

# 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 Taiyo 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	
	Amount	% change	Amount	% change	Core Profit	% change	Amount	% change
Three months ended June 30, 2008	¥283,604 million	-	¥11,174 million	-	¥9,602 million	-	¥3,902 million	-
Three months ended June 30, 2007	¥286,506 million	(7.0)	¥28,008 million	(6.0)	¥14,700 million	64.5	¥12,191 million	(22.1)

	Net Income per Share
Three months ended June 30, 2008	¥2,601.85
Three months ended June 30, 2007	¥8,127.36

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	¥6,174,685 million	¥277,445 million	4.5%	¥184,963.98
As of March 31, 2008	¥6,185,591 million	¥254,331 million	4.1%	¥169,554.13

Note: Shareholder's equity: as of June 30, 2008: ¥277,445 million; as of March 31, 2008: ¥254,331 million.

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

Taiyo 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: Applicable
- (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 : 1,500,000  
as of March 31, 2008 : 1,500,000
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 : 1,500,000  
for the fiscal year ended March 31, 2008 : 1,500,000

## Taiyo Life Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

	As of	As of
	June 30, 2008	March 31, 2008
	Amount	Amount
<b>Assets:</b>		
Cash and deposits	46,444	37,364
Cash	689	654
Deposit	45,754	36,709
Call loans	68,400	122,500
Monetary claims purchased	156,312	160,503
Securities	4,199,076	4,152,424
Government bonds	1,298,804	1,161,894
Municipal bonds	373,247	443,854
Corporate bonds	863,970	969,354
Domestic stocks	663,574	638,532
Foreign securities	929,072	867,227
Other securities	70,406	71,560
Loans	1,485,024	1,481,880
Policy loans	99,716	101,868
Commercial loans	1,385,308	1,380,012
Tangible fixed assets	161,373	162,216
Land	98,382	98,424
Buildings	62,488	63,287
Lease assets	27	-
Construction in progress	0	2
Other tangible fixed assets	474	501
Intangible fixed assets	10,773	10,429
Software	10,349	10,004
Other intangible fixed assets	424	425
Due from reinsurers	4	93
Other assets	49,815	49,438
Accounts receivable	14,638	5,056
Prepaid expenses	2,685	911
Accrued income	23,612	24,684
Deposit for rent	920	921
Derivatives	2,405	12,837
Suspense payable	2,434	1,916
Other assets	3,119	3,111
Deferred tax assets	-	11,299
Reserve for possible loan losses	(2,539)	(2,558)
<b>Total assets</b>	<b>6,174,685</b>	<b>6,185,591</b>

(Millions of yen)

	As of	As of
	June 30, 2008	March 31, 2008
	Amount	Amount
<b>Liabilities:</b>		
Policy reserves	5,681,695	5,731,104
Reserve for outstanding claims	21,047	21,542
Policy reserve	5,603,418	5,652,015
Reserve for policyholder dividends	57,228	57,546
Due to reinsurers	95	36
Subordinated bond	20,000	20,000
Other liabilities	84,213	71,121
Subordinated payable	35,000	35,000
Income taxes payable	808	2,466
Accounts payable	20,156	13,450
Accrued expenses	6,456	9,655
Unearned income	631	630
Deposit received	3,108	522
Guarantee deposits	6,398	6,445
Derivatives	10,476	2,027
Lease obligations	28	-
Suspense receipt	1,146	919
Other liabilities	3	3
Reserve for bonus to directors and corporate auditors	10	41
Reserve for employees' retirement benefits	33,246	33,250
Reserve for directors' and corporate auditors' retirement benefits	1,415	1,700
Reserve for price fluctuations	63,384	63,296
Deferred tax liabilities	2,478	-
Deferred tax liabilities on land revaluation	10,700	10,708
<b>Total liabilities</b>	<b>5,897,239</b>	<b>5,931,259</b>
<b>Net Assets:</b>		
Common stock	37,500	37,500
Capital surplus	37,500	37,500
Retained earnings	87,400	91,333
Other retained earnings	87,400	91,333
Provision for advanced depreciation on real estate	593	596
General reserve	40,000	40,000
Unappropriated retained earnings	46,807	50,737
Total stockholders' equity	162,400	166,333
Net unrealized gains on securities	163,332	136,133
Deferred gains on hedging instruments	(257)	(121)
Land revaluation	(48,029)	(48,014)
Total valuation and translation adjustments	115,045	87,997
<b>Total net assets</b>	<b>277,445</b>	<b>254,331</b>
<b>Total liabilities and net assets</b>	<b>6,174,685</b>	<b>6,185,591</b>

