

## **Supplementary Materials for the Six Months Ended September 30, 2008**

Percentages are rounded to the nearest relevant percentage point.

Therefore, the sums of each percentage do not always amount to 100%.

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# 1. Business Highlights

## (1) Total Policy Amount in Force

(Number: Thousands, 100 Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008						As of March 31, 2008	
	Number	Amount	Number	Amount		Number	Amount		Number	Amount
				Change (%)	Change from previous FYE (%)		Change (%)	Change from previous FYE (%)		
Individual insurance	240	16,536	215	89.5	94.8	14,322	86.6	92.9	227	15,424
Individual annuities	110	7,918	126	114.5	112.6	7,675	96.9	106.8	112	7,185
Individual variable annuities	75	6,669	93	123.6	119.2	6,492	97.3	108.8	78	5,968
Subtotal	351	24,455	342	97.4	100.7	21,997	90.0	97.3	339	22,610
Group insurance	-	10,337	-	-	-	1	0.0	1.2	-	154
Group annuities	-	378	-	-	-	344	91.0	93.7	-	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	Six Months Ended September 30, 2007				Six Months Ended September 30, 2008					
	Number	Amount	New policies	Increase from conversion	Number	Amount		New policies	Increase from conversion	
						Change (%)	Change from previous FYE (%)			
Individual insurance	-	-	-	-	-	-	-	-	-	-
Individual annuities	8	639	639	-	16	203.8	1,059	165.9	1,059	-
Individual variable annuities	8	639	639	-	16	203.8	1,059	165.9	1,059	-
Subtotal	8	639	639	-	16	203.8	1,059	165.9	1,059	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

Category	Year Ended March 31, 2008			
	Number	Amount	New policies	Increase from conversion
Individual insurance	-	-	-	-
Individual annuities	12	933	933	-
Individual variable annuities	12	933	933	-
Subtotal	12	933	933	-
Group insurance	-	-	-	-
Group annuities	-	-	-	-

Note: There is no conversion plan from FY2001.

## (3) Annualized Premiums

### 1) Policies in force

(Millions of yen, %)

Category	As of September 30, 2007	As of September 30, 2008			As of March 31, 2008
		Change (%)	Change from previous FYE (%)		
Individual insurance	27,069	23,883	88.2	93.8	25,460
Individual annuities	71,217	92,037	129.2	124.5	73,898
Total	98,287	115,921	117.9	116.7	99,358
3rd Sector	6,394	5,789	90.5	94.7	6,115

### 2) New policies

(Millions of yen, %)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008		Year Ended March 31, 2008
		Change (%)		
Individual insurance	-	-	-	-
Individual annuities	8,744	19,681	225.1	12,739
Total	8,744	19,681	225.1	12,739
3rd Sector	-	-	-	-

Notes:

1. The amounts are calculated by multiplying monthly premiums by 12, and dividing single premiums 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&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) Average Amount of New Policies and Policy Amount in Force (Individual Insurance)** (Thousands of yen)

Category	Six Months Ended		Year Ended
	September 30, 2007	September 30, 2008	
Average amount of new policies	-	-	-
Average amount in force	6,873	6,648	6,785

Note: There is no conversion plan from FY2001.

**(5) New Policy Rate (New policy amount/ Policy amount in force at the beginning of fiscal year)** (%)

Category	Six Months Ended		Year Ended
	September 30, 2007	September 30, 2008	
Individual insurance	-	-	-
Individual annuities	8.5	14.8	12.5
Subtotal	2.5	4.7	3.7
Group insurance	-	-	-

Notes:

1. There is no conversion plan from FY2001.
2. The figures for the six months ended September 30, 2008 and 2007 are not annualized.

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

Category	Six Months Ended		Year Ended
	September 30, 2007	September 30, 2008	
Individual insurance	4.0	3.8	7.6
Individual annuities	2.4	1.8	4.2
Subtotal	3.5	3.2	6.6
Group insurance	0.0	22.9	0.8

Note: The figures for the six months ended September 30, 2008 and 2007 are not annualized.

**(7) Surrender and Lapse Amount** (Number, Millions of yen)

Category	Six Months Ended				Six Months Ended				Year Ended	
	September 30, 2007		September 30, 2008		September 30, 2007		September 30, 2008		Number	Amount
	Number	Change (%)	Amount	Change (%)	Number	Change (%)	Amount	Change (%)		
Individual insurance	8,147	62.8	71,343	58.5	6,700	82.2	59,100	82.8	15,037	134,389
Individual annuities	1,735	103.1	17,922	106.4	1,461	84.2	12,749	71.1	3,063	31,193
Subtotal	9,882	67.4	89,266	64.3	8,161	82.6	71,849	80.5	18,100	165,582
Group insurance	-	-	246	7.9	-	-	3,541	1,434.6	-	7,909

**(8) Average Premium Amount of Individual Insurance New Policies (Monthly Premium)** (Yen)

Category	Six Months Ended		Year Ended
	September 30, 2007	September 30, 2008	
Average premium amount	-	-	-

Note: There is no conversion plan from FY2001.

**(9) Average Assumed Investment Yield and Negative Spread**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Amount of negative spread	1,970	1,815	4,103
Investment yield on core profit	1.11%	1.05%	1.04%
Average assumed investment yield	2.12%	1.95%	2.08%
Individual insurance and annuities	2.26%	2.06%	2.22%
Policy reserve in general accounts	392,097	405,090	394,802

Notes:

1. Method of calculating negative spread:

 $(\text{Investment yield on core profit} - \text{Average assumed investment yield}) \times \text{Policy reserve in general accounts}$ 

2. While investment yield on core profit and average assumed investment yield in the table are annualized as in the notes 3 and 4 hereunder.

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 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:  $(\text{Policy reserve at beginning of fiscal year} + \text{Policy reserve at end of fiscal year} - \text{Assumed interest}) \times 1/2$ **(10) Mortality Rate for Individual Insurance**

(%o)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Rate based on number of policies	2.75	2.79	5.97
Rate based on policy amount	3.47	2.86	6.95

Note: The figures for the six months ended September 30, 2008 and 2007 are not annualized.

**(11) The Number of Reinsurance Companies Accepting the T&D Financial Life's Policies**

(Number)

Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
4	4	4

**(12) The Ratio of Reinsurance Premium Paying to Top Five Reinsurance Companies to Total Reinsurance Premium**

(%)

Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
100.0	100.0	100.0

**(13) Reinsurance Premium Ratio by Rating Categories**

(%)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
AAA	0.0	0.0	0.0
AA-	100.0	100.0	100.0

Note: Rating categories are based on the Insurer Financial Strength Rating Definitions by Standard &amp; Poor's.

**(14) Reinsurance Recovery Receivable**

(Millions of yen)

Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
380	44	19

**(15) Ratio of Insurance Claims to Earned Premium by the Benefit Cause in Third Sector Insurance**

(%)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Occurrence rate in third sector insurance	43.6	39.6	38.8
Medical	31.4	28.8	31.2
Cancer	54.7	41.9	57.1
Nursing care	6.9	1.7	3.7
Others	73.9	68.9	62.5

**(16) Reserve for Outstanding Claims**

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Insurance claims			
Death benefits	1,143	1,471	1,286
Accidental death benefits	31	51	14
Disability benefits	1,063	628	950
Maturity benefits	599	477	708
Others	-	-	-
Subtotal	2,838	2,629	2,960
Annuity payments	144	114	64
Insurance benefits	688	703	767
Surrender payments	930	973	1,206
Deferred insurance benefits	16	52	33
Total	5,296	4,670	5,240

