

# NON-CONSOLIDATED FINANCIAL SUMMARY

(For the three months ended June 30, 2008)

August 12, 2008

Name of Company: **T&D Holdings, Inc.** (Financial Summary for T&D Financial Life Insurance Company)  
 Stock Listings: Tokyo, Osaka  
 Security Code No.: 8795  
 Head Office: Tokyo, Japan  
 URL: <http://www.td-holdings.co.jp/e/>

## 1. Non-Consolidated Operating Results for the Three Months Ended June 30, 2008 ( April 1, 2008 – June 30, 2008 )

### (1) Results of Operations

Note: Amounts of less than one million yen have been eliminated, and percentages have been rounded to the nearest percent.

	Ordinary Revenues		Ordinary Profit				Net Income	
		% change		% change	Core Profit	% change		% change
Three months ended June 30, 2008	¥41,806 million	-	¥(2,739) million	-	¥2,391 million	-	¥(1,925) million	-
Three months ended June 30, 2007	¥73,296 million	47.7	¥(2,163) million	(50.0)	¥1,154 million	-	¥(1,566) million	(49.6)

	Net Income per Share
Three months ended June 30, 2008	¥(2,406.43)
Three months ended June 30, 2007	¥(1,957.93)

Note: Core Profit is a measure of a life insurance company's underlying profitability from core insurance operations on a non-consolidated basis, defined as ordinary profit excluding "capital gains and losses" such as gains and losses on sale of securities and devaluation losses on securities and "other one-time gains and losses" such as provision for (reversal of) contingency reserve and write-off of loans.

### (2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of June 30, 2008	¥1,061,274 million	¥24,876 million	2.3%	¥31,095.82
As of March 31, 2008	¥1,048,962 million	¥26,922 million	2.6%	¥33,652.53

Note: Shareholder's equity: as of June 30, 2008: ¥24,876 million; as of March 31, 2008: ¥26,922 million.

## 2. Forecast for the Year Ending March 31, 2009 (April 1, 2008 - March 31, 2009)

T&D Financial Life's forecast is omitted. Please refer to T&D Holdings' "Forecast for the Year Ending March 31, 2009" section in this material "Consolidated Financial Summary for the Three Months Ended June 30, 2008".

## 3. Others

- (1) Adoption of Simple Accounting Method or Accounting Method specific to Preparation for Quarterly Financial Statements: None
- (2) Significant Changes in Accounting Principle and Procedure and Changes in Presentation Method for Quarterly Financial Statements
  1. Changes due to the revision of accounting standards: Applicable
  2. Changes due to other factors: Applicable

Note: Please refer to T&D Holdings' "Summary of significant Accounting Policies" section in this material "Consolidated Financial Summary for the three months ended June 30, 2008".

### (3) Number of Outstanding Shares (Common Stock)

1. Number of outstanding shares including treasury stock at the end of the term: as of June 30, 2008 : 800,000  
as of March 31, 2008 : 800,000
2. Number of treasury stock at the end of the term: None
3. Average number of outstanding shares during the term: for the three months ended June 30, 2008 : 800,000  
for the fiscal year ended March 31, 2008 : 800,000

## T&D Financial Life Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2008	As of March 31, 2008
	Amount	Amount
<b>Assets:</b>		
Cash and deposits	21,651	20,627
Cash	0	1
Deposit	21,650	20,626
Call loans	27,500	29,500
Monetary trusts	27,204	30,165
Securities	953,084	934,854
Government bonds	342,970	347,897
Corporate bonds	12,266	12,263
Domestic stocks	1,011	960
Foreign securities	2,075	2,015
Other securities	594,761	571,718
Loans	7,032	7,277
Policy loans	6,992	7,235
Commercial loans	39	41
Tangible fixed assets	308	300
Buildings	288	293
Lease assets	4	-
Construction in progress	7	-
Other tangible fixed assets	9	6
Intangible fixed assets	3,376	3,356
Software	3,368	3,347
Other intangible fixed assets	8	8
Due from agencies	-	0
Due from reinsurers	7,295	7,671
Other assets	5,045	6,522
Accounts receivable	3,047	4,769
Prepaid expenses	473	282
Accrued income	689	718
Deposit for rent	530	486
Suspense payable	140	101
Other assets	164	163
Deferred tax assets	8,844	8,755
Reserve for possible loan losses	(69)	(69)
<b>Total assets</b>	<b>1,061,274</b>	<b>1,048,962</b>

