	Australian dollar		70,276	-	75,195	(4,918)
	Canadian dollar		23,054	-	25,202	(2,148)
	Swedish krona		10,052	-	10,023	29
	Danish krone		7,024	-	6,775	248
	Norwegian krone		3,223	-	3,156	66
	Bought		9,629	-	9,707	77
	Euro		5,184	-	5,233	49
	U.S. dollar		4,445	-	4,473	28
	British pound		-	-	-	-
<b>Total</b>						<b>(3,809)</b>

Note:

1. Forward exchange rates are used for exchange rates as of year ends.
2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
3. Differences between contract value and fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

The Company held no stock-related, bond-related or other derivative instruments as of March 31, 2009 or March 31, 2010.

Therefore no information for stock-related, bond-related, nor other transactions is provided in the report.

## 10. Consolidated Financial Summary

### (1) Selected Financial Data and Other Information

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

	(millions of yen)	
	As of March 31, 2009	As of March 31, 2010
Total assets	30,444,624	32,104,248

### (2) Scope of Consolidation and Application of Equity Method

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

### (3) Risk-Monitored Loans

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

Note:

- For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2009 and March 31, 2010 were 976 million yen and 736 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2009 and March 31, 2010 were 3,169 million yen and 3,469 million yen, respectively.
- Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
- 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 the loans, excluding those loans 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.

### (Reference) Disclosed claims based on categories of obligors

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

Note:

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

#### (4) Segment Information

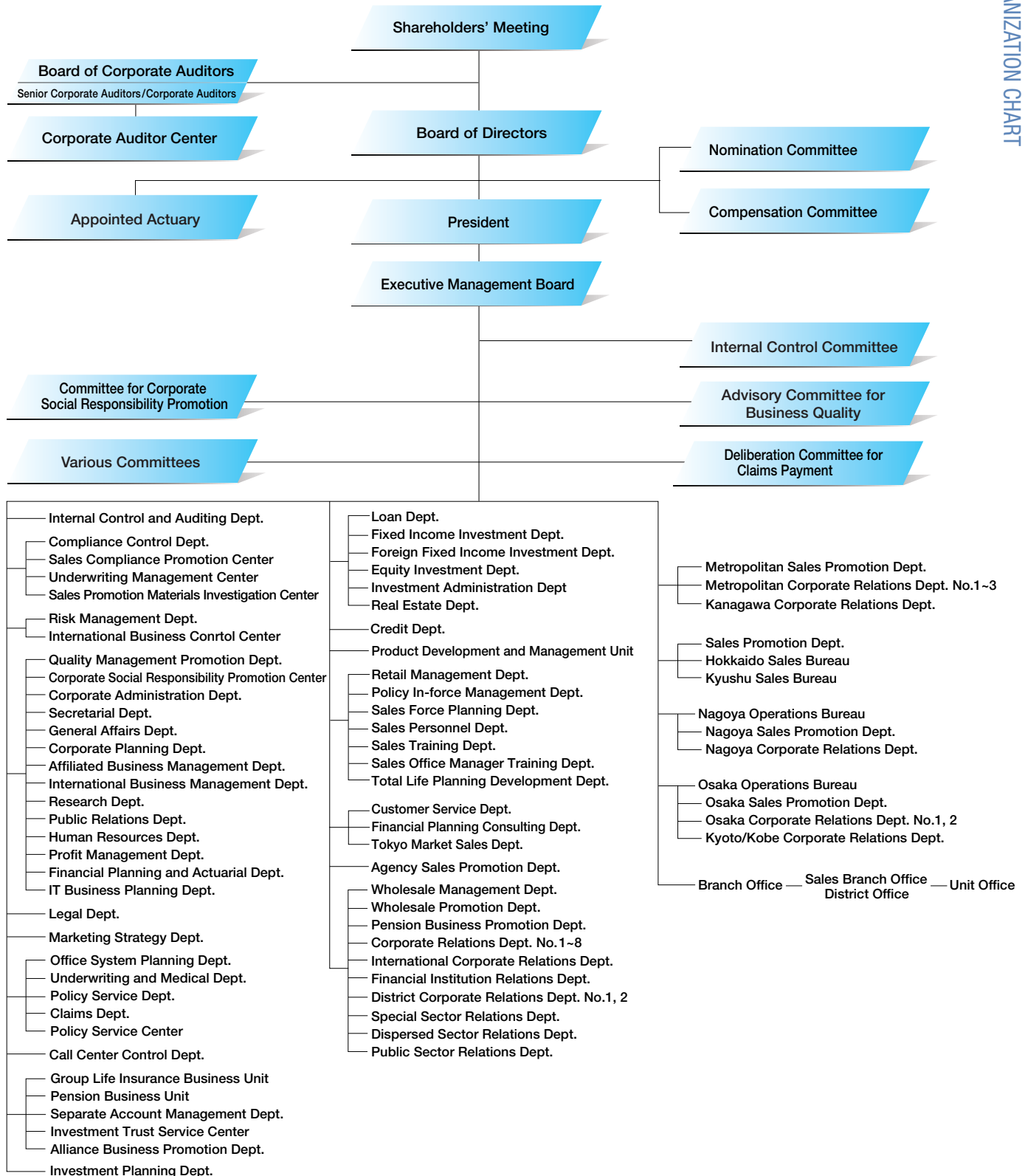
The Company and its consolidated subsidiaries are engaged in businesses other than life insurance business, such as computer system and software development. Those businesses have a minimal impact on overall consolidated financial condition, and the segment information on those businesses is omitted.