## Taiyo Life Unaudited Non-Consolidated Statements of Operations

(Millions of yen)

	Three months ended June 30, 2008
	Amount
<b>Ordinary revenues</b>	283,604
<b>Income from insurance premiums</b>	172,263
Insurance premiums	172,263
<b>Investment income</b>	50,561
Interest, dividends and income from real estate for rent	30,981
Interest income from deposits	17
Interest income and dividends from securities	20,623
Interest income from loans	7,517
Interest from real estate for rent	1,950
Other income from interest and dividends	872
Gains on sales of securities	19,302
Foreign exchange gains, net	48
Other investment income	37
Gains on separate account, net	191
<b>Other ordinary income</b>	60,780
Income related to withheld insurance claims and other payments for future annuity payments	49
Income due to withheld insurance payments	10,855
Reversal of reserve for outstanding claims	494
Reversal of policy reserve	48,596
Reversal of reserve for employees' retirement benefits	3
Other ordinary income	780
<b>Ordinary expenses</b>	272,430
<b>Insurance claims and other payments</b>	220,606
Insurance claims	96,492
Annuity payments	43,230
Insurance benefits	32,096
Surrender payments	21,747
Other payments	26,948
Reinsurance premiums	91
<b>Provision for policy and other reserves</b>	27
Interest portion of reserve for policyholder dividends	27
<b>Investment expenses</b>	18,590
Interest expenses	401
Losses on sales of securities	7,501
Devaluation losses on securities	2,043
Losses from derivatives, net	7,316
Write-off of loans	6
Depreciation of real estate for rent	579
Other investment expenses	741
<b>Operating expenses</b>	19,747
<b>Other ordinary expenses</b>	13,458
Payments related to withheld insurance claims	10,370
Taxes	1,221
Depreciation	1,217
Other ordinary losses	648
<b>Ordinary profit</b>	11,174

(Millions of yen)

	Three months ended
	June 30, 2008
	Amount
<b>Extraordinary gains</b>	18
Reversal of reserve for possible loan losses	18
Recoveries of bad debts previously written-off	0
<b>Extraordinary losses</b>	93
Losses on disposal of fixed assets	5
Provision for reserve for price fluctuations	87
<b>Provision for reserve for policyholder dividends</b>	3,259
<b>Income before income taxes</b>	7,839
<b>Current income taxes</b>	5,024
<b>Deferred income taxes</b>	(1,087)
<b>Net income</b>	3,902

[Reference]

**Unaudited Non-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>	286,506
<b>Income from insurance premiums</b>	179,446
Insurance premiums	179,415
Ceded reinsurance recoveries	31
<b>Investment income</b>	60,280
Interest, dividends and income from real estate for rent	35,251
Interest income from deposits	52
Interest income and dividends from securities	24,471
Interest income from loans	7,582
Interest from real estate for rent	1,958
Other income from interest and dividends	1,186
Gains on sales of securities	24,594
Foreign exchange gains, net	139
Other investment income	22
Gains on separate account, net	271
<b>Other ordinary income</b>	46,778
Income related to withheld insurance claims and other payments for future annuity payments	89
Income due to withheld insurance payments	7,676
Reversal of reserve for outstanding claims	59
Reversal of policy reserve	38,123
Reversal of reserve for employees' retirement benefits	120
Other ordinary income	708
<b>Ordinary expenses</b>	258,497
<b>Insurance claims and other payments</b>	215,796
Insurance claims	107,089
Annuity payments	39,878
Insurance benefits	28,989
Surrender payments	23,760
Other payments	15,980
Reinsurance premiums	97
<b>Provision for policy and other reserves</b>	24
Interest portion of reserve for policyholder dividends	24
<b>Investment expenses</b>	13,958
Interest expenses	436
Losses on sales of securities	4,994
Devaluation losses on securities	786
Losses from derivatives, net	6,324
Provision for reserve for possible loan losses	3
Write-off of loans	9
Depreciation of real estate for rent	604
Other investment expenses	799
<b>Operating expenses</b>	18,926
<b>Other ordinary expenses</b>	9,792
Payments related to withheld insurance claims	6,496
Taxes	1,195
Depreciation	1,323
Other ordinary losses	777
<b>Ordinary profit</b>	28,008