**(17) Policy Reserve**

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Policy reserve (excluding contingency reserve)			
Individual insurance	229,023	214,602	221,675
General accounts	225,984	212,260	219,128
Separate accounts	3,039	2,342	2,547
Individual annuities	783,893	798,524	731,277
General accounts	126,866	165,462	144,397
Separate accounts	657,026	633,061	586,879
Group insurance	218	187	201
General accounts	218	187	201
Separate accounts	-	-	-
Group annuities	37,867	34,463	36,762
General accounts	37,867	34,463	36,762
Separate accounts	-	-	-
Others	728	620	643
General accounts	728	620	643
Separate accounts	-	-	-
Subtotal	1,051,732	1,048,399	990,560
General accounts	391,665	412,995	401,133
Separate accounts	660,066	635,403	589,427
Contingency reserve			
Contingency reserve 1	4,981	5,055	4,551
Contingency reserve 2	-	-	-
Contingency reserve 3	6,768	10,628	8,626
Contingency reserve 4	361	409	409
Subtotal	12,111	16,093	13,587
Total	1,063,844	1,064,492	1,004,147
General accounts	403,777	429,088	414,720
Separate accounts	660,066	635,403	589,427

### (18) Policy Reserve Calculating Methods and Ratios

Category			As of September 30, 2007	As of September 30, 2008	As of March 31, 2008	
Calculating methods	Policies subject to Standard Policy Reserve Method	Variable annuities	Net Level Premium Reserve Method	Net Level Premium Reserve Method	Net Level Premium Reserve Method	
		Other insurance	5-year Zillmer Method (Full-year Zillmer Method is applied to the policies whose effective date are before September 30, 2001 )	5-year Zillmer Method (Full-year Zillmer Method is applied to the policies whose effective date are before September 30, 2001 )	5-year Zillmer Method (Full-year Zillmer Method is applied to the policies whose effective date are before September 30, 2001 )	
	Policies not subject to Standard Policy Reserve Method	Variable annuities	Net Level Premium Reserve Method	Net Level Premium Reserve Method	Net Level Premium Reserve Method	
		Other insurance	Full-year Zillmer Method	Full-year Zillmer Method	Full-year Zillmer Method	
	Ratio of "Amount of the Company's Policy Reserve (Excluding Contingency Reserve)" to "Policy Reserve Required by Regulatory Standards"			99.6%	99.8%	99.7%

Note:

1. Calculating methods and ratios stated above cover individual insurance and annuity policies only. Group insurance and annuity policies have different calculating methods.
2. The ratio for policies the standard policy reserve method is indicated in the method laid down in Notice No. 48 from the Ministry of Finance. The ratio for policies not applied the standard policy reserve method is indicated for accumulated reserve for claims and unearned premiums calculated with the net level premium reserve method.
3. Policy reserve calculated by Full-year Zillmer Method is increased intentionally on the purpose of method change to net level premium reserve method in the year ended March 31, 2011.
4. Additional amount of policy reserve is based on a sufficient liability examination for third sector products from the fiscal year ended March 31, 2008, and the additional amount of policy reserve includes accumulated reserve for claims stated above "Note 2" for the calculation.

### (19) Policy Reserve for Separate Account Policies with Minimum Guarantee (Millions of yen)

Category		As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Policy reserve (General account)		18,938	54,701	38,012
	Policies subject to Standard Policy Reserve Method	17,284	49,158	33,985
	Policies not subject to Standard Policy Reserve Method	1,653	5,542	4,026

### (20) Other Reserves

(Millions of yen)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008		
	Amount	Increase (Decrease)	Amount	Increase (Decrease)	Amount	Increase (Decrease)	
Reserve for possible loan losses							
	General	4	0	4	0	4	0
	Specific	65	(1)	65	0	65	(2)
Reserve for employees' retirement benefits	7,623	(171)	7,287	(159)	7,446	(347)	
Reserve for directors' retirement benefits	165	12	193	(13)	207	54	
Reserve for price fluctuations	404	11	424	10	414	21	

### (21) Insurance Premium

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Individual insurance	10,709	9,460	20,805
	Single premiums	-	-
	Annual payment	1,146	2,205
	Semi-annual payment	163	317
	Monthly payment	9,400	18,282
Individual annuities	72,369	108,069	105,154
	Single premiums	71,663	103,759
	Annual payment	87	195
	Semi-annual payment	9	18
	Monthly payment	608	1,182
Group insurance	1,280	-	1,761
Group annuities	1,510	1,258	3,138
Total	85,876	118,793	130,894

**(22) Insurance Claims**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Death benefits	4,426	3,121	-	10	-	-	-	3,132	9,065
Accidental death benefits	52	32	-	-	-	-	-	32	111
Disability benefits	818	172	-	22	-	-	-	195	1,199
Maturity benefits	4,510	5,289	-	-	-	-	-	5,289	9,709
Others	33	5	-	-	-	-	-	5	33
<b>Total</b>	<b>9,840</b>	<b>8,621</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,654</b>	<b>20,119</b>

**(23) Annuity Payments**

(Millions of yen)

Six Months Ended September 30, 2007	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Six Months Ended September 30, 2008	Year Ended March 31, 2008
2,695	-	2,372	14	513	30	-	2,931	5,720

**(24) Insurance Benefits**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Death benefits	5,067	5	5,197	-	-	0	-	5,202	10,917
Hospitalization benefits	658	541	3	0	-	-	0	545	1,256
Operation benefits	346	277	1	-	-	-	-	278	626
Injury benefits	85	19	-	0	-	-	-	19	97
Survival benefits	694	658	-	-	-	0	-	659	2,064
Others	2,124	19	-	-	1,874	-	-	1,893	3,743
<b>Total</b>	<b>8,976</b>	<b>1,521</b>	<b>5,201</b>	<b>0</b>	<b>1,874</b>	<b>0</b>	<b>0</b>	<b>8,598</b>	<b>18,705</b>

**(25) Surrender Payments**

(Millions of yen)

Six Months Ended September 30, 2007	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Six Months Ended September 30, 2008	Year Ended March 31, 2008
23,061	4,456	12,636	-	474	4	-	17,571	40,103

**(26) Operating Expenses**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Sales activity related expenses	2,774	3,397	4,098
Sales administrative expenses	122	57	210
General administrative expenses	4,668	4,613	9,296
<b>Total</b>	<b>7,565</b>	<b>8,068</b>	<b>13,605</b>

**(27) Operating Expense Ratio (Against Insurance Premiums)**

(%)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Operating expense ratio	8.8	6.8	10.4

## **2. Status of General Account Assets**

### **(1) Investment Performance**

As of September 30, 2008, general account assets amounted to ¥463.8 billion, up ¥5.1 billion from the level at the end of the previous fiscal year.

For the interim term ended September 30, 2008, T&D Financial Life continued to invest mainly in yen-denominated fixed income assets such as domestic bonds to gain stable investment returns for medium to long term, considering the characteristics of the company's insurance liabilities and tolerable risk levels. In addition, T&D Financial Life has derivative transactions for the purpose of hedging minimum guarantee risks relating to individual variable annuities such as guarantee for minimum death benefit and minimum living benefit .

At the end of the interim term ended September 30, 2008, the percentages of general account assets in principal categories were as follows: domestic bonds, 75.7% (78.3%, hereinafter, figures in parentheses represent levels at the end of the previous fiscal year); domestic stocks, 0.0% (0.0%); foreign securities, 0.0% (0.0%); other securities, 0.3%(0.4%); and loans, 1.5% (1.6%).

For the interim term ended September 30, 2008, net investment income decreased by ¥14.2 billion from the same term of the previous fiscal year, to ¥5.2 billion. This was mainly due to ¥3.2 billion of gains from monetary trusts that are equal to gains on derivative transactions for the purpose of hedging minimum guarantee risks relating to individual variable annuities, which decreased by ¥12.1 billion from the end of the previous fiscal year.