# Organization Chart

(As of April 1, 2010)

Operations Bureaus	2
Dept./Sales Bureaus	79
Centers	8
Branch Offices	86
Sales Branch Offices	6
District Offices	9



## Board of Directors and Executive Officers

- Representative Director, Chairman of the Board  
**Tomijiro Morita**
- Representative Director, Deputy Chairman  
**Katsutoshi Saito**
- Representative Director, President  
**Koichiro Watanabe**
- Representative Director,  
Deputy President and Executive Officer  
**Hideto Masaki**
- Representative Director,  
Senior Managing Executive Officer  
**Shinsuke Kume**
- Director, Senior Managing Executive Officer  
**Ryoji Yajima**
- Directors, Managing Executive Officers  
**Kazuma Ishii**  
**Shigeo Tsuyuki**  
**Tomoyasu Asano**  
**Yoshio Takeyama**
- Directors  
**Nobuya Minami**  
**Haruo Funabashi**
- Senior Corporate Auditors  
**Teruo Imano**  
**Masanori Minagawa**
- Corporate Auditors  
**Masasuke Omori**  
**Yoshitoshi Kitajima**  
**Takashi Wachi**
- Managing Executive Officers  
**Satoru Ueno**  
**Takahiro Inaba**  
**Takehide Itonaga**  
**Norimitsu Horio**  
**Yoshifumi Miyata**  
**Hiroshi Kanai**
- Executive Officers  
**Koji Shimogama**  
**Akio Tanaka**  
**Koichi Maruno**  
**Kenji Sakurai**  
**Morinobu Nagahama**  
**Hideo Teramoto**  
**Takashi Kawashima**  
**Nobuyuki Akimoto**  
**Atsushi Takahashi**

## Overseas Network

### NORTH AMERICA

#### Dai-ichi Life International (U.S.A.), Inc.

President: Toshiya Kaname  
Address: 1133 Avenue of the Americas, 28th Floor,  
New York, NY 10036 USA  
Tel: 1-212-350-7600  
Fax: 1-212-354-1866

### EUROPE

#### Dai-ichi Life International (Europe) Limited

Managing Director: Koichi Kashimoto  
Address: Level 4, 155 Bishopsgate, London EC2M 3XN, U.K.  
Tel: 44-20-7454-9871  
Fax: 44-20-7628-0074

### ASIA

#### Dai-ichi Life Insurance Company of Vietnam, Limited

Chairman cum General Director: Takashi Fujii  
Address: 3rd Floor, Saigon Riverside Office Center,  
2A-4A Ton Duc Thang Street, Dist. 1,  
Ho Chi Minh City, Vietnam  
Tel: 84-8-3829-1919  
Fax: 84-8-3829-3131

#### Tower Australia Group Limited

Chairman: Robert Thomas  
CEO & MD: Jim Minto  
Address: Ground Level, 80 Alfred Street, Milsons Point,  
NSW 2061, Australia  
Tel: 61-2-9448-9000  
Fax: 61-2-9448-9100

#### Star Union Dai-ichi Life Insurance Company Limited

Chairman: Muthusamy Balachandran  
Address: 11th Floor, Raghuleela Arcade, IT park,  
Sector 30 A, Opp. Vashi Railway Station, Vashi,  
Navi Mumbai – 400703  
Tel: 91-22-3954-6300

### ASIA

#### Ocean Life Insurance Co., Ltd.

Chairman: Kirati Assakul  
Address: 170 / 74 - 83 Ocean Tower 1 Bldg.,  
Rachadapisek Rd., Klongtoey, Bangkok, Thailand  
Tel: 66(0)-2261-2300  
Fax: 66(0)-2261-3344

#### Dai-ichi Life International (AsiaPacific) Limited

Managing Director: Tetsuya Kikuta  
Address: Suite 902, Central Plaza 18, Harbour Road,  
Wanchai, Hong Kong  
Tel: 852-2588-1331  
Fax: 852-2588-1218

#### Beijing Representative Office

Chief Representative: Zhao Ke Fei  
Address: 3rd Floor, Changfugong Office Building,  
Jianguomenwai St. Chaoyang District, Beijing,  
China  
Tel: 86-10-6513-9031  
Fax: 86-10-6513-9225

#### Shanghai Representative Office

Chief Representative: Akihiko Asakura  
Address: 15F, Shanghai World Financial Center,  
100 Century Avenue, Pudong New Area,  
Shanghai, China  
Tel: 86-21-6877-5788  
Fax: 86-21-6877-5988

#### Taipei Representative Office

Chief Representative: Hajime Namba  
Address: Shin Kong Life Tower 33F, 66, Chung-Hsiao  
W. RD., Sec.1, Taipei, Taiwan  
Tel: 886-2-2388-5399  
Fax: 886-2-2331-9344

## HISTORY

### 1902

Tsuneta Yano issues Characteristics of My Company, a pamphlet explaining the merits of a mutual company, and subsequently establishes Japan's first mutual life insurance company, the Dai-ichi Mutual Life Insurance Company.