(Millions of yen)

	Three months ended June 30, 2007
	Amount
<b>Extraordinary gains</b>	0
Recoveries of bad debts previously written-off	0
<b>Extraordinary losses</b>	5,227
Losses on disposal of fixed assets	35
Impairment loss	1
Provision for reserve for price fluctuations	5,191
<b>Provision for reserve for policyholder dividends</b>	3,696
<b>Income before income taxes</b>	19,084
<b>Current income taxes</b>	8,643
<b>Deferred income taxes</b>	(1,750)
<b>Net income</b>	12,191

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

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# 1. Business Highlights

## (1) Total Policy Amount in Force and New Policy Amount

### 1) 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	% Change	Amount	% Change	Number	% Change	Amount	% Change	Number	Amount
Individual annuities	1,302	96.4	37,890	95.7	1,278	98.2	36,852	97.3	1,284	37,138
Sub total	4,414	94.5	175,533	98.3	4,196	95.1	171,988	98.0	4,255	171,822
Group insurance	-	-	105,552	100.5	-	-	103,636	98.2	-	103,637
Group annuities	-	-	7,881	101.0	-	-	7,502	95.2	-	7,604

Notes:

- The policy amounts in force for individual annuities are equal to the fund 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.
- 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	% Change	Amount	% Change	New policies	Net increase from conversion
Individual annuities	10	451.7	260	6,506.6	284	(24)
Sub total	68	77.4	4,561	56.0	3,770	791
Group insurance	-	-	63	166.8	63	-
Group annuities	-	-	-	-	-	-

Category	Three months ended June 30, 2008					
	Number	% Change	Amount	% Change	New policies	Net increase from conversion
Individual annuities	14	141.8	345	132.8	364	(19)
Sub total	70	102.6	5,018	110.0	4,227	790
Group insurance	-	-	10	16.5	10	-
Group annuities	-	-	0	-	0	-

Category	Year ended March 31, 2008					
	Number	% Change	Amount	% Change	New policies	Net increase from conversion
Individual annuities	42	295.9	1,020	502.3	1,097	(77)
Sub total	239	83.7	14,741	69.3	12,131	2,609
Group insurance	-	-	727	142.4	727	-
Group annuities	-	-	0	313.6	0	-

Notes:

- The number of new policies includes increase from conversion.
- The new policy amount including net increase from conversion for individual annuities is funds to be held at the time annuity payments are to commence for an annuity.
- The new policy amount for group annuities is equal to the initial premium payment.

## (2) 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	450,902	93.9	424,188	94.1	431,361	94.1
Individual annuities	204,695	99.1	206,921	101.1	206,007	100.7
Total	655,598	95.4	631,109	96.3	637,368	96.2
3rd sector products, included	111,921	100.9	110,959	99.1	111,075	99.1

### 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	7,538	71.7	7,183	95.3	25,075	73.5
Individual annuities	1,902	771.9	2,709	142.4	7,692	312.4
Total	9,441	87.7	9,893	104.8	32,768	89.5
3rd sector products, included	2,691	67.8	2,558	95.1	9,548	72.7

Notes:

1. The new policies include net increase from conversion.
2. The amounts are calculated by multiplying monthly premiums by 12, and dividing lump-sum payments by the insurance period.
3. 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.