**(2) Asset Composition**

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	33,650	7.4	36,169	7.8	34,066	7.4
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-	-
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	15,853	3.5	38,170	8.2	30,165	6.6
Securities	370,104	81.7	353,060	76.1	361,189	78.7
Domestic bonds	352,966	77.9	351,282	75.7	359,295	78.3
Domestic stocks	184	0.0	182	0.0	183	0.0
Foreign securities	15,083	3.3	52	0.0	65	0.0
Bonds	15,000	3.3	-	-	-	-
Stock, etc.	83	0.0	52	0.0	65	0.0
Other securities	1,869	0.4	1,542	0.3	1,644	0.4
Loans	8,803	1.9	6,985	1.5	7,277	1.6
Property and equipment	276	0.1	288	0.1	293	0.1
Deferred tax asset	7,309	1.6	10,181	2.2	8,755	1.9
Other assets	16,960	3.7	19,109	4.1	17,068	3.7
Reserve for possible loan losses	(70)	(0.0)	(70)	(0.0)	(69)	(0.0)
Total assets	452,888	100.0	463,895	100.0	458,748	100.0
Foreign currency denominated assets	83	0.0	52	0.0	65	0.0

**(3) Changes in the Amount of Assets by Categories**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Cash and deposits, call loans	1,894	2,103	2,310
Securities repurchased under resale agreements	-	-	-
Pledged money for bond borrowing transaction	-	-	-
Monetary claims purchased	-	-	-
Securities under proprietary accounts	-	-	-
Monetary trusts	3,512	8,004	17,824
Securities	(11,434)	(8,129)	(20,349)
Domestic bonds	(935)	(8,012)	5,392
Domestic stocks	69	(0)	68
Foreign securities	(7,689)	(12)	(22,707)
Bonds	(580)	-	(15,580)
Stock, etc.	(7,109)	(12)	(7,126)
Other securities	(2,878)	(102)	(3,102)
Loans	(1,456)	(291)	(2,982)
Property and equipment	(10)	(5)	7
Deferred tax asset	1,055	1,425	2,501
Other assets	(3,912)	2,040	(3,804)
Reserve for possible loan losses	1	(0)	2
Total assets	(10,350)	5,147	(4,490)
Foreign currency denominated assets	(577)	(12)	(594)

**(4) Investment Income**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Interests, dividends and income from real estate for rent	2,202	2,087	4,158
Interest income from deposits	0	0	0
Interest income and dividends from securities	1,927	1,892	3,651
Interest income from loans	152	118	288
Income from real estate for rent	-	-	-
Other income from interest and dividends	122	76	218
Gain on securities under proprietary accounts	-	-	-
Gains from monetary trusts, net	1,012	3,204	15,324
Gains on investments in trading securities, net	-	-	-
Gains on sale of securities	276	-	277
Gains on sale of domestic bonds	4	-	4
Gains on sale of domestic stocks	260	-	260
Gains on sale of foreign securities	12	-	12
Other	-	-	-
Gains on redemption of securities	-	-	14
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	0	-	0
Other investment income	33	71	53
<b>Total</b>	<b>3,526</b>	<b>5,363</b>	<b>19,829</b>

Note: The figures of gains from monetary trusts are equal to gains on derivative transactions for the purpose of hedging minimum guarantee risks relating to individual variable annuities.

**(5) Investment Expenses**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Interest expense	19	0	21
Losses on securities under proprietary accounts	-	-	-
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sale of securities	189	78	189
Losses on sale of domestic bonds	189	76	189
Losses on sale of domestic stocks	-	-	-
Losses on sale of foreign securities	-	-	-
Other	-	2	-
Devaluation losses on securities	7	18	24
Devaluation losses on domestic bonds	-	-	-
Devaluation losses on domestic stocks	7	-	7
Devaluation losses on foreign securities	-	18	17
Other	-	-	-
Amortization of securities	-	-	-
Losses from derivatives, net	-	-	-
Foreign exchange losses, net	-	-	-
Provision for reserve for possible loan losses	0	0	-
Write-off of loans	-	-	-
Depreciation of real estate for rent	-	-	-
Other investment expenses	33	22	96
<b>Total</b>	<b>250</b>	<b>120</b>	<b>331</b>

Note: The figures of losses from monetary trusts are equal to losses on derivative transactions for the purpose of hedging minimum guarantee risks relating to individual variable annuities.

**(6) Net Investment Income**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Net investment income	3,275	5,242	19,497

**(7) Securities**

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Government bonds	340,488	92.0	339,244	96.1	347,032	96.1
Municipal bonds	-	-	-	-	-	-
Corporate bonds	12,478	3.4	12,038	3.4	12,263	3.4
Public corporation bonds	22	0.0	33	0.0	27	0.0
Domestic stocks	184	0.0	182	0.1	183	0.1
Foreign securities	15,083	4.1	52	0.0	65	0.0
Bonds	15,000	4.1	-	-	-	-
Stocks, etc.	83	0.0	52	0.0	65	0.0
Other securities	1,869	0.5	1,542	0.4	1,644	0.5
Total	370,104	100.0	353,060	100.0	361,189	100.0

**(8) Securities by Contractual Maturity Dates**

(Millions of yen)

Category	As of September 30, 2007						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Government bonds	165,102	64,277	38,735	9,577	8,152	54,642	340,488
Municipal bonds	-	-	-	-	-	-	-
Corporate bonds	65	394	5,020	6,998	-	-	12,478
Domestic stocks	/	/	/	/	/	184	184
Foreign securities	15,000	83	-	-	-	-	15,083
Bonds	15,000	-	-	-	-	-	15,000
Stocks, etc.	-	83	-	-	-	-	83
Other securities	17	264	-	-	-	1,587	1,869
Total	180,185	65,019	43,756	16,576	8,152	56,414	370,104

(Millions of yen)

Category	As of September 30, 2008						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Government bonds	154,496	60,377	12,626	12,090	13,532	86,121	339,244
Municipal bonds	-	-	-	-	-	-	-
Corporate bonds	7	11	10,019	1,999	-	-	12,038
Domestic stocks	/	/	/	/	/	182	182
Foreign securities	52	-	-	-	-	-	52
Bonds	-	-	-	-	-	-	-
Stocks, etc.	52	-	-	-	-	-	52
Other securities	85	73	-	-	-	1,382	1,542
Total	154,642	60,462	22,646	14,090	13,532	87,687	353,060

(Millions of yen)

Category	As of March 31, 2008						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Government bonds	160,545	76,146	16,625	9,159	13,194	71,361	347,032
Municipal bonds	-	-	-	-	-	-	-
Corporate bonds	238	4	5,021	6,999	-	-	12,263
Domestic stocks	/	/	/	/	/	183	183
Foreign securities	46	19	-	-	-	-	65
Bonds	-	-	-	-	-	-	-
Stocks, etc.	46	19	-	-	-	-	65
Other securities	117	107	-	-	-	1,420	1,644
Total	160,947	76,276	21,646	16,158	13,194	72,965	361,189

\* Includes securities with maturity dates unfixed.

**(9) Stock Holdings by Industry**

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fisheries, agriculture and forestry	-	-	-	-	-	-
Mining	-	-	-	-	-	-
Construction	0	0.0	0	0.0	0	0.0
Manufacturing industries						
Food products	-	-	-	-	-	-
Textiles and clothing	-	-	-	-	-	-
Pulp and paper	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Medicals	-	-	-	-	-	-
Oil and coal products	-	-	-	-	-	-
Rubber products	-	-	-	-	-	-
Glass and stone products	-	-	-	-	-	-
Steel	-	-	-	-	-	-
Non-steel metals	-	-	-	-	-	-
Metal products	-	-	-	-	-	-
Machinery	-	-	-	-	-	-
Electric appliances	-	-	-	-	-	-
Transportation vehicles	-	-	-	-	-	-
Precision machinery	-	-	-	-	-	-
Others	-	-	-	-	-	-
Electric and gas utilities	-	-	-	-	-	-
Transportation / information telecommunications						
Ground transportation	-	-	-	-	-	-
Water transportation	-	-	-	-	-	-
Air transportation	26	14.5	26	14.6	26	14.6
Warehouses / transportation	-	-	-	-	-	-
Information / telecommunications	-	-	-	-	-	-
Commerce						
Wholesalers	-	-	-	-	-	-
Retailers	-	-	-	-	-	-
Financial services / insurance						
Banking	-	-	-	-	-	-
Securities and commodity futures trading	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Other financial services	12	6.8	12	6.8	12	6.8
Real estate	48	26.5	48	26.3	48	26.6
Service companies	96	52.3	95	52.3	95	52.0
<b>Total</b>	<b>184</b>	<b>100.0</b>	<b>182</b>	<b>100.0</b>	<b>183</b>	<b>100.0</b>

Note: Categories of stock holdings by industry are based on the classification by Securities Identification Code Committee.