(Millions of yen)

	As of June 30, 2008	As of March 31, 2008
	Amount	Amount
<b>Liabilities:</b>		
Policy reserves	1,026,213	1,011,530
Reserve for outstanding claims	4,602	5,240
Policy reserve	1,019,767	1,004,147
Reserve for policyholder dividends	1,842	2,142
Due to agencies	200	280
Due to reinsurers	56	66
Other liabilities	2,100	2,094
Income taxes payable	3	12
Accounts payable	1,001	932
Accrued expenses	663	835
Unearned income	0	0
Deposit received	321	219
Lease obligations	4	-
Suspense receipt	106	93
Reserve for employees' retirement benefits	7,228	7,446
Reserve for directors' and corporate auditors' retirement benefits	178	207
Reserve for price fluctuations	420	414
<b>Total liabilities</b>	<b>1,036,397</b>	<b>1,022,040</b>
<b>Net assets:</b>		
Common stock	36,000	36,000
Capital surplus	26,000	26,000
Retained earnings	(35,814)	(33,889)
Other retained earnings	(35,814)	(33,889)
Unappropriated retained earnings	(35,814)	(33,889)
Total stockholder's equity	26,185	28,110
Net unrealized gains on securities	(1,308)	(1,188)
Total valuation and translation adjustments	(1,308)	(1,188)
<b>Total net assets</b>	<b>24,876</b>	<b>26,922</b>
<b>Total liabilities and net assets</b>	<b>1,061,274</b>	<b>1,048,962</b>

## T&D Financial Life Unaudited Consolidated Statements of Operations

(Millions of yen)

	Three months ended June 30, 2008
	Amount
<b>Ordinary revenues</b>	41,806
<b>Income from insurance premiums</b>	19,491
Insurance premiums	19,250
Ceded reinsurance recoveries	240
<b>Investment income</b>	19,533
Interest, dividends and income from real estate for rent	1,027
Interest income and dividends from securities	928
Interest income from loans	61
Other income from interest and dividends	37
Other investment income	0
Gains on separate account, net	18,505
<b>Other ordinary income</b>	2,781
Income related to withheld insurance claims and other payments for future annuity payments	1,862
Income due to withheld insurance payments	34
Reversal of reserve for outstanding claims	638
Reversal of reserve for employees' retirement benefits	217
Reversal of reserve for directors' and corporate auditors' retirement benefits	28
Other ordinary income	0
<b>Ordinary expenses</b>	44,545
<b>Insurance claims and other payments</b>	20,601
Insurance claims	4,009
Annuity payments	1,452
Insurance benefits	4,082
Surrender payments	8,291
Other payments	2,126
Reinsurance premiums	637
<b>Provision for policy and other reserves</b>	15,621
Provision for reserve for policy reserve	15,620
Interest portion of reserve for policyholder dividends	1
<b>Investment expenses</b>	4,861
Interest expenses	0
Losses from monetary trust, net	4,761
Losses on sales of securities	76
Devaluation losses on securities	17
Other investment expenses	5
<b>Operating expenses</b>	2,935
<b>Other ordinary expenses</b>	525
Payments related to withheld insurance claims	202
Taxes	162
Depreciation	158
Other ordinary expenses	1
<b>Ordinary loss</b>	2,739

(Millions of yen)

	Three months ended
	June 30, 2008
	Amount
<b>Extraordinary gains</b>	0
Reversal of reserve for possible loan losses	0
<b>Extraordinary losses</b>	6
Provision for reserve for price fluctuations	6
<b>Provision for reserve for policyholder dividends</b>	4
<b>Loss before income taxes</b>	2,750
<b>Current income taxes</b>	(788)
<b>Deferred income taxes</b>	(36)
<b>Net loss</b>	1,925

[Reference]

**Unaudited Consolidated Statements of Operations for the Three Months ended June 30, 2007**

(Millions of yen)