## (3) Policy Amount by Dividend Type (Individual Insurance and Annuities)

### 1) Policy amount in force

(100 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
Participating	60,592	34.5	53,053	30.8	55,201	32.1
Semi-participating	41,301	23.5	41,202	24.0	41,127	23.9
Non-participating	73,639	42.0	77,732	45.2	75,493	43.9
Total	175,533	100.0	171,988	100.0	171,822	100.0

### 2) New policy amount

(100 Millions of yen, %)

Category	Three months ended June 30, 2007		Three months ended June 30, 2008		Year ended March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Participating	1	0.0	4	0.1	1	0.0
Semi-participating	757	20.1	826	19.5	2,586	21.3
Non-participating	3,011	79.9	3,396	80.3	9,543	78.7
Total	3,770	100.0	4,227	100.0	12,131	100.0

Notes:

1. Semi-participating policies only pay dividends related to investment every five years.
2. The new policy amounts do not include net increase from conversion.

**(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	40	96.2	3,555	96.6	36	90.2	3,014	84.8	153	12,908
Individual annuities	4	81.3	148	83.1	4	87.4	128	86.5	19	577
Total	45	94.3	3,704	95.9	41	89.9	3,143	84.9	173	13,486

**(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	2.57	2.24	9.34
Individual annuities	0.39	0.35	1.51
Total	2.10	1.83	7.64

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	149,172	2.3	114,605	1.9	159,654	2.6
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	154,743	2.3	156,312	2.5	160,503	2.6
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	-	-	-	-	-	-
Securities	4,587,041	69.4	4,193,194	68.0	4,146,702	67.1
Domestic bonds	2,584,180	39.1	2,534,030	41.1	2,573,066	41.6
Domestic stocks	913,145	13.8	661,667	10.7	636,779	10.3
Foreign securities	990,939	15.0	927,090	15.0	865,294	14.0
Bonds	686,269	10.4	531,833	8.6	560,613	9.1
Stock, etc.	304,669	4.6	395,257	6.4	304,681	4.9
Other securities	98,775	1.5	70,406	1.1	71,560	1.2
Loans	1,507,862	22.8	1,485,024	24.1	1,481,880	24.0
Policy loans	103,136	1.6	99,716	1.6	101,868	1.6
Commercial loans	1,404,725	21.2	1,385,308	22.5	1,380,012	22.3
Property and equipment	163,225	2.5	160,872	2.6	161,714	2.6
Deferred tax assets	-	-	-	-	11,299	0.2
Deferred tax assets concerning revaluation	-	-	-	-	-	-
Other assets	52,850	0.8	61,057	1.0	60,421	1.0
Reserve for possible loan losses	(2,367)	(0.0)	(2,539)	(0.0)	(2,558)	(0.0)
Total	6,612,528	100.0	6,168,527	100.0	6,179,618	100.0
Foreign currency denominated assets included	888,506	13.4	744,541	12.1	721,906	11.7

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

### 1) Fair value information on securities

(those with current fair value out of securities excluding trading securities)

#### a. Securities with market value

(Millions of yen)

Category	As of June 30, 2007				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized	
				Gains	Losses
Held-to-maturity securities	374,751	366,143	(8,608)	826	9,434
Domestic bonds	237,671	231,277	(6,394)	723	7,117
Monetary claims purchased	133,079	130,866	(2,213)	102	2,316
Certificates of deposit	4,000	3,999	(0)	-	0
Policy reserve matching bonds	1,683,750	1,668,363	(15,387)	2,757	18,145
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,001,131	2,575,803	574,671	586,711	12,039
Domestic bonds	663,607	662,757	(849)	3,444	4,294
Domestic stocks	401,885	896,121	494,235	497,346	3,110
Foreign securities	829,837	899,507	69,670	73,623	3,952
Bonds	671,704	686,269	14,564	17,561	2,996
Stock, etc.	158,132	213,237	55,105	56,061	956
Other securities	83,576	95,753	12,177	12,284	107
Money claims purchased	22,225	21,663	(562)	11	573
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,059,634	4,610,310	550,676	590,294	39,618
Domestic bonds	2,585,029	2,562,398	(22,631)	6,926	29,557
Domestic stocks	401,885	896,121	494,235	497,346	3,110
Foreign securities	829,837	899,507	69,670	73,623	3,952
Bonds	671,704	686,269	14,564	17,561	2,996
Stock, etc.	158,132	213,237	55,105	56,061	956
Other securities	83,576	95,753	12,177	12,284	107
Monetary claims purchased	155,305	152,529	(2,775)	114	2,889
Certificates of deposit	4,000	3,999	(0)	-	0
Others	-	-	-	-	-