**(10) Loans**

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Policy loans	7,504	6,949	7,235
Policyholder loans	6,138	5,683	5,934
Premium loans	1,366	1,265	1,301
Commercial loans	1,298	36	41
[Loans to non-residents]	[-]	[-]	[-]
Loans to corporations	1,250	-	-
[Loans to domestic corporations]	[1,250]	[-]	[-]
Loans to Japanese government, government-related organizations and international organizations	32	22	26
Loans to Japanese local governments and public entities	-	-	-
Mortgage loans	-	-	-
Consumer loans	-	-	-
Others	15	14	15
<b>Total</b>	<b>8,803</b>	<b>6,985</b>	<b>7,277</b>

**(11) Loans to Domestic Companies by Company Size**

(Number, Millions of yen, %)

Category		As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
			Percentage		Percentage		Percentage
Large corporations	Number of debtors	1	100.0	-	-	-	-
	Amount of loans	1,250	100.0	-	-	-	-
Medium-sized corporations	Number of debtors	-	-	-	-	-	-
	Amount of loans	-	-	-	-	-	-
Small corporations	Number of debtors	-	-	-	-	-	-
	Amount of loans	-	-	-	-	-	-
Total	Number of debtors	1	100.0	-	-	-	-
	Amount of loans	1,250	100.0	-	-	-	-

Notes:

1. Corporations are grouped as follows:

Business type	(i) All except (ii)-(iv)		(ii) Retail & restaurants		(iii) Services		(iv) Wholesalers	
Large-sized corporations	With employees more than 300, and	With a capital of 1 billion yen or more	With more than 50 employees, and	With a capital of 1 billion yen or more	With more than 100 employees, and	With a capital of 1 billion yen or more	With more than 100 employees, and	With a capital of 1 billion yen or more
Medium-sized corporations		With a capital of more than 300 million yen and less than 1 billion yen		With a capital of more than 50 million yen and less than 1 billion yen		With a capital of more than 50 million yen and less than 1 billion yen		With a capital of more than 100 million yen and less than 1 billion yen
Small- and medium-sized corporations	With a capital of 300 million yen or less, or regular employees of 300 or less		With a capital of 50 million yen or less, or regular employees of 50 or less		With a capital of 50 million yen or less, or regular employees of 100 or less		With a capital of 100 million yen or less, or regular employees of 100 or less	

2. The number of debtors represents those who have an obligation, net of loans to the Company, not the number of loan transactions.

**(12) Loans by Industry**

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Domestic Loans						
Manufacturing Industries	-	-	-	-	-	-
Food products	-	-	-	-	-	-
Textiles and clothing	-	-	-	-	-	-
Timber, wood products, pulp and paper	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Oil and coal	-	-	-	-	-	-
Ceramic and stone products	-	-	-	-	-	-
Steel	-	-	-	-	-	-
Non-steel metals	-	-	-	-	-	-
Metal products	-	-	-	-	-	-
Machinery	-	-	-	-	-	-
Electric appliances	-	-	-	-	-	-
Transportation vehicles	-	-	-	-	-	-
Precision machinery	-	-	-	-	-	-
Others	-	-	-	-	-	-
Agriculture, forestry, fisheries	-	-	-	-	-	-
Mining	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-
Transportation	5	0.4	-	-	2	6.7
Wholesalers	-	-	-	-	-	-
Retailers	-	-	-	-	-	-
Financial services/insurance	1,268	97.7	14	38.8	16	38.3
Real estate	-	-	-	-	-	-
Service companies	9	0.7	8	22.2	8	19.1
Local governments	-	-	-	-	-	-
Mortgage and consumer and others	15	1.2	14	39.0	15	35.9
Total	1,298	100.0	36	100.0	41	100.0
Foreign Loans						
Governments, etc.	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-
Commerce and industry companies, etc.	-	-	-	-	-	-
Total	-	-	-	-	-	-
<b>Total</b>	<b>1,298</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>

Note: Categories of domestic loans by industry are based on the classification of Bank of Japan's survey.

### (13) Foreign Investments

#### 1) Investments by asset category

##### a. Denominated in foreign currency (yen amount not fixed)

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Foreign bonds	-	-	-	-	-	-
Foreign stocks	-	-	-	-	-	-
Non yen-denominated cash, cash equivalents and other assets	83	0.5	52	3.7	65	4.4
<b>Total</b>	<b>83</b>	<b>0.5</b>	<b>52</b>	<b>3.7</b>	<b>65</b>	<b>4.4</b>

##### b. Denominated in foreign currency (yen amount fixed with forward currency exchange contracts)

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Foreign bonds	-	-	-	-	-	-
Non yen-denominated cash, cash equivalents and other assets	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### c. Denominated in yen

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Loans to borrowers located outside of Japan	-	-	-	-	-	-
Foreign bonds	15,000	89.8	-	-	-	-
Foreign stocks, etc	1,587	9.5	1,382	96.3	1,420	95.6
Other	25	0.2	-	-	-	-
<b>Total</b>	<b>16,612</b>	<b>99.5</b>	<b>1,382</b>	<b>96.3</b>	<b>1,420</b>	<b>95.6</b>

##### d. Total

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>Total foreign investments</b>	<b>16,695</b>	<b>100.0</b>	<b>1,435</b>	<b>100.0</b>	<b>1,486</b>	<b>100.0</b>

#### 2) Foreign currency denominated assets by currency

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
U.S. dollar	83	100.0	52	100.0	65	100.0
Euro	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>83</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>65</b>	<b>100.0</b>

### 3) Investments by region

(Millions of yen, %)

Category	As of September 30, 2007							
	Foreign Securities						Loans to Borrowers Located Outside of Japan	
			Bonds		Stocks, etc.			
Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	
North America	58	0.4	-	-	58	70.5	-	-
Europe	-	-	-	-	-	-	-	-
Oceania	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-
Latin America	15,024	99.6	15,000	100.0	24	29.5	-	-
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International Organizations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,083</b>	<b>100.0</b>	<b>15,000</b>	<b>100.0</b>	<b>83</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

(Millions of yen, %)

Category	As of September 30, 2008							
	Foreign Securities						Loans to Borrowers Located Outside of Japan	
			Bonds		Stocks, etc.			
Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	
North America	33	63.0	-	-	33	63.0	-	-
Europe	-	-	-	-	-	-	-	-
Oceania	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-
Latin America	19	37.0	-	-	19	37.0	-	-
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International Organizations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>52</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

(Millions of yen, %)

Category	As of March 31, 2008							
	Foreign Securities						Loans to Borrowers Located Outside of Japan	
			Bonds		Stocks, etc.			
Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	
North America	46	71.0	-	-	46	71.0	-	-
Europe	-	-	-	-	-	-	-	-
Oceania	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-
Latin America	19	29.0	-	-	19	29.0	-	-
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International Organizations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>65</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

## (14) Fair Value Information on Securities and Others

### 1) Valuation gains (losses) on trading securities

(Millions of yen)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Current fair value and carrying value	Valuation gains (losses)	Current fair value and carrying value	Valuation gains (losses)	Current fair value and carrying value	Valuation gains (losses)
Trading securities	15,853	1,742	38,170	3,448	30,165	16,162

Note: The above table includes securities such as monetary trusts on trading securities.

