

## **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
				% Change	% Change from previous FYE		% Change	% Change from previous FYE		
Individual insurance	3,064	136,017	2,872	93.7	96.7	134,085	98.6	99.6	2,970	134,683
Individual annuities	1,296	37,652	1,272	98.2	99.1	36,613	97.2	98.6	1,284	37,138
Sub total	4,361	173,670	4,145	95.1	97.4	170,698	98.3	99.3	4,255	171,822
Group insurance	-	104,724	-	-	-	103,135	98.5	99.5	-	103,637
Group annuities	-	7,839	-	-	-	7,084	90.4	93.2	-	7,604

Notes: 1. Policy amounts 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.  
2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserve.  
3. % Changes are presented in comparison with the same term of previous fiscal year (hereinafter, same if not mentioned otherwise).

### (2) New Policy Amount

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

Category	Six months ended September 30, 2007					
	Number		Amount		New policies	Net increase from conversion
		% Change		% Change		
Individual insurance	98	68.5	6,756	57.7	5,525	1,231
Individual annuities	19	351.6	483	912.0	522	(38)
Sub total	118	79.0	7,240	61.5	6,047	1,192
Group insurance	-	-	524	236.8	524	-
Group annuities	-	-	0	-	0	-

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

Category	Six months ended September 30, 2008					
	Number		Amount		New policies	Net increase from conversion
		% Change		% Change		
Individual insurance	94	95.0	7,169	106.1	5,988	1,181
Individual annuities	25	130.8	616	127.5	645	(28)
Sub total	119	100.9	7,786	107.5	6,634	1,152
Group insurance	-	-	63	12.1	63	-
Group annuities	-	-	0	1,182.5	0	-

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

Category	Year ended March 31, 2008					
	Number		Amount		New policies	Net increase from conversion
		% Change		% Change		
Individual insurance	196	72.5	13,721	65.1	11,034	2,686
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: 1. The number of new policies includes increase from conversion.  
2. 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.  
3. The new policy amount for group annuity is equal to the initial premium payment.

### (3) Annualized Premiums

#### a) Policies in force

(Millions of yen, %)

Category	As of September 30, 2007		As of September 30, 2008			As of March 31, 2008	
	Amount	% Change	Amount	% Change	% Change from previous FYE	Amount	% Change
Individual insurance	444,310	93.8	417,712	94.0	96.8	431,361	94.1
Individual annuities	204,994	99.5	207,625	101.3	100.8	206,007	100.7
Total	649,304	95.5	625,337	96.3	98.1	637,368	96.2
3rd sector products, included	111,428	99.9	110,291	99.0	99.3	111,075	99.1

#### b) New policies

(Millions of yen, %)

Category	Six months ended September 30, 2007		Six months ended September 30, 2008		Year ended March 31, 2008	
	Amount	% Change	Amount	% Change	Amount	% Change
Individual insurance	12,807	71.4	12,054	94.1	25,075	73.5
Individual annuities	3,621	430.1	4,854	134.1	7,692	312.4
Total	16,428	87.5	16,909	102.9	32,768	89.5
3rd sector products, included	4,673	67.6	4,226	90.4	9,548	72.7

- Notes:
1. The new policies include net increase from conversion.
  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.
  3. The amounts are calculated by multiplying monthly premiums by 12, and dividing single premiums by the insurance period.

#### (4) Average Amount of New Policies and Policies in Force (Individual insurance)

(Thousands of yen)

Category	Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Average amount of new policies	6,091	6,989	6,270
Average policy amount in force	4,438	4,667	4,533

Note: The average amount of new policies does not include increase from conversion.