Note: The above table includes assets such as certificates of deposits which are permitted to be treated 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	-
Others	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	4,680
Available-for-sale securities	105,662
Unlisted domestic stocks	12,343
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	93,319
Total	110,343

**a. Securities with market value**

(Millions of yen)

Category	As of June 30, 2008				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized	
				Gains	Losses
Held-to-maturity securities	373,891	370,834	(3,056)	1,856	4,912
Domestic bonds	237,746	234,722	(3,023)	1,046	4,070
Monetary claims purchased	136,144	136,112	(32)	809	842
Certificates of deposit	-	-	-	-	-
Policy reserve matching bonds	1,384,264	1,400,338	16,073	17,900	1,826
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,301,512	2,555,572	254,059	305,360	51,300
Domestic bonds	905,017	912,019	7,001	8,483	1,482
Domestic stocks	386,920	645,299	258,378	267,586	9,208
Foreign securities	914,262	910,908	(3,353)	28,049	31,403
Bonds	531,825	531,833	7	9,050	9,042
Stock, etc.	382,436	379,075	(3,361)	18,999	22,360
Other securities	74,833	67,176	(7,656)	1,164	8,821
Money claims purchased	20,478	20,167	(310)	75	385
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,059,668	4,326,745	267,076	325,116	58,039
Domestic bonds	2,527,028	2,547,080	20,051	27,430	7,378
Domestic stocks	386,920	645,299	258,378	267,586	9,208
Foreign securities	914,262	910,908	(3,353)	28,049	31,403
Bonds	531,825	531,833	7	9,050	9,042
Stock, etc.	382,436	379,075	(3,361)	18,999	22,360
Other securities	74,833	67,176	(7,656)	1,164	8,821
Monetary claims purchased	156,622	156,279	(342)	885	1,228
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

Note: The above table includes assets such as certificates of deposits which are permitted to be treated 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	-
Others	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	4,680
Available-for-sale securities	30,362
Unlisted domestic stocks	11,687
Unlisted foreign stocks	4,061
Unlisted foreign bonds	-
Others	14,614
Total	35,043

**a. Securities with market value**

( 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
Held-to-maturity securities	376,807	381,229	4,421	6,130	1,709
Domestic bonds	235,392	236,794	1,402	3,065	1,663
Monetary claims purchased	139,415	142,434	3,019	3,065	45
Certificates of deposit	2,000	2,000	0	0	-
Policy reserve matching bonds	1,604,753	1,654,025	49,272	49,438	166
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,080,911	2,293,907	212,996	275,792	62,796
Domestic bonds	720,431	732,920	12,489	12,750	260
Domestic stocks	409,839	620,411	210,571	228,968	18,396
Foreign securities	850,185	850,911	725	32,700	31,974
Bonds	553,216	560,613	7,396	13,915	6,518
Stock, etc.	296,968	290,297	(6,670)	18,785	25,456
Other securities	79,599	68,575	(11,023)	1,094	12,118
Money claims purchased	20,855	21,087	232	278	46
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,062,472	4,329,162	266,689	331,362	64,672
Domestic bonds	2,560,576	2,623,741	63,164	65,254	2,090
Domestic stocks	409,839	620,411	210,571	228,968	18,396
Foreign securities	850,185	850,911	725	32,700	31,974
Bonds	553,216	560,613	7,396	13,915	6,518
Stock, etc.	296,968	290,297	(6,670)	18,785	25,456
Other securities	79,599	68,575	(11,023)	1,094	12,118
Monetary claims purchased	160,271	163,522	3,251	3,343	92
Certificates of deposit	2,000	2,000	0	0	-
Others	-	-	-	-	-

## Notes:

- The above table includes assets such as certificates of deposits which are permitted to be treated as equivalent to securities defined in the Financial Instruments and Exchange Law.
- For the year ended March 31, 2008, the foreign preferred securities (cost/carrying value before mark-to-market: 93,710 million yen, current fair value: 93,948 million yen, net unrealized gains/losses: a gain of 238 million yen) classified as "securities without any current fair value" was changed its category to "securities with current fair value" ("Other securities" in "Available-for-sale securities").