### 2) Fair value information on securities (except trading securities)

#### a. Securities with market value

(Millions of yen)

Category	As of September 30, 2007				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Held-to-maturity securities	277,163	277,580	417	1,189	(772)
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	93,810	92,474	(1,336)	108	(1,444)
Domestic bonds	92,225	90,803	(1,421)	7	(1,428)
Domestic stocks	-	-	-	-	-
Foreign securities	91	83	(8)	3	(11)
Bonds	-	-	-	-	-
Stocks, etc.	91	83	(8)	3	(11)
Other securities	1,494	1,587	93	97	(3)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	370,974	370,054	(919)	1,297	(2,216)
Domestic bonds	354,388	353,387	(1,001)	1,196	(2,198)
Domestic stocks	-	-	-	-	-
Foreign securities	15,091	15,080	(11)	3	(14)
Bonds	15,000	14,997	(3)	-	(3)
Stocks, etc.	91	83	(8)	3	(11)
Other securities	1,494	1,587	93	97	(3)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

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

(Millions of yen)

Category	As of September 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	466
Unlisted domestic stocks (excluding over-the-counter stocks)	184
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	282
Total	466

**a. Securities with market value**

(Millions of yen)

Category	As of September 30, 2008				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	269,952	271,768	1,815	2,276	(460)
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	84,888	82,765	(2,122)	5	(2,128)
Domestic bonds	83,341	81,329	(2,011)	5	(2,017)
Domestic stocks	-	-	-	-	-
Foreign securities	52	52	0	0	-
Bonds	-	-	-	-	-
Stocks, etc.	52	52	0	0	-
Other securities	1,494	1,382	(111)	-	(111)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	354,841	354,533	(307)	2,282	(2,589)
Domestic bonds	353,294	353,098	(196)	2,281	(2,477)
Domestic stocks	-	-	-	-	-
Foreign securities	52	52	0	0	-
Bonds	-	-	-	-	-
Stocks, etc.	52	52	0	0	-
Other securities	1,494	1,382	(111)	-	(111)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

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 September 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	342
Unlisted domestic stocks (excluding over-the-counter stocks)	182
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	159
Total	342

**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)
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	-	-	-	-	-
Others	-	-	-	-	-
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	-	-	-	-	-
Others	-	-	-	-	-

**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

**3) Fair value information on monetary trusts**

(Millions of yen)

Category	As of September 30, 2007				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)	Net unrealized gains (losses)	
				Gains	Losses
Monetary trusts	15,853	15,853	-	-	-

(Millions of yen)

Category	As of September 30, 2008				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)	Net unrealized gains (losses)	
				Gains	Losses
Monetary trusts	38,170	38,170	-	-	-

(Millions of yen)

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

**a. Monetary trusts for investment**

(Millions of yen)

Category	As of September 30, 2007		As of September 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)

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

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

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

The company held no real estate as of September 30, 2007 and 2008 as well as March 31, 2008.

## **5) Fair value information on derivative transactions**

### **a. General information**

#### **1. Types of transaction**

The Company uses the following derivative transactions.

- i) Currency-related : currency option transactions
- ii) Interest-related : not applicable
- iii) Stock-related : stock index option transactions
- iv) Bond-related : not applicable

#### **2. Transaction policy**

The Company uses derivative transactions to hedge minimum guarantee risks (guaranteed minimum death benefit risk, guarantee of minimum annuitization value risk) relating to variable annuities.

#### **3. Purpose of use**

In accordance with the transaction policy, derivative transactions are used to hedge against the price fluctuation risks for the underlying assets of separate accounts.

#### **4. Risk profile**

Since the derivative transactions in which the Company is engaged are only put option purchases, it is exposed only to limited risks related to derivative transactions. Since it uses these transactions to hedge fluctuations of minimum guarantee risk from market risks (price fluctuation and currency risk) relating to the underlying assets of separate accounts, the risk of derivative transactions is limited further.

The risk of nonperformance by counterparties is also limited, because the Company only conducts transactions through exchanges or carefully selected OTC dealings with partners with high credit ratings.

#### **5. Risk management**

The policy of hedging minimum guarantee risk relating to variable annuities is stipulated in the Company's internal regulations regarding the execution and monitoring of hedging transactions, and the Company conducts tightly controlled operations in this respect. In the Company's approach to risk management, the front and back offices are separated into the investment section and the clerical and administrative section, which mutually supervise each other. The Total Risk Control Division also ascertains and analyzes all kinds of risks, including derivative transaction risk, and regularly reports to the Board of Directors.

#### **6. Supplemental information**

The Company does not apply hedge accounting to derivative transactions for the purpose of hedging minimum guarantee risk relating to variable annuities.

## b. Gains (losses) on derivatives with and without hedge accounting

### (i) Currency-related transactions

(Millions of yen)

Category	As of September 30, 2007			As of September 30, 2008			As of March 31, 2008			
	Contracted value or notional principal amount		Current market or fair value	Contracted value or notional principal amount		Current market or fair value	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)
	Over 1 Year	Valuation gains (losses)		Over 1 Year	Valuation gains (losses)		Over 1 Year	Valuation gains (losses)		
Over-the-counter transactions										
Currency options:										
Sold:										
Call	-	-	-	-	-	-	-	-	-	-
Put	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]
Bought:										
Call	-	-	-	-	-	-	-	-	-	-
Put	35,175	31,580	[2,441]	32,505	28,657	[3,398]	[1,043]	34,222	30,495	[3,534]
U.S. dollar	[4,508]	[4,330]	[(2,066)]	[4,442]	[4,173]	[(1,043)]		[4,508]	[4,287]	[(974)]
Euro	[3,010]	[2,888]	[1,773]	[2,916]	[2,732]	[2,283]	[(633)]	[2,971]	[2,818]	[2,643]
	13,518	12,170	[668]	12,895	11,425	[1,115]	[(410)]	13,535	12,126	[(645)]
	[1,497]	[1,441]		[1,526]	[1,441]			[1,536]	[1,469]	
Total			(2,066)				(1,043)			(974)

Note: Parenthesized figures are option premiums.

### (ii) Interest-related transactions

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

### (iii) Stock-related transactions

(Millions of yen)

Category	As of September 30, 2007			As of September 30, 2008			As of March 31, 2008			
	Contracted value or notional principal amount		Current market or fair value	Contracted value or notional principal amount		Current market or fair value	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)
	Over 1 Year	Valuation gains (losses)		Over 1 Year	Valuation gains (losses)		Over 1 Year	Valuation gains (losses)		
Over-the-counter transactions										
Stock index options:										
Sold:										
Call	-	-	-	-	-	-	-	-	-	-
Put	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]
Bought:										
Call	-	-	-	-	-	-	-	-	-	-
Put	107,739	100,927	[10,943]	122,362	115,393	[31,789]	[13,319]	110,044	102,932	[25,377]
Nikkei225	[14,469]	[14,077]	[(3,526)]	[18,470]	[17,903]	[(1,043)]		[15,576]	[15,103]	[9,800]
S&P500	94,293	87,675	[8,885]	97,129	90,507	[23,784]	[10,379]	94,094	87,233	[8,174]
DJES 50	[11,996]	[11,615]	[(3,111)]	[13,404]	[12,871]	[3,653]	[1,489]	[12,415]	[11,963]	[20,590]
MSCI KOKUSAI	8,752	8,620	[1,207]	11,428	11,241	[1,489]	[1,880]	10,356	10,187	[3,033]
	[1,470]	[1,463]	[(262)]	[2,164]	[2,147]	[1,006]	[1,280]	[1,880]	[1,867]	[1,152]
	4,693	4,631	[850]	6,146	6,053	[2,460]	[1,006]	5,593	5,511	[473]
	[1,003]	[998]		[1,453]	[1,442]			[1,280]	[1,271]	
	-	-	-	7,658	7,590	[1,890]	[443]	-	-	-
	[ - ]	[ - ]	[ - ]	[1,447]	[1,441]			[ - ]	[ - ]	[ - ]
Total			(3,526)				13,319			9,800

Note: Parenthesized figures are option premiums.