	Three months ended
	June 30, 2007
	Amount
<b>Ordinary revenues</b>	73,296
<b>Income from insurance premiums</b>	48,478
Insurance premiums	47,361
Ceded reinsurance recoveries	1,117
<b>Investment income</b>	22,305
Interest, dividends and income from real estate for rent	1,036
Interest income and dividends from securities	902
Interest income from loans	79
Other income from interest and dividends	55
Gains on sales of securities	80
Foreign exchange gains, net	0
Other investment income	0
Gains on separate account, net	21,187
<b>Other ordinary income</b>	2,512
Income related to withheld insurance claims and other payments for future annuity payments	2,138
Income due to withheld insurance payments	61
Reversal of reserve for outstanding claims	75
Reversal of reserve for employees' retirement benefits	232
Other ordinary income	4
<b>Ordinary expenses</b>	75,459
<b>Insurance claims and other payments</b>	26,374
Insurance claims	4,491
Annuity payments	1,293
Insurance benefits	4,703
Surrender payments	13,307
Other payments	1,645
Reinsurance premiums	932
<b>Provision for policy and other reserves</b>	42,074
Provision for reserve for policy reserve	42,073
Interest portion of reserve for policyholder dividends	1
<b>Investment expenses</b>	2,290
Interest expenses	16
Losses from monetary trust, net	2,201
Losses on sales of securities	56
Devaluation losses on securities	7
Provision for reserve for possible loan losses	0
Other investment expenses	8
<b>Operating expenses</b>	4,080
<b>Other ordinary expenses</b>	639
Payments related to withheld insurance claims	132
Taxes	312
Depreciation	159
Reversal of reserve for directors' and corporate auditors' retirement benefits	5
Other ordinary expenses	29
<b>Ordinary loss</b>	2,163

(Millions of yen)

	Three months ended
	June 30, 2007
	Amount
<b>Extraordinary gains</b>	-
<b>Extraordinary losses</b>	3
Provision for reserve for price fluctuations	3
<b>Provision for reserve for policyholder dividends</b>	58
<b>Loss before income taxes</b>	2,224
<b>Current income taxes</b>	(527)
<b>Deferred income taxes</b>	(130)
<b>Net loss</b>	1,566

## **Supplementary Materials for the Three Months Ended June 30, 2008**

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# 1. Business Highlights

## (1) Total Policy Amount in Force

(Number: Thousands, 100 Millions of yen)

Category	As of June 30, 2007				As of June 30, 2008				As of March 31, 2008	
	Number		Amount		Number		Amount		Number	Amount
		Change (%)		Change (%)		Change (%)		Change (%)		
Individual insurance	246	88.8	17,149	86.1	221	89.6	14,928	87.0	227	15,424
Individual annuities	108	122.9	7,943	136.3	113	104.5	7,383	93.0	112	7,158
Individual variable annuities	73	143.6	6,675	148.6	79	109.2	6,182	92.6	78	5,968
Subtotal	355	97.0	25,092	97.5	334	94.1	22,311	88.9	339	22,610
Group insurance	-	-	10,223	66.6	-	-	1	0.0	-	154
Group annuities	-	-	382	89.5	-	-	353	92.6	-	367

Notes:

1. 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.
2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserve.

## (2) New Policy Amount

(Number: Thousands, 100 Millions of yen)

Category	Three Months Ended June 30, 2007					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	-	-	-	-	-	-
Individual annuities	4	175.1	363	196.0	363	-
Individual variable annuities	4	175.1	363	196.0	363	-
Subtotal	4	174.8	363	195.3	363	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

(Number: Thousands, 100 Millions of yen)

Category	Three Months Ended June 30, 2008					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	-	-	-	-	-	-
Individual annuities	1	38.2	126	34.8	126	-
Individual variable annuities	1	38.2	126	34.8	126	-
Subtotal	1	38.2	126	34.8	126	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

(Number: Thousands, 100 Millions of yen)

Category	Year Ended March 31, 2008					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	-	-	-	-	-	-
Individual annuities	12	52.6	933	52.0	933	-
Individual variable annuities	12	52.6	933	52.0	933	-
Subtotal	12	52.6	933	52.0	933	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Notes:

1. There is no conversion plan from FY2001.
2. The new policy amount for individual annuity is equal to the initial premium payment of individual variable annuities.

**(3) Annualized Premiums****1) Policies in force**

(Millions of yen)

Category	As of June 30, 2007		As of June 30, 2008		As of March 31, 2008	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	27,885	88.3	24,681	88.5	25,460	88.6
Individual annuities	67,835	157.2	74,970	110.5	73,898	116.6
Total	95,721	128.1	99,652	104.1	99,358	107.9
3rd Sector	6,545	88.3	5,899	90.1	6,115	90.7

**2) New policies**

(Millions of yen)

Category	Three Months Ended June 30, 2007		Three Months Ended June 30, 2008		Year Ended March 31, 2008	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	-	-	-	-	-	-
Individual annuities	5,008	278.8	1,717	34.3	12,739	55.4
Total	5,008	278.7	1,717	34.3	12,739	55.4
3rd Sector	-	-	-	-	-	-

Notes:

1. The amounts are calculated by multiplying monthly premiums by 12, and dividing lump-sum payments by the insurance period.