**b. Securities without market value (Carrying value)** ( Millions of yen )

Category	As of March 31, 2008
Held-to-maturity securities	-
Unlisted foreign bonds	-
Others	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	4,680
Available-for-sale securities	29,388
Unlisted domestic stocks (except OTC-traded stocks)	11,687
Unlisted foreign stocks (except OTC-traded stocks)	4,061
Unlisted foreign bonds	-
Others	13,639
Total	34,069

## 2) Fair value information on monetary trusts

The Company held no monetary trusts as of June 30, 2007 and 2008, and as of March 31, 2008.

## 3) Fair value information on real estate

(Millions of yen)

Category	As of June 30, 2007				
	Carrying value	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Land	99,239	112,119	12,879	22,474	9,594
Leasehold	156	117	(39)	12	51
Total	99,396	112,237	12,840	22,486	9,645

(Millions of yen)

Category	As of June 30, 2008				
	Carrying value	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Land	98,382	134,316	35,934	43,146	7,212
Leasehold	156	130	(26)	13	39
Total	98,539	134,447	35,907	43,160	7,252

(Millions of yen)

Category	As of March 31, 2008				
	Carrying value	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Land	98,424	134,258	35,833	43,045	7,211
Leasehold	156	130	(26)	13	39
Total	98,581	134,388	35,807	43,058	7,251

Note: Current fair value are calculated based on the appraisal price and posted price.

## 4) Fair value information on derivative transactions (total transactions which hedge accounting applied and not applied)

### a. Breakdown of net gains/losses (breakdown of transactions which hedge accounting applied and not applied)

As of June 30, 2008

(Millions of yen)

Category	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(765)	(7,895)	224	-	-	(8,436)
Hedge accounting not applied	-	4	-	-	-	4
Total	(765)	(7,891)	224	-	-	(8,431)

Note: Accrued interest of interest-related net gains/losses applied hedge accounting [60 million yen], currency-related net gains/losses with fair value hedge accounting [(7,895) million yen], stock-related net gains/losses with fair value hedge accounting [224 million yen], and net gains/losses not applied hedge accounting are recorded on the statement of operations.

**b. Interest-related derivative transactions**

(Millions of yen)

Category	Type	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
OTC	Interest rate swaps Receipts fixed, payments floating	143,679	115,290	(1,826)	143,166	123,208	(765)	144,827	121,783	1,298	1,298
Total				(1,826)			(765)				1,298

Note: Valuation gains/losses indicates the current market or fair value.

**c. Currency-related derivative transactions**

(Millions of yen)

Category	Type	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
OTC	Exchange contracts												
	Sold	477,005	-	486,340	(9,334)	397,233	-	405,099	(7,865)	417,923	-	408,036	9,887
	US dollar	143,788	-	146,755	(2,966)	143,723	-	144,249	(526)	146,921	-	138,360	7,930
	Euro	233,791	-	237,834	(4,042)	171,065	-	176,580	(5,515)	190,955	-	191,321	(366)
	British pound	14,088	-	14,492	(403)	9,951	-	10,394	(443)	10,003	-	9,737	266
	Canadian dollar	41,604	-	42,837	(1,233)	36,422	-	36,841	(419)	35,233	-	32,669	2,564
	Swedish krona	43,708	-	44,396	(687)	31,589	-	32,572	(982)	35,439	-	35,947	(508)
	Hong Kong dollar	24	-	24	(0)	4,481	-	4,459	21	-	-	-	-
	Bought	8,247	-	8,239	(8)	4,746	-	4,721	(25)	-	-	-	-
	US dollar	-	-	-	-	264	-	260	(3)	-	-	-	-
Euro	4,671	-	4,673	1	-	-	-	-	-	-	-	-	
Hong Kong	3,575	-	3,566	(9)	4,482	-	4,460	(21)	-	-	-	-	
Total				(9,342)			(7,891)					9,887	

Notes:

1. Exchange rate as of the end of each fiscal year is used for futures rate.

2. This disclosure excludes foreign-currency-dominated monetary receivables and payables which are recorded in yen in the balance sheet, for the reason the settlement amount in yen is fixed based on the exchange contract.