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

(%)

Category	Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Individual insurance	4.00	4.45	7.98
Individual annuities	1.37	1.74	2.87
Sub total	3.43	3.86	6.88
Group insurance	0.52	0.06	0.72

- Notes:
1. The above figures do not include increase from conversion.
  2. The figures of 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 September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Individual insurance	4.81	4.25	9.34
Individual annuities	0.75	0.70	1.51
Sub total	3.93	3.48	7.64
Group insurance	0.00	0.00	0.08

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

**(7) Surrender and Lapse Amount**

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

Category	Six months ended September 30, 2007				Six months ended September 30, 2008				Year ended March 31, 2008	
	Number		Amount		Number		Amount		Number	Amount
		% Change		% Change		% Change		% Change		
Individual insurance	77	93.1	6,648	92.9	69	90.5	5,718	86.0	153	12,908
Individual annuities	9	82.9	286	85.2	8	91.3	260	91.0	19	577
Sub total	86	91.8	6,935	92.5	78	90.6	5,979	86.2	173	13,486
Group insurance	-	-	1	1.3	-	-	3	318.0	-	81

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

(yen)

Category	Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Average insurance premium	11,951	11,889	11,932

Note: The above figures do not include increase from conversion.

**(9) Average Assumed Investment Yield and Amount of 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	6,522	12,064	17,602
Investment yield on core profit (annualized)	2.49%	2.26%	2.40%
Average assumed investment yield (annualized)	2.73%	2.71%	2.72%
Individual insurance & individual annuities, included	2.97%	2.93%	2.96%
Policy reserve in general account	5,601,421	5,458,795	5,531,936

- Notes:
1. Method of calculating negative spread:  
(Investment yield on core profit [1.12%] - Average assumed investment yield [1.34%])  
x Policy reserve in general account [5,458.7 billion yen]
  2. The investment yield on core profit and average assumed investment yield as in 1 above are not 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 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 beginning of fiscal year + Policy reserve at end of fiscal year - Assumed interest) x (1/2)

**(10) Mortality Rate for Individual Insurance**

Category	Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Rate based on number of policies	3.27‰	3.36‰	6.88‰
Rate based on policy amount	1.13‰	1.11‰	2.31‰

- Notes:
1. The above figures represent the rates of paid policies against passed policies.
  2. 1‰ (per mille) represents 1/1000.
  3. The figures of the six months ended September 30, 2008 and 2007 are not annualized.

## 2. Indices Concerning Accounting

### (1) 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	7,676	7,508	7,762
	Accidental death benefits	382	476	554
	Disability benefits	1,106	1,392	1,332
	Maturity benefits	1,300	237	271
	Others	669	539	424
	Sub total	11,135	10,153	10,346
Annuity payments		1,096	336	840
Insurance benefits		5,948	6,330	6,528
Surrender payments		3,360	3,140	3,352
Deferred insurance benefits		130	157	128
Total, including others		22,007	20,460	21,542

### (2) 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	2,325,506	2,249,817	2,291,362	
	General accounts	2,324,916	2,249,319	2,290,837	
	Separate accounts	590	498	525	
	Individual annuities	2,489,633	2,468,499	2,482,683	
	General accounts	2,489,633	2,468,499	2,482,683	
	Separate accounts	-	-	-	
	Group insurance	11,243	11,190	11,490	
	General accounts	11,243	11,190	11,490	
	Separate accounts	-	-	-	
	Group annuities	783,909	708,432	760,408	
	General accounts	783,909	708,432	760,408	
	Separate accounts	-	-	-	
	Others	4,046	4,049	4,087	
	General accounts	4,046	4,049	4,087	
	Separate accounts	-	-	-	
	Sub total	5,614,340	5,441,990	5,550,033	
	General accounts	5,613,750	5,441,491	5,549,507	
	Separate accounts	590	498	525	
	Contingency reserve	I	36,713	36,179	36,499
		II	40,000	57,500	57,500
III		11	12	12	
IV		7,992	7,915	7,969	
Sub total		84,718	101,607	101,982	
Total		5,699,058	5,543,598	5,652,015	
General accounts		5,698,468	5,543,099	5,651,490	
Separate accounts		590	498	525	

### (3) 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	Net level premium reserve method	Net level premium reserve method	Net level premium reserve method
	Policies not subject to Standard Policy Reserve Method	Net level premium reserve method	Net level premium reserve method	Net level premium reserve method
Ratio of "amount of the company's policy reserve (excluding contingency reserve)" to "policy reserve required by regulatory standards"		100.0%	100.0%	100.0%

Notes: 1. The calculating methods and the ratios are set for individual insurance and individual annuities.  
2. The ratio for policies to which the standard policy reserve method is applied is indicated in the method laid down in Notice No. 48 from the Ministry of Finance. The ratio for policies to which the standard policy reserve method is not applied is indicated for accumulated reserve for claims and unearned premiums calculated with the net level premium reserve method.