### (iv) Bond-related transactions

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

### (v) Others

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

### 3. Status of Separate Account Assets

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

(Millions of yen)

Category	As of		As of September 30, 2008	As of March 31, 2008	
	September 30, 2007				
Individual variable insurance	3,101		2,366	2,568	
Individual variable annuities	659,188		635,759	588,207	
Total	662,290		638,125	590,775	

#### (2) Status of Individual Variable Insurance (Separate accounts)

##### 1) Total number of policies and total policy amount in force

(Number: Thousands, Millions of yen)

Category	As of		As of		As of	
	September 30, 2007		September 30, 2008		March 31, 2008	
	Number	Amount	Number	Amount	Number	Amount
Variable insurance (term life)	0	15	0	15	0	15
Variable insurance (whole life)	3	12,066	3	11,803	3	11,939
Total	3	12,081	3	11,818	3	11,954

##### 2) Asset composition

(Millions of yen, %)

Category	As of		As of		As of	
	September 30, 2007		September 30, 2008		March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	262	8.4	111	4.7	148	5.8
Securities	2,798	90.2	2,210	93.4	2,390	93.1
Domestic bonds	848	27.3	853	36.1	865	33.7
Domestic stocks	1,047	33.8	676	28.6	776	30.2
Foreign securities	902	29.1	680	28.8	748	29.1
Foreign bonds	316	10.2	418	17.7	304	11.8
Foreign stocks, etc.	585	18.9	262	11.1	443	17.3
Other securities	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other assets	40	1.3	44	1.9	30	1.2
Reserve for possible loan losses	-	-	-	-	-	-
Total assets	3,101	100.0	2,366	100.0	2,568	100.0

##### 3) Net investment income

(Millions of yen)

Category	Six Months Ended		Year Ended March 31, 2008
	September 30, 2007	September 30, 2008	
Interests, dividends and income from real estate for rent	27	24	52
Gains on sale of securities	410	5	419
Gains on redemption of securities	-	-	-
Valuation gains on securities	609	536	494
Foreign exchange gains, net	0	0	0
Gains from derivatives, net	-	-	-
Other investment income	-	-	-
Losses on sale of securities	283	89	315
Amortization of securities	-	-	-
Devaluation losses on securities	743	605	1,032
Foreign exchange losses, net	-	-	-
Losses from derivatives, net	-	-	-
Other investment expenses	0	0	0
Net investment income	20	(128)	(381)

Note: Above net investment income(loss) are stated on the statements of operations as an item of the gains(losses) from separate accounts.

### (3) Status of Individual Variable Annuities (Separate Accounts)

#### 1) Total number of policies and total policy amount in force

(Number: Thousands, Millions of yen)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Number	Amount	Number	Amount	Number	Amount
Individual variable annuities	75	666,983	93	649,212	78	596,807

#### 2) Asset composition

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	17,029	2.6	18,025	2.8	15,912	2.7
Securities	640,109	97.1	615,914	96.9	571,274	97.1
Domestic bonds	-	-	-	-	-	-
Domestic stocks	-	-	-	-	-	-
Foreign securities	1,408	0.2	1,227	0.2	1,201	0.2
Foreign bonds	-	-	-	-	-	-
Foreign stocks, etc.	1,408	0.2	1,227	0.2	1,201	0.2
Other securities	638,700	96.9	614,687	96.7	570,073	96.9
Loans	-	-	-	-	-	-
Other assets	2,050	0.3	1,819	0.3	1,019	0.2
Reserve for possible loan losses	-	-	-	-	-	-
Total assets	659,188	100.0	635,759	100.0	588,207	100.0

#### 3) Net investment income

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Interests, dividends and income from real estate for rent	6,844	1,833	10,221
Gains on sale of securities	-	-	-
Gains on redemption of securities	-	-	-
Valuation gains on securities	97,568	25,831	29,382
Foreign exchange gains, net	-	-	-
Gains from derivatives, net	-	-	-
Other investment income	-	-	-
Losses on sale of securities	20	357	284
Amortization of securities	-	-	-
Devaluation losses on securities	102,955	59,973	116,558
Foreign exchange losses, net	-	-	-
Losses from derivatives, net	-	-	-
Other investment expenses	-	-	-
Net investment income	1,436	(32,665)	(77,238)

**4) Fair value information on securities**  
**a. Valuation gains (losses) on trading securities**

(Millions of yen)

Category	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Current fair value and carrying value	Valuation gains(losses)	Current fair value and carrying value	Valuation gains(losses)	Current fair value and carrying value	Valuation gains(losses)
Trading securities	640,109	(5,387)	615,914	(34,141)	571,274	(87,175)

*Note: The above table includes securities such as monetary trusts on trading securities.*

**b. Fair value information on monetary trusts**

The company held no monetary trusts as of September 30, 2007 and 2008 as well as March 31, 2008.

**c. Fair value information on derivative transactions**

**(i) Interest-related transactions**

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

**(ii) Currency-related transactions**

The Company held no currency-related derivative instruments as of September 30, 2007 and 2008 as well as March 31, 2008.

**(iii) Stock-related transactions**

The Company held no stock-related derivative instruments as of September 30, 2007 and 2008 as well as March 31, 2008.

**(iv) Bond-related transactions**

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

**(v) Others**

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

## 4. Reconciliation to Core Profit and Ordinary Profit

### (1) Reconciliation to Core Profit

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
<b>Core Revenues</b>	<b>96,486</b>	<b>128,689</b>	<b>171,722</b>
Income from insurance premiums	88,081	121,350	134,097
Insurance premiums	85,876	118,793	130,894
Ceded reinsurance recoveries	2,205	2,557	3,203
Investment income	3,693	2,158	4,227
Interest, dividends and income from real estate for rent	2,202	2,087	4,158
Gains on redemption of securities	-	-	14
Other investment income	33	71	53
Gains on separate accounts, net	1,456	-	-
Other ordinary income	4,712	5,180	33,397
Income related to withheld insurance claims and other payments for future annuity payments	4,409	4,346	9,222
Income due to withheld insurance payments	126	87	227
Reversal of reserve for outstanding claims	-	569	-
Reversal of policy and other reserves	-	-	23,593
Reversal of reserve for employees' retirement benefits	171	159	347
Other ordinary income	4	17	7
Other core revenues	-	-	-
<b>Core Expenses</b>	<b>99,881</b>	<b>141,888</b>	<b>189,906</b>
Insurance claims and other payments	50,006	43,327	95,581
Insurance claims	9,840	8,654	20,119
Annuity payments	2,695	2,931	5,720
Insurance benefits	8,976	8,598	18,705
Surrender payments	23,061	17,571	40,103
Other payments	3,487	4,211	7,702
Reinsurance payments	1,945	1,359	3,229
Provision for policy and other reserves	40,413	56,325	101
Investment expenses	54	32,818	77,737
Interest expense	19	0	21
Losses on redemption of securities	-	-	-
Provision for reserve for possible loan losses	0	0	-
Depreciation of real estate for rent	-	-	-
Other investment expenses	33	22	96
Losses on separate accounts, net	-	32,794	77,619
Operating expenses	7,565	8,068	13,605
Other ordinary expenses	1,842	1,349	2,880
Payments related to withheld insurance claims	261	312	599
Taxes	579	709	940
Depreciation	323	318	615
Provision for reserve for employees' retirement benefits	-	-	-
Other ordinary expenses	677	9	725
Other core expenses	-	-	-
<b>Core Profit</b>	<b>(3,395)</b>	<b>(13,199)</b>	<b>(18,183)</b>

**(2) Reconciliation to Ordinary Profit**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Core profit (A)	(3,395)	(13,199)	(18,183)
Capital gains	1,289	3,204	15,602
Gains from monetary trusts, net	(Note 1) 1,012	(Note 1) 3,204	(Note 1) 15,324
Gains on investments in trading securities, net	-	-	-
Gains on sale of securities	276	-	277
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	0	-	0
Others	-	-	-
Capital losses	196	97	213
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sale of securities	189	78	189
Devaluation losses on securities	7	18	24
Losses from derivatives, net	-	-	-
Foreign exchange losses, net	-	-	-
Others	-	-	-
Capital gains/losses (B)	1,093	3,107	15,388
Core profit reflecting capital gains/losses (A+B)	(2,301)	(10,091)	(2,795)
Other one-time gains	84	-	-
Ceding reinsurance recoveries	-	-	-
Reversal of contingency reserve	-	-	-
Others	(Note 2) 84	-	-
Other one-time losses	2,799	4,021	6,871
Reinsurance premiums	-	-	-
Provision for contingency reserve	2,799	2,505	4,275
Provision for specific reserve for possible loan losses	(0)	0	-
Provision for specific reserves for loans to refinancing countries	-	-	-
Write-off of loans	-	-	-
Others	-	(Note 3) 1,515	(Note 3) 2,595
Other one-time gains/losses (C)	(2,715)	(4,021)	(6,871)
Ordinary profit (losses) (A+B+C)	(5,016)	(14,113)	(9,667)

**Notes:**

1. The figures of gains and losses from monetary trusts are equal to gains and losses on derivative 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 regulation. In addition, they include a 234 millions yen of additional premium reserve relating to third sector products, and a 73 million yen of the provision for policy reserve for the scheduled accumulation to net level premium reserve.