3. Valuation gains/losses indicates the difference between the contracted amount and the current fair value in futures transaction and forward agreements.

**d. Stock-related derivative transactions**

(Millions of yen)

Category	Type	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
OTC	Future contracts											
	Sold											
	Put	-	-	-	24,124	-	23,900	224	22,135	-	21,020	1,115
Total							224				1,115	

Notes:

1. Figures in parentheses indicates option premiums in the balance sheets.

2. Valuation gains/losses indicates the difference between the option premium and the current market or fair value.

**e. Bond-related derivative transactions**

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

**f. Others**

The Company held no other derivatives 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	7,084	6,158	5,975
Individual variable annuities	-	-	-
Group annuities	-	-	-
Total	7,084	6,158	5,975

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

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

(Number, 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)	294	319	269	293	274	298
Variable insurance (whole life)	527	1,502	521	1,492	522	1,492
Total	821	1,821	790	1,786	796	1,790

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

(Number, 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 annuities (variable investment type)	-	-	-	-	-	-
Variable annuities (guaranteed living benefit type)	-	-	-	-	-	-
Total	-	-	-	-	-	-

## 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
<b>Core Revenues</b>	261,082	265,164	929,482
Income from Insurance Premiums	179,446	172,263	635,739
Insurance premiums	179,415	172,263	635,544
Ceded reinsurance recoveries	31	-	195
Investment Income	35,546	31,210	142,323
Interest, dividends and income from real estate for rent	35,251	30,981	142,024
Other investment income	22	37	299
Gains on separate accounts, net	271	191	-
Other Ordinary Income	46,089	61,690	151,420
Income related to withheld insurance claims and other payments for future annuity payments	89	49	360
Income due to withheld insurance payments	7,676	10,855	32,807
Reversal of reserve for outstanding claims	59	494	578
Reversal of policy reserves (except contingency reserve)	37,434	49,507	115,528
Reversal of reserve for employees' retirement benefits	120	3	-
Other ordinary income	708	780	2,143
Other Core Revenues	-	-	-
<b>Core Expenses</b>	246,382	255,562	876,419
Insurance Claims and Other Payments	215,796	220,606	747,133
Insurance claims	107,089	96,492	318,842
Annuity payments	39,878	43,230	139,962
Insurance benefits	28,989	32,096	107,257
Surrender payments	23,760	21,747	97,958
Other payments	15,980	26,948	82,868
Reinsurance payments	97	91	243
Provision for Policy and Other Reserves	24	27	105
Investment Expenses	1,842	1,722	9,248
Interest expenses	436	401	1,674
Provision for general reserve for possible loan losses	2	-	188
Depreciation of real estate for rent	604	579	2,434
Other investment expenses	799	741	4,149
Losses on separate accounts, net	-	-	800
Operating Expenses	18,926	19,747	77,088
Other Ordinary Expenses	9,792	13,458	42,843
Payments related to withheld insurance claims	6,496	10,370	28,605
Taxes	1,195	1,221	4,686
Depreciation	1,323	1,217	5,089
Provision for reserve for employees' retirement benefits	-	-	1,531
Other ordinary losses	777	648	2,930
Other Core Expenses	-	-	-
<b>Core Profit</b>	14,700	9,602	53,063