### (4) 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	2,592	228	1,527	(1,030)	2,558	194
General reserve	1,672	225	1,467	(168)	1,636	188
Specific reserve	920	3	60	(861)	922	5
Reserve for bonus to directors and corporate auditors	24	(16)	21	(20)	41	0
Reserve for directors' and corporate auditors' retirement benefits	1,643	161	1,433	(267)	1,700	219
Reserve for price fluctuations	52,959	10,396	63,451	155	63,296	20,733

Note: Increase (Decrease) is presented in comparison with the end of the previous fiscal year.

### (5) Insurance Premiums

#### a) Payment method

(Millions of yen)

Category	Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Individual insurance	215,796	203,301	418,822
[Single premiums]	22,853	21,538	40,883
[Annual payment]	5,220	4,814	9,756
[Semi-annual payment]	588	527	1,145
[Monthly payment]	187,133	176,421	367,036
Individual annuities	55,746	61,423	113,265
[Single premiums]	17,209	24,129	36,995
[Annual payment]	-	0	0
[Semi-annual payment]	-	-	-
[Monthly payment]	38,537	37,293	76,269
Group insurance	16,953	15,759	34,068
Group annuities	41,163	35,055	68,110
Total, including others	330,267	316,208	635,544

b) Year

(Millions of yen)

Category		Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
Individual insurance and annuities	First year	52,198	56,695	100,816
	Second and subsequent years	219,344	208,029	431,270
	Sub total	271,542	264,724	532,087
Group insurance	First year	126	53	232
	Second and subsequent years	16,826	15,705	33,836
	Sub total	16,953	15,759	34,068
Group annuities	First year	266	119	297
	Second and subsequent years	40,897	34,936	67,812
	Sub total	41,163	35,055	68,110
Total, including others	First year	52,616	56,915	101,415
	Second and subsequent years	277,651	259,292	534,128
	Total	330,267	316,208	635,544
	% Change	(9.1%)	(4.3%)	(9.9%)

(6) 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	24,522	13,267	1,409	8,786	-	-	0	23,465	49,739
Accidental death benefits	566	541	-	28	-	-	-	570	1,090
Disability benefits	1,429	778	83	758	-	-	-	1,621	2,813
Maturity benefits	148,351	123,622	-	0	11,390	-	-	135,013	264,181
Others	457	653	4	3	-	-	0	660	1,017
Total	175,327	138,864	1,497	9,577	11,390	-	1	161,331	318,842

(7) 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
69,755	-	68,674	213	7,079	45	-	76,012	139,962

**(8) 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	2,977	380	2,501	2	-	-	-	2,884	6,090
Hospitalization benefits	11,159	10,653	129	10	-	-	48	10,842	22,195
Operation benefits	5,315	4,934	94	-	-	-	-	5,028	10,633
Injury benefits	45	31	-	14	-	-	-	45	70
Survival benefits	12,023	18,229	-	-	-	84	-	18,314	33,315
Others	20,567	66	11	22	17,423	-	0	17,524	34,950
<b>Total</b>	<b>52,088</b>	<b>34,296</b>	<b>2,737</b>	<b>49</b>	<b>17,423</b>	<b>84</b>	<b>49</b>	<b>54,640</b>	<b>107,257</b>

**(9) 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
45,391	29,362	11,834	4	5,114	113	-	46,429	97,958

**(10) 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	9,278	9,252	17,707
In-house sales representative expenses	9,028	8,968	17,187
Sales agent expenses	97	122	192
Underwriting expenses	153	161	326
Sales Administrative Expenses	3,011	2,923	6,480
Administrative / operational expenses	2,110	2,201	4,237
Expenses for training of in-house sales representatives	749	701	1,543
Advertising expenses	151	20	700
General Administrative Expenses	26,009	26,267	52,900
Personnel expenses	10,955	11,758	22,324
Non-Personnel Expenses	14,123	13,942	29,036
[Donation and others]	[18]	[26]	[25]
Contributions	321	-	321
Burden charges	609	566	1,217
<b>Total</b>	<b>38,299</b>	<b>38,442</b>	<b>77,088</b>