2. The Japanese insurance market is legally divided into three major fields: the First Sector, which involves conventional life insurance; the Second Sector, which involves P&amp;C insurance; and the Third Sector, which involves insurance positioned between the two, including medical insurance, cancer insurance, accident insurance, and nursing care insurance.

**(4) Surrender and Lapse Amount**

(Number: Thousands, 100 Millions of yen)

Category	Three Months Ended June 30, 2007				Three Months Ended June 30, 2008				Year Ended March 31, 2008	
	Number		Amount		Number		Amount		Number	Amount
		Change (%)		Change (%)		Change (%)		Change (%)		
Individual insurance	4	63.0	377	58.0	3	80.0	311	82.3	15	1,343
Individual annuities	0	108.5	106	117.4	0	67.8	58	54.7	3	311
Total	5	68.3	484	65.2	4	77.8	369	76.3	18	1,655

**(5) Surrender and Lapse Rate (Surrender and lapse amount/ Policy amount in force at the beginning of fiscal year)**

(%)

Category	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008	Year Ended March 31, 2008
Individual insurance	2.13	2.02	7.58
Individual annuities	1.42	0.81	4.16
Total	1.92	1.63	6.56

Note: Surrender and lapse rate for the three months ended June 30, 2007 and 2008 are not annualized.

## 2. Status of General Account Assets

### (1) Asset Composition

(Millions of yen, %)

Category	As of June 30, 2007		As of June 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	35,949	7.9	32,675	7.3	34,066	7.4
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-	-
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	11,639	2.6	27,204	6.1	30,165	6.6
Securities	372,946	82.3	358,259	79.7	361,189	78.7
Domestic bonds	348,986	77.0	354,387	78.9	359,295	78.3
Domestic stocks	184	0.0	183	0.0	183	0.0
Foreign securities	21,272	4.7	54	0.0	65	0.0
Bonds	15,000	3.3	-	-	-	-
Stocks, etc.	6,272	1.4	54	0.0	65	0.0
Other securities	2,502	0.6	3,633	0.8	1,644	0.4
Loans	9,925	2.2	7,032	1.6	7,277	1.6
Policy loans	7,371	1.6	6,992	1.6	7,235	1.6
Commercial loans	2,554	0.6	39	0.0	41	0.0
Property and equipment	281	0.1	295	0.1	293	0.1
Deferred tax asset	6,386	1.4	8,844	2.0	8,755	1.9
Deferred tax asset concerning revaluation	-	-	-	-	-	-
Other assets	16,177	3.6	15,076	3.4	17,068	3.7
Reserve for possible loan losses	(72)	(0.0)	(69)	(0.0)	(69)	(0.0)
Total assets	453,234	100.0	449,318	100.0	458,748	100.0
Foreign currency denominated assets	87	0.0	54	0.0	65	0.0

Note: "Property and equipment" shows the total value of buildings and construction in progress.

**(2) Fair Value Information on Securities and Others****1) Fair value information on securities (except trading securities)****a. Securities with market value**

(Millions of yen)

Category	As of June 30, 2007				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	275,919	274,634	(1,285)	382	(1,668)
Domestic bonds	260,919	259,641	(1,278)	382	(1,660)
Foreign bonds	15,000	14,992	(7)	-	(7)
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	97,769	96,554	(1,214)	520	(1,734)
Domestic bonds	89,789	88,066	(1,722)	2	(1,724)
Domestic stocks	-	-	-	-	-
Foreign securities	6,090	6,272	181	191	(9)
Bonds	-	-	-	-	-
Stocks, etc.	6,090	6,272	181	191	(9)
Other securities	1,889	2,215	326	326	-
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	373,688	371,188	(2,500)	902	(3,402)
Domestic bonds	350,709	347,708	(3,001)	384	(3,385)
Domestic stocks	-	-	-	-	-
Foreign securities	21,090	21,264	174	191	(17)
Bonds	15,000	14,992	(7)	-	(7)
Stocks, etc.	6,090	6,272	181	191	(9)
Other securities	1,889	2,215	326	326	-
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

Note: The above table includes assets such as certificates of deposits which are permitted to be considered as equivalent to securities defined in the Securities and Exchange Law.