**(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)	14,700	9,602	53,063
Capital gains	24,734	19,350	87,291
Gains from monetary trusts, net	-	-	-
Gains on investments in trading securities, net	-	-	-
Gains on sale of securities	24,594	19,302	87,291
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	139	48	-
Others	-	-	-
Capital losses	12,106	16,861	66,840
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sale of securities	4,994	7,501	51,942
Devaluation losses on securities	786	2,043	7,724
Losses from derivatives, net	6,324	7,316	7,065
Foreign exchange losses, net	-	-	107
Others	-	-	-
Total capital gains/losses (B)	12,628	2,489	20,451
Core profit reflecting capital gains/losses (A) + (B)	27,329	12,091	73,514
Other one-time gains	688	-	-
Ceding reinsurance recoveries	-	-	-
Reversal of contingency reserve	688	-	-
Others	-	-	-
Other one-time losses	9	917	16,476
Reinsurance premiums	-	-	-
Provision for contingency reserve	-	910	16,432
Provision for specific reserve for possible loan losses	0	-	5
Provision for specific reserve for loans to refinancing countries	-	-	-
Write-off of loans	9	6	37
Others	-	-	-
Other one-time gains/losses (C)	679	(917)	(16,476)
Ordinary profit (A) + (B) + (C)	28,008	11,174	57,038

### (3) Average Assumed Investment Yield and 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	4,339	7,398	17,602
Investment yield on core profit (annualized)	2.42%	2.16%	2.40%
Average assumed investment yield (annualized)	2.73%	2.70%	2.72%
Individual insurance and annuities, included	2.97%	2.93%	2.96%
Policy reserve in general account	5,627,241	5,506,328	5,531,936

*Notes:*

*1. Method of calculating negative spread:*

*(Investment yield on core profit [0.53%] - Average assumed investment yield [0.67%]) x Policy reserve in general account [5,506.3] billion yen*

*2. Investment yield on core profit and average assumed investment yield as in the note 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 account.*

*4. Average assumed investment yield is calculated by dividing numerator as assumed interest (general account only) by denominator as policy reserve in general account.*

*5. Policy reserve in general account represents the earned policy reserve calculated for policy reserve in general account less contingency reserve by Hardy method as follows:*

*Hardy method: (Policy reserve at the beginning of fiscal year + Policy reserve at the end of fiscal year - Assumed interests) x (1/2)*

## 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)	985,565	740,542	698,527
Common stock, etc. (less certain items)	165,516	161,250	158,482
Reserve for price fluctuations	47,754	63,384	63,296
Contingency reserve	84,860	102,892	101,982
Reserve for possible loan losses	1,450	1,616	1,636
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent, if gains; x 100 per cent, if losses)	518,225	229,315	191,396
Net unrealized gains (losses) on real estate (x 85 per cent, if gains; x 100 per cent, if losses)	(24,874)	(1,421)	(1,498)
Excess amount of policy reserve based on Zillmer method	58,835	50,640	52,370
Unallotted portion of reserve for policyholder dividends	20,900	22,154	21,715
Future profits	6,757	6,982	6,982
Deferred tax assets	51,137	48,726	47,163
Subordinated debt	55,000	55,000	55,000
Deductible items	-	-	-
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	165,521	148,252	139,617
Insurance risk $R_1$	27,509	27,246	27,378
Assumed investment yield risk $R_2$	23,470	22,599	22,889
Investment risk $R_3$	134,206	117,774	108,708
Business risk $R_4$	3,865	3,512	3,339
Minimum guarantee risk $R_7$	16	16	16
3rd sector insurance risk $R_8$	8,062	7,970	7,969
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,190.8%	999.0%	1,000.6%

Notes:

- Figures were calculated on the basis of the provisions of Articles 86 and 87 of the Enforcement Ordinance of Insurance Business Law as well as Notification No. 50 of 1996 by the Ministry of Finance. Figures and considered appropriate by the Company.
- "Common stock, etc. (less certain items)" represents net assets on the balance sheet less total valuation and translation adjustments, and estimated appropriation paid in cash.
- "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 risks" were calculated on the basis of the regulatory standard.

## 6. Adjusted Net Assets

(Millions of yen)

Item	As of June 30, 2007	As of June 30, 2008	As of March 31, 2008
Adjusted net assets	895,051	656,906	659,726

Note: Adjusted net assets are calculated based on the regulatory standard.