### 1938

The Head Office is moved to its current Tokyo location, which served as the General Headquarters of the Allied Powers (GHQ) following World War II.

### 1967

Dai-ichi's 20-story Oi Head Office, housing the Company's Policy Service departments and Computer Systems Department, is completed.

### 1970

FALIA, Foundation for the Advancement of Life Insurance Around the World, a consolidation of several related organizations active since 1962, is established to expand Dai-ichi's support for the life insurance business in Asia.

### 1975

Dai-ichi's first overseas representative office is established in New York (currently Dai-ichi Life International (U.S.A.), Inc.) to study U.S. insurance, economic, and financial systems as well as to promote international group insurance policies among local subsidiaries of Japanese corporations.

### 1982

Dai-ichi's first European representative office is established in London (currently Dai-ichi Life International (Europe) Limited).

### 1988

Dai-ichi establishes Dai-ichi Life International (H.K.) Limited (currently Dai-ichi Life International [AsiaPacific] Limited).

### 1990

Dai-ichi's investment in Lincoln National Life Insurance Company marks the first time a Japanese company has participated in capitalizing a leading U.S. insurer (already ceased).

### 1993

Dai-ichi completes the DN Tower 21, a new Head Office building in the heart of Tokyo.

### 1995

Following the Great Hanshin Earthquake in January, Dai-ichi simplifies claims settlement procedures.

### 1996

Dai-ichi establishes the Dai-ichi Property and Casualty Insurance Co., Ltd. (already ceased).

### 1997

Dai-ichi establishes Dai-ichi Life Research Institute Inc.

### 1998

- Dai-ichi enters into the investment trust business as Daiichi Life Asset Management Co., Ltd.
- Dai-ichi reaches an agreement on total business cooperation with the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.).

### 1999

- Dai-ichi and the Industrial Bank of Japan Co., Ltd. establish IBJ-DL Financial Technology Co., Ltd. (currently Mizuho-DL Financial Technology Co., Ltd.).
- Dai-ichi Life Asset Management Co., Ltd., IBJ NW Asset Management Co., Ltd. and IBJ Investment Trust Management Co., Ltd. merge to form DLIBJ Asset Management Co., Ltd. (currently DIAM Co., Ltd.).

### 2000

Dai-ichi enters into an agreement to form a comprehensive business alliance with the Yasuda Fire and Marine Insurance Co., Ltd. (currently SOMPO JAPAN INSURANCE INC.) and a strategic marketing alliance with American Family Life Assurance Company of Columbus (AFLAC).

### 2001

Dai-ichi wins the "Japan Quality Award," the first company in the financial and insurance industry to receive this honor.

### 2002

Marking a century of insurance and investment achievements, Dai-ichi celebrates its 100th Anniversary.

### 2003

Dai-ichi issues subordinated bonds of ¥30 billion for public subscription using a securitization scheme.

### 2004

- Dai-ichi issues U.S. dollar-denominated subordinated bonds in the global capital market.
- Dai-ichi raises additional foundation funds of ¥60 billion through public offering using a securitization scheme.

### 2006

- Dai-ichi raises additional foundation funds of ¥60 billion through public offering using a securitization scheme.

### 2007

- Dai-ichi acquires Bao Minh CMG, which recommences operations as Dai-ichi Life Insurance Company of Vietnam, Ltd.
- Dai-ichi's wholly-owned subsidiary, Dai-ichi Frontier Life Insurance Co., Ltd., obtains a license for life insurance business.
- Dai-ichi concludes a joint-venture contract to establish a joint life insurance company (Star Union Dai-ichi Life Insurance Company Limited) with the Bank of India and Union Bank of India.

### 2008

- Dai-ichi adopts a plan to demutualize and become a stock company.
- Dai-ichi concludes an agreement on a strategic business alliance, including the acquisition of shares, with Ocean Life Insurance Co., Ltd. of Thailand.
- Dai-ichi enters into an agreement to form a strategic business alliance with Tower Australia Group Limited.

### 2009

- Star Union Dai-ichi Life Insurance Company Limited commences sales of its products.
- Dai-ichi enters into ¥183 billion syndicated subordinated loan.
- The 108th general meeting of representative policyholders approves Dai-ichi's demutualization.

### 2010

- Dai-ichi demutualizes and is listed on the Tokyo Stock Exchange.

## THE DAI-ICHI LIFE INSURANCE COMPANY, LIMITED

13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan

Tel: 81- 3-3216-1211

<http://www.dai-ichi-life.co.jp>

**DAI-ICHI LIFE**

**The Dai-ichi Life Insurance Company, Limited**