**b. Securities without market value (Carrying value)**

(Millions of yen)

Category	As of June 30, 2007
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	471
Unlisted domestic stocks (excluding over-the-counter stocks)	184
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	286
Total	471

**a. Securities with market value**

(Millions of yen)

Category	As of June 30, 2008				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	270,253	270,972	718	1,535	(817)
Domestic bonds	270,253	270,972	718	1,535	(817)
Foreign bonds	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	89,500	87,630	(1,869)	5	(1,874)
Domestic bonds	85,952	84,133	(1,819)	3	(1,823)
Domestic stocks	-	-	-	-	-
Foreign securities	53	54	1	1	-
Bonds	-	-	-	-	-
Stocks, etc.	53	54	1	1	-
Other securities	3,494	3,442	(51)	-	(51)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	359,754	358,603	(1,150)	1,540	(2,691)
Domestic bonds	356,206	355,106	(1,100)	1,539	(2,640)
Domestic stocks	-	-	-	-	-
Foreign securities	53	54	1	1	-
Bonds	-	-	-	-	-
Stocks, etc.	53	54	1	1	-
Other securities	3,494	3,442	(51)	-	(51)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

Note: The above table includes assets such as certificates of deposits which are permitted to be considered as equivalent to securities defined in the Financial Instruments and Exchange Law.

**b. Securities without market value (Carrying value)**

(Millions of yen)

Category	As of June 30, 2008
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	374
Unlisted domestic stocks (excluding over-the-counter stocks)	183
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	190
Total	374

**a. Securities with market value**

(Millions of yen)

Category	As of March 31, 2008				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	270,583	273,751	3,168	3,433	(265)
Domestic bonds	270,583	273,751	3,168	3,433	(265)
Foreign bonds	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	91,896	90,198	(1,697)	11	(1,708)
Domestic bonds	90,331	88,712	(1,619)	11	(1,630)
Domestic stocks	-	-	-	-	-
Foreign securities	70	65	(4)	-	(4)
Bonds	-	-	-	-	-
Stocks, etc.	70	65	(4)	-	(4)
Other securities	1,494	1,420	(73)	-	(73)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	362,479	363,950	1,470	3,444	(1,974)
Domestic bonds	360,914	362,463	1,549	3,444	(1,895)
Domestic stocks	-	-	-	-	-
Foreign securities	70	65	(4)	-	(4)
Bonds	-	-	-	-	-
Stocks, etc.	70	65	(4)	-	(4)
Other securities	1,494	1,420	(73)	-	(73)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

Note: The above table includes assets such as certificates of deposits which are permitted to be considered as equivalent to securities defined in the Financial Instruments and Exchange Law.

**b. Securities without market value (Carrying value)**

(Millions of yen)

Category	As of March 31, 2008
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	407
Unlisted domestic stocks (excluding over-the-counter stocks)	183
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	224
Total	407

**2) Fair value information on monetary trusts** (Millions of yen)

Category	As of June 30, 2007				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	11,639	11,639	-	-	-

(Millions of yen)

Category	As of June 30, 2008				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	27,204	27,204	-	-	-

(Millions of yen)

Category	As of March 31, 2008				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	30,165	30,165	-	-	-

**a. Monetary trusts for investment** (Millions of yen)

Category	As of June 30, 2007		As of June 30, 2008		As of March 31, 2008	
	Carrying value	Net valuation gains(losses)	Carrying value	Net valuation gains(losses)	Carrying value	Net valuation gains(losses)
Monetary trusts for investment	11,639	(1,669)	27,204	(4,648)	30,165	16,162

Note: The above figures show all of the fair value information on monetary trusts including securities, cash and call loans and others.

**b. Monetary trusts for held-to-maturity, policy reserve matching securities and others**

The Company held no monetary trusts for held-to-maturity securities, policy reserve matching bonds, and others as of June 30, 2007 and 2008, and as of March 31, 2008.

**3) Fair value information on real estate**

The Company held no real estate as of June 30, 2007 and 2008, and as of March 31, 2008.