## 5. Disclosed Claims Based on Insurance Business Law Standard

(Millions of yen, %)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Claims against bankrupt and quasi-bankrupt obligors	104	110	101
Claims with collection risk	-	-	-
Claims for special attention	-	-	-
Sub-total	104	110	101
[% of Total]	[ 1.16]	[ 1.54]	[ 1.37]
Claims against normal obligors	8,899	7,066	7,350
Total	9,004	7,177	7,452

Notes:

1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in notes 1 or 2 above.
4. Claims against normal obligors are all other loans.
5. The amount of policy loans included in total loan amounts above as of September 30, 2008 is 7,078 million yen, including 47 million yen of claims against bankrupt and quasi-bankrupt obligors, and 7,030 million yen of claims against normal obligors.

## 6. Risk Monitored Loans (Based on Insurance Business Law Guidelines)

(Millions of yen, %)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Loans to bankrupt companies	-	-	-
Past due loans	41	47	38
Loans over due for three months or more	-	-	-
Restructured loans	-	-	-
Total:	41	47	38
[% of total loans]	[ 0.47]	[ 0.68]	[ 0.53]

Notes:

1. Loans to bankrupt companies are loans to borrowers that are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings on which the Company has stopped accruing interest after determining that collection or repayment of principal or interest is impossible due to a significant delay in payment of principal or interest or for some other reason.
2. Past due loans are loans (other than the loans described in note 2 above and the loans for which due dates for interest payments have been rescheduled for purposes of restructuring or supporting the borrower) on which the Company has stopped accruing interest based on self-assessment.
3. Loans over due for three months or more are loans, other than the loans described in notes 2 or 3 above, on which principal and/or interest are in arrears for three months or more.
4. Restructured loans are loans, other than the loans described in notes 2, 3 or 4 above, for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims and/or other terms in favor of the borrower for purposes of restructuring or supporting the borrower.
5. The total amount of risk monitored loans as of September 30, 2008 are comprehensive policy loans. The all amount of policy loans applicable to risk monitored loans are reserved by the amount of surrender and lapse and others.

## [Reference] Reserves for Possible Loan Losses

### (1) Reserves for Possible Loan Losses

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
General reserve	4	4	4
Specific reserve	65	65	65
Specific reserve for loans to refinancing countries	-	-	-
<b>Total</b>	<b>70</b>	<b>70</b>	<b>69</b>

### (2) Specific Reserve for Possible Loan Losses

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Transfer	0	0	0
Reversal	0	0	0
<b>Net transfer</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

Note: The amount of reversal indicated above does not include the amount of reversal made for any specific purpose.

### (3) Specific Reserve for Loans to Refinancing Countries

#### 1) Specific reserve for loans to refinancing countries

The Company held no specific reserve for loans to refinancing countries as of September 30, 2007 and 2008 as well as March 31, 2008.

#### 2) Loan outstanding by country

The Company held no specific reserve for loan outstanding by country as of September 30, 2007 and 2008 as well as March 31, 2008.

### (4) Write-off of Loans

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Write-off of Loans	-	-	-

Note: The amounts of loan write-offs are those representing the portions of the relevant collateralized or guaranteed credits to Bankrupt Debtors and Effectively Bankrupt Debtors that remain unrecoverable, after deduction of the amounts equivalent to those deemed recoverable by way of valuation of collateral or execution of guarantee, and are reduced directly from the relevant aggregate credits.

## [Reference] Self-Assessment of Loans

Self-evaluation means individually reviewing each asset, and categorizing it according to risks in collection or deterioration of the value as an asset, which should provide the basis for adequate write-offs or reservation, and creation of reliable financial. According to their risks in collection or deterioration of the value as an asset, assets are categorized into normal and three classes from Class II - IV.

T&D Financial Life has established the internal criteria for self-evaluation, and write-offs and reservation, and is carrying out strict self-evaluation, and write-offs and reserve.

In the results of self-evaluation as of September 30, 2008, the Company deducted all assets categorized Class IV as uncollectible, and added the adequate reserve. Thus, the Company is making efforts to keep soundness of its assets.

(Millions of yen)

Class	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008	
	Before write-offs / reservation	After write-offs / reservation	Before write-offs / reservation	After write-offs / reservation	Before write-offs / reservation	After write-offs / reservation
Normal	8,940	8,941	7,113	7,114	7,388	7,389
Class II	-	-	-	-	-	-
Class III	-	-	-	-	-	-
Class IV	1	-	1	-	0	-
<b>Total balance of receivables</b>	<b>8,941</b>	<b>8,941</b>	<b>7,114</b>	<b>7,114</b>	<b>7,389</b>	<b>7,389</b>

Note: The total balance of receivables includes loans, securities lent, guarantee endorsements, interest payable and suspense payments in addition to loans. The interest payable and suspense payments included here are limited to those related to loans and securities lent.

## 7. Solvency Margin Ratio

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Total solvency margin (A)	72,091	61,151	68,361
Net assets (less certain items)	31,424	18,204	28,110
Reserve for price fluctuations	404	424	414
Contingency reserve	12,111	16,093	13,587
Reserve for possible loan losses	4	4	4
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent., if gains; x 100 per cent., if losses)	(1,336)	(2,122)	(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	29,094	28,456	27,851
Brought in capital	-	-	-
Deductible items	-	-	-
Others	389	91	91
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	13,343	18,635	14,984
Insurance risk $R_1$	1,691	1,118	1,162
3rd sector insurance risk $R_8$	428	365	403
Assumed investment yield risk $R_2$	378	360	368
Investment risk $R_3$	1,514	1,478	1,441
Business risk $R_4$	445	584	479
Minimum guarantee risk $R_7$	10,829	16,150	12,610
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)}$	1,080.5%	656.2%	912.4%

Notes:

1. 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.
2. "Net assets (less certain items)" represents net assets on the balance sheet less total valuation and translation adjustments.
3. "Excess amount of policy reserve based on Zillmer method" in Total solvency margin above was described as "Excess amount of policy surrender payment" as of September 30, 2007.
4. The figures of "minimum guarantee risk" were calculated on the basis of the regulatory standard.

## 8. Adjusted Net Assets

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Adjusted net assets	64,119	53,926	63,798

**[Reference]**

**Business Results for the Three Months from July 1, 2008 to September 30, 2008**

**1. Business Highlights**

**(1) New Policy Amount**

(Number: Thousand, 100 Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008			
	Number	Amount		
			New Policies	Increase from Conversion
Individual insurance	-	-	-	-
Individual annuities	14	933	933	-
Individual variable annuities	14	933	933	-
Subtotal	14	933	933	-
Group insurance	-	-	-	-
Group annuities	-	-	-	-

**(2) Annualized Premiums of New policies**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Individual insurance	-
Individual annuities	17,963
Total	17,963
3rd Sector	-

**2. Status of General Account Assets**

**(1) Changes in the Amount of Assets by Categories**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Cash and deposits, call loans	3,494
Securities repurchased under resale agreements	-
Pledged money for bond borrowing transaction	-
Monetary claims purchased	-
Securities under proprietary accounts	-
Monetary trusts	10,966
Securities	(5,198)
Domestic bonds	(3,104)
Domestic stocks	(0)
Foreign securities	(1)
Foreign bonds	-
Foreign stocks and other securities	(1)
Other securities	(2,091)
Loans	(46)
Property and equipment	(7)
Deferred tax assets	1,336
Other assets	4,033
Reserve for possible loan losses	(0)
Total assets	14,577
Foreign currency denominated assets	(1)