**4) Fair value information on derivative transactions**

**a. Gains (losses) on derivatives with and without hedge accounting** (Millions of yen)

Category	As of June 30, 2008					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(1,607)	5,785	-	-	4,178
Total	-	(1,607)	5,785	-	-	4,178

Note: Gains (losses) on derivatives which are not applied to hedge accounting are recorded in the income statements.

**b. Interest-related transactions**

The Company held no interest-related derivative instruments as of June 30, 2007 and 2008, and March 31, 2008.

**c. Currency-related transactions**

(Millions of yen)

Category	As of June 30, 2007				As of June 30, 2008				As of March 31, 2008			
	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)
		Over 1 Year				Over 1 Year				Over 1 Year		
Currency options:												
Sold:												
Call	-	-	-	[-]	-	-	-	[-]	-	-	-	[-]
Put	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Bought:												
Call	-	-	-	[-]	-	-	-	[-]	-	-	-	[-]
Put	35,350	31,798			33,034	29,224			34,222	30,495		
U.S. dollar	[4,527]	[4,363]	[1,879]	[(2,647)]	[4,467]	[4,214]	[2,859]	[(1,607)]	[4,508]	[4,287]	[3,534]	[(974)]
Euro	[3,059]	[2,949]	[1,409]	[(1,649)]	[2,943]	[2,771]	[2,142]	[(800)]	[2,971]	[2,818]	[2,643]	[(328)]
Put	13,459	12,102			13,031	11,577			13,535	12,126		
U.S. dollar	[1,467]	[1,414]	[469]	[(997)]	[1,523]	[1,442]	[717]	[(806)]	[1,536]	[1,469]	[891]	[(645)]
<b>Total</b>				(2,647)				(1,607)				(974)

Note: Parenthesized figures are option premiums.

**d. Stock-related transactions**

(Millions of yen)

Category	As of June 30, 2007				As of June 30, 2008				As of March 31, 2008			
	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)
		Over 1 Year				Over 1 Year				Over 1 Year		
Stock index options:												
Sold:												
Call	-	-	-	[-]	-	-	-	[-]	-	-	-	[-]
Put	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Bought:												
Call	-	-	-	[-]	-	-	-	[-]	-	-	-	[-]
Put	105,018	98,521			111,198	104,504			110,044	102,932		
Nikkei225	[13,542]	[13,219]	[7,184]	[(6,357)]	[16,038]	[15,546]	[21,824]	[5,785]	[15,576]	[15,103]	[25,377]	[9,800]
S&P500	93,806	87,467			94,205	87,783			94,094	87,233		
DJES 50	[11,593]	[11,278]	[5,895]	[(5,697)]	[12,612]	[12,144]	[17,249]	[4,637]	[12,415]	[11,963]	[20,590]	[8,174]
Call	7,297	7,191			11,034	10,855			10,356	10,187		
Nikkei225	[1,168]	[1,164]	[742]	[(426)]	[2,044]	[2,029]	[2,812]	[768]	[1,880]	[1,867]	[3,033]	[1,152]
S&P500	3,914	3,862			5,958	5,865			5,593	5,511		
DJES 50	[779]	[776]	[546]	[(233)]	[1,382]	[1,372]	[1,762]	[380]	[1,280]	[1,271]	[1,753]	[473]
<b>Total</b>				(6,357)				5,785				9,800

Note: Parenthesized figures are option premiums.

**e. Bond-related transactions**

The Company held no bond-related derivative instruments as of June 30, 2007 and 2008, and March 31, 2008.

**f. Others**

The Company held no other derivative instruments as of June 30, 2007 and 2008, and March 31, 2008.

### **3. Status of Separate Account Assets**

#### **(1) Balance of Separate Account Assets**

(Millions of yen)

Category	As of June 30, 2007	As of June 30, 2008	As of March 31, 2008
Individual variable insurance	3,186	2,609	2,568
Individual variable annuities	659,837	609,697	588,207
Total	663,024	612,306	590,775

#### **(2) Total Number of Policies and Total Policy Amount in Force**

##### **1) Individual variable insurance**

(Number: Thousands, Millions of yen)

Category	As of June 30, 2007		As of June 30, 2008		As of March 31, 2008	
	Number	Amount	Number	Amount	Number	Amount
Variable insurance (term life)	0	15	0	15	0	15
Variable insurance (whole life)	3	12,188	3	11,874	3	11,939
Total	3	12,204	3	11,890	3	11,954

##### **2) Individual variable annuities**

(Number: Thousands, Millions of yen)

Category	As of June 30, 2007		As of June 30, 2008		As of March 31, 2008	
	Number	Amount	Number	Amount	Number	Amount
Individual variable annuities	73	667,536	79	618,248	78	596,807
Total	73	667,536	79	618,248	78	596,807

## 4. Reconciliation to Core Profit and Ordinary Profit

### (1) Reconciliation to Core Profit

(Millions of yen)

Category	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008	Year Ended March 31, 2008
Core Revenues	73,215	41,806	171,722
Income from insurance premiums	48,478	19,491	134,097
Insurance premiums	47,361	19,250	130,894
Ceded reinsurance recoveries	1,117	240	3,203
Investment income	22,224	19,533	4,227
Interest, dividends and income from real estate for rent	1,036	1,027	4,158
Gains on redemption of securities	-	-	14
Other investment income	0	0	53
Gains on separate accounts, net	21,187	18,505	-
Other ordinary income	2,512	2,781	33,397
Income related to withheld insurance claims and other payments for future annuity payments	2,138	1,862	9,222
Income due to withheld insurance payments	61	34	227
Reversal of reserve for outstanding claims	75	638	-
Reversal of policy reserves (except contingency reserve)	-	-	23,593
Reversal of reserve for employees' retirement benefits	232	217	347
Other ordinary income	4	29	7
Other core revenues	-	-	-
Core Expenses	72,061	39,414	189,906
Insurance claims and other payments	26,374	20,601	95,581
Insurance claims	4,491	4,009	20,119
Annuity payments	1,293	1,452	5,720
Insurance benefits	4,703	4,082	18,705
Surrender payments	13,307	8,291	40,103
Other payments	1,645	2,126	7,702
Reinsurance premiums	932	637	3,229
Provision for policy and other reserves	40,940	15,345	101
Investment expenses	25	6	77,737
Interest expenses	16	0	21
Losses on redemption of securities	-	-	-
Provision for general reserve for possible loan losses	0	-	-
Depreciation of real estate for rent	-	-	-
Other investment expenses	8	5	96
Losses on separate accounts, net	-	-	77,619
Operating expenses	4,080	2,935	13,605
Other ordinary expenses	639	525	2,880
Payments related to withheld insurance claims	132	202	599
Taxes	312	162	940
Depreciation	159	158	615
Provision for reserve for employees' retirement benefits	-	-	-
Other ordinary losses	34	1	725
Other core expenses	-	-	-
Core Profit	1,154	2,391	(18,183)

**[Reference] Negative Spread**

(Millions of yen)

Category	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008	Year Ended March 31, 2008
Amount of negative spread	1,075	967	4,103
Investment yield on core profit	1.03%	1.03%	1.04%
Average assumed investment yield	2.12%	2.00%	2.08%
Policy reserve in general accounts	392,697	396,374	394,802

*Notes:**1. Negative spread calculations:**a) For the three months ended June 30, 2007 and 2008 are calculated by the following method:**(Investment yield on core profit - Average assumed investment yield) x Policy reserve in general accounts x 1/4**b) For the year the ended March 31, 2008 is calculated by the following method:**(Investment yield on core profit - average assumed investment yield) x policy reserves in general accounts**2. Investment yield on core profit and average assumed investment yield as in 1 above are not annualized.**3. "Investment yield on core profit" is calculated by dividing numerator as investment revenues and expenses (investment profit in general account) included in core profit less amount of provision for accumulated interest due to policyholders by denominator as policy reserve in general reserve in general account.**4. Average assumed investment yield is calculated by dividing numerator as assumed interest (general accounts only) by denominator as policy reserve in general accounts.**5. Policy reserve in general accounts represents the earned policy reserve calculated for policy reserve in general accounts less contingency reserve by Hardy method as follows:**Hardy method: (Policy reserve at beginning of fiscal year + Policy reserve at the end of fiscal year - Assumed interest) x 1/2*

**(2) Reconciliation to Ordinary Profit**

(Millions of yen)