**(2) Investment Income**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Interests, dividends and income from real estate for rent	1,059
Interest income from deposits	0
Interest income and dividends from securities	963
Interest income from loans	56
Income from real estate for rent	-
Other income from interest and dividends	39
Gains on securities under proprietary accounts	-
Gains from monetary trusts, net	7,966
Gains on investments in trading securities, net	-
Gains on sale of securities	-
Gains on sale of domestic bonds	-
Gains on sale of domestic stocks	-
Gains on sale of foreign securities	-
Other	-
Gains on redemption of securities	-
Gains from derivatives, net	-
Foreign exchange gains, net	-
Other investment income	71
Total	9,097

**(3) Investment Expenses**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Interest expense	0
Losses on securities under proprietary accounts	-
Losses from monetary trusts, net	-
Losses on investments in trading securities, net	-
Losses on sale of securities	2
Losses on sale of domestic bonds	-
Losses on sale of domestic stocks	-
Losses on sale of foreign securities	-
Other	2
Devaluation losses on securities	0
Devaluation losses on domestic bonds	-
Devaluation losses on domestic stocks	-
Devaluation losses on foreign securities	0
Other	-
Amortization of securities	-
Losses from derivatives, net	-
Foreign exchange losses, net	-
Provision for reserve for possible loan losses	0
Write-off of loans	-
Depreciation of real estate for rent	-
Other investment expenses	17
Total	20

**(4) Net Investment Income**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Net investment income	9,076

### 3. Reconciliation to Core Profit and Ordinary Profit

#### (1) Reconciliation to Core Profit

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Core Revenues	105,532
Income from insurance premiums	101,859
Insurance premiums	99,542
Ceded reinsurance recoveries	2,316
Investment income	1,131
Interest, dividends and income from real estate for rent	1,059
Gains on redemption of securities	-
Other investment income	71
Gains on separate accounts, net	-
Other ordinary income	2,541
Income related to withheld insurance claims and other payments for future annuity payments	2,484
Income due to withheld insurance payments	52
Reversal of reserve for outstanding claims	-
Reversal of policy reserve	-
Reversal of reserve for employees' retirement benefits	-
Other ordinary income	4
Other core revenues	-
Core Expenses	121,122
Insurance claims and other payments	22,725
Insurance claims	4,645
Annuity payments	1,478
Insurance benefits	4,516
Surrender payments	9,279
Other payments	2,084
Reinsurance payments	722
Provision for policy and other reserves	41,048
Investment expenses	51,317
Interest expense	0
Losses from redemption of securities	-
Provision for reserve for possible loan losses	0
Depreciation of real estate for rent	-
Other investment expenses	17
Losses on separate accounts, net	51,300
Operating expenses	5,132
Other ordinary expenses	898
Payments related to withheld insurance claims	109
Taxes	546
Depreciation	160
Provision for reserve for employees' retirement benefits	58
Other ordinary expenses	23
Other core expenses	-
Core Profit	(15,590)

**(2) Reconciliation to Ordinary Profit**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Core profit (A)	(15,590)
Capital gains	7,966
Gains from monetary trusts, net	<i>(Note 1)</i> 7,966
Gains on investments in trading securities, net	-
Gains on sales of securities	-
Gains from derivatives, net	-
Foreign exchange gains, net	-
Others	-
Capital losses	2
Losses from monetary trusts, net	-
Losses on investments in trading securities, net	-
Losses on sales of securities	2
Devaluation losses on securities	0
Losses from derivatives, net	-
Foreign exchange losses, net	-
Others	-
Total capital gains/losses (B)	7,963
Core profit reflecting capital gains / losses (A+B)	(7,627)
Other one-time gains	-
Ceding reinsurance recoveries	-
Reversal of contingency reserve	-
Others	-
Other one-time losses	3,745
Reinsurance premiums	-
Provision for contingency reserve	1,270
Provision for specific reserve for possible loan losses	(0)
Provision for specific reserve for loans to refinancing countries	-
Write-off of loans	-
Others	<i>(Note 2)</i> 2,475
Other one-time gains/losses (C)	(3,745)
Ordinary profit (A+B+C)	(11,373)

[Reference]

**T&D Financial Life Unaudited Non-Consolidated Statements of Operations  
for the Three Months from July 1, 2008 to September 30, 2008**

(Millions of yen)

	Three months from July 1, 2008 to September 30, 2008
	Amount
<b>Ordinary revenues</b>	113,498
<b>Income from insurance premiums</b>	101,859
Insurance premiums	99,542
Ceded reinsurance recoveries	2,316
<b>Investment income</b>	9,097
Interest, dividends and income from real estate for rent	1,059
Interest income from deposits	0
Interest income and dividends from securities	963
Interest income from loans	56
Other income from interest and dividends	39
Gains from monetary trusts, net	7,966
Other investment income	71
<b>Other ordinary income</b>	2,541
Income related to withheld insurance claims and other payments for future annuity payments	2,484
Income due to withheld insurance payments	52
Other ordinary profit	4
<b>Ordinary expenses</b>	124,871
<b>Insurance claims and other payments</b>	22,725
Insurance claims	4,645
Annuity payments	1,478
Insurance benefits	4,516
Surrender payments	9,279
Other payments	2,084
Reinsurance premiums	722
<b>Provision for policy and other reserves</b>	44,794
Provision for reserve for outstanding claims	68
Provision for policy reserve	44,724
Interest portion of reserve for policyholder dividends	1
<b>Investment expenses</b>	51,320
Interest expenses	0
Losses on sales of securities	2
Devaluation losses on securities	0
Provision for reserve for possible loan losses	0
Other investment expenses	17
Losses on separate accounts, net	51,300
<b>Operating expenses</b>	5,132
<b>Other ordinary expenses</b>	898
Payments related to withheld insurance claims	109
Taxes	546
Depreciation	160
Provision for reserve for employees' retirement benefits	58
Provision for reserve for directors' and corporate auditors' retirement benefits	15
Other ordinary losses	7
<b>Ordinary loss</b>	11,373

(Millions of yen)

	Three months from July 1, 2008 to September 30, 2008
	Amount
<b>Extraordinary gains</b>	-
<b>Extraordinary losses</b>	6
Losses on disposal of fixed assets	2
Provision for reserve for price fluctuations	4
<b>Provision for reserve for policyholder dividends</b>	4
<b>Loss before income taxes</b>	11,384
<b>Current income taxes</b>	(2,143)
<b>Deferred income taxes</b>	(1,260)
<b>Net loss</b>	7,980

Exhibit
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**The State of Investment in Securitized Products, Sub-prime Related Products and Others**  
**(As of September 30, 2008)**

**1. SPEs**

(Billions of yen)

	Fair value	Net unrealized gains/losses	Realized gains/losses
SPEs	-	-	-
ABCP	-	-	-
SIV	-	-	-
Other products	-	-	-

**2. CDO**

(Billions of yen)

	Rating	Fair value	Net unrealized gains/losses	Realized gains/losses
CDO		0.0	(0.0)	0.0
ABS-CDO		-	-	-
CLO		0.0	(0.0)	0.0
Senior		-	-	0.0
AAA		-	-	0.0
AA		-	-	-
A and below		-	-	-
None		-	-	-
Mezzanine		0.0	(0.0)	0.0
AAA		-	-	-
AA		0.0	(0.0)	0.0
A and below		-	-	-
None		-	-	-
CBO		-	-	-
Other products		-	-	-

### 3. Other sub-prime and ALT-A exposure

(Billions of yen)

	Fair value	Net unrealized gains/losses	Realized gains/losses
Other sub-prime and ALT-A exposure	-	-	-

### 4. CMBS

(Billions of yen)

	Fair value		Net unrealized gains/losses	Realized gains/losses
		(ref.) as of June 30, 2008		
CMBS	-	-	-	-

### 5. Leveraged Finance

(Billions of yen)

	Fair value		Net unrealized gains/losses	Realized gains/losses
		(ref.) as of June 30, 2008		
Leveraged Finance	-	-	-	-

### 6. Other products

None

*Note: Realized gains/losses include interest, dividends and income from real estate for rent.*