Category	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008	Year Ended March 31, 2008
Core profit (A)	1,154	2,391	(18,183)
Capital gains	80	-	15,602
Gains from monetary trusts, net	-	-	(Note 1) 15,324
Gains on investment in trading securities, net	-	-	-
Gains on sales of securities	80	-	277
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	0	-	0
Others	-	-	-
Capital Losses	2,264	4,855	213
Losses from monetary trusts, net	(Note 1) 2,201	(Note 1) 4,761	-
Losses on investments in trading securities, net	-	-	-
Losses on sales of securities	56	76	189
Devaluation losses on securities	7	17	24
Losses from derivatives, net	-	-	-
Foreign exchange losses, net	-	-	-
Others	-	-	-
Capital gains/losses (B)	(2,183)	(4,855)	15,388
Core profit reflecting capital gains/losses (A)+(B)	(1,029)	(2,463)	(2,795)
Other one-time gains	380	959	-
Ceding reinsurance recoveries	-	-	-
Reversal of contingency reserve	-	-	-
Others	(Note 2) 380	(Note 2) 959	-
Other one-time losses	1,514	1,235	6,871
Reinsurance premiums	-	-	-
Provision for contingency reserve	1,514	1,235	4,275
Provision for specific reserve for possible loan losses	0	-	-
Provision for specific reserve for loans to refinancing countries	-	-	-
write-off of loans	-	-	-
Others	-	-	(Note 3) 2,595
Other one-time gains/losses (C)	(1,133)	(275)	(6,871)
Ordinary profit (losses) (A)+(B)+(C)	(2,163)	(2,739)	(9,667)

## Notes:

1. The figures of gains and losses from monetary trusts are equal to gains and losses on delivative transactions for the purpose of hedging minimum guarantee risks relating to individual variable annuities.

2. 'Others' in Other one-time gains above include reversal for policy reserve relating to minimum guarantee risks for individual variable annuities contracted prior to March 31, 2004, which were not mandatory in the FSA regulation.

3. 'Others' in Other one-time losses above include a 2,288 million yen of provision for policy reserve relating to minimum guarantee risks for individual variable annuities contracted prior to March 31, 2004, which were not mandatory in the FSA regulationd. In addition, they include a 73 millions yen of additional premium reserve relating to third sector products, and a 234 million yen of the provision for policy reserve for the scheduled accumulation to net level premium reserve.

## 5. Solvency Margin Ratio

(Millions of yen)

Items	As of June 30, 2007	As of June 30, 2008	As of March 31, 2008
Total solvency margin (A)	72,581	67,143	68,361
Common stocks, etc. (less certain items)	33,481	26,185	28,110
Reserve for price fluctuations	396	420	414
Contingency reserve	10,826	14,822	13,587
Reserve for possible loan losses	5	4	4
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent., if gains; x 100 per cent., if losses)	(1,214)	(1,869)	(1,697)
Net unrealized gains(losses) on real estate (x 85 per cent., if gains; x 100 per cent., if losses)	-	-	-
Excess amount of policy reserve based on Zillmer method	28,697	27,488	27,851
Subordinated debt	-	-	-
Deductible items	-	-	-
Others	389	91	91
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	12,768	15,067	14,984
Insurance risk $R_1$	2,121	1,130	1,162
Assumed investment yield risk $R_2$	383	365	368
Investment risk $R_3$	2,003	1,442	1,441
Business risk $R_4$	428	480	479
Minimum guarantee risk $R_7$	9,769	12,699	12,610
3rd sector insurance risk $R_8$	-	392	403
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,136.9%	891.2%	912.4%

Notes:

- The above ratio is calculated in accordance with Articles 86, 87 of the ministerial ordinance for Insurance Business Law as well as Announcement No. 50 issued by the Ministry of Finance in 1996.
- "Common stock, etc. (less certain items)" represents net assets on the balance sheet less net unrealized gains on securities.
- "Excess amount of policy reserve based on Zillmer method" in Total solvency margin above represents was described as "Excess amount of policy surrender payment" in the fiscal year ended March 31, 2007.
- The figures of "minimum guarantee risk  $R_7$ " are calculated on the basis of the regulatory standard.
- "3rd sector insurance risk  $R_8$ " is separated from "insurance risk" since the fiscal year ended March 31, 2008 according to the FSA regulation.

## 6. Adjusted Net Assets

(Millions of yen)

Category	As of June 30, 2007	As of June 30, 2008	As of March 31, 2008
Adjusted net assets	62,721	60,474	63,798

Note: Foregoing were calculated according to the orders providing classifications of Insurance Business Law, and descriptions provided in Notification No. 2 issued in January 1999 by Financial Supervisory Agency and Ministry of Finance.