- Notes: 1. Non-personal expenses consist of IT expense, rental office expense, benefit expense, and so on.  
2. The contributions are burden charges paid to former Life Insurance Policyholders' Protection Fund taken over by the current Life Insurance Policyholders' Protection Corporation in accordance with the provision of Clause 5, Article 140 of bylaws to the Law Concerning Establishment of Laws Related to the Financial System Reformation.  
3. The burden charges are paid to the Life Insurance Policyholders' Protection Corporation in accordance with the provision of Article 259 of the Insurance Business Law.

**(11) Operating Expense Ratio (Against insurance premiums)**

Six months ended September 30, 2007	Six months ended September 30, 2008	Year ended March 31, 2008
11.6%	12.2%	12.1%

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

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

##### **a) Overview**

Taiyo Life's general account assets as of September 30, 2008 totaled ¥5,963.0 billion, down ¥216.5 billion from the previous fiscal year-end.

In terms of major asset allocation, in order to pursue a stable income flow, the Company focused on investments on yen interest income assets such as yen-denominated public and corporate bonds and loans, and replaced public and corporate bonds through purchase and sale when interest rates rose.

As for other than yen interest income assets, The Company decreased the exposure to risk assets such as domestic bonds and foreign currency – denominated assets in order to ensure the financial soundness, reflecting global financial market turmoil.

##### **b) Investment income and expenses**

Investment income for six months ended September 30, 2008 increased by ¥4.4 billion from the same term of the previous fiscal year, to ¥113.2 billion, due to an increase of gains on sales of securities, while decreasing in interest, dividend and income from real estate for rent.

Investment expenses totaled ¥54.0 billion, up ¥18.3 billion, due mainly to an increase of devaluation losses on securities and losses on sales of securities.

As a result, net investment income/ expenses totaled ¥59.2 billion, down ¥13.9 billion from the same term of the previous fiscal year.

Net unrealized gains/ losses on securities (*See Note*) were ¥76.5 billion, down ¥190.1 billion from the previous fiscal year-end, due mainly to a fall in domestic and foreign stock prices.

*Note: Net unrealized gains/ losses on securities represent those with market value.*

## (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	149,244	2.3	152,452	2.6	159,654	2.6
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	158,281	2.4	158,399	2.7	160,503	2.6
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	-	-	-	-	-	-
Securities	4,508,106	68.9	3,848,014	64.5	4,146,702	67.1
Domestic bonds	2,540,505	38.8	2,392,471	40.1	2,573,066	41.6
Domestic stocks	852,199	13.0	481,521	8.1	636,779	10.3
Foreign securities	987,895	15.1	916,488	15.4	865,294	14.0
Bonds	628,992	9.6	570,367	9.6	560,613	9.1
Stocks, etc.	358,902	5.5	346,121	5.8	304,681	4.9
Other securities	127,506	1.9	57,533	1.0	71,560	1.2
Loans	1,513,000	23.1	1,480,061	24.8	1,481,880	24.0
Policy loans	102,607	1.6	99,370	1.7	101,868	1.6
Commercial loans	1,410,393	21.6	1,380,691	23.2	1,380,012	22.3
Property and equipment	162,251	2.5	160,730	2.7	161,714	2.6
Deferred tax assets	-	-	73,612	1.2	11,299	0.2
Deferred tax assets concerning revaluation	-	-	-	-	-	-
Other assets	53,989	0.8	91,313	1.5	60,421	1.0
Reserve for possible loan losses	(2,592)	(0.0)	(1,527)	(0.0)	(2,558)	(0.0)
<b>Total</b>	<b>6,542,280</b>	<b>100.0</b>	<b>5,963,055</b>	<b>100.0</b>	<b>6,179,618</b>	<b>100.0</b>
Foreign currency denominated assets, included	857,162	13.1	736,151	12.3	721,906	11.7

Note: The figure of property and equipment includes the amount of land, buildings, and construction in progress.

## (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	(52,318)	(7,201)	(41,908)
Securities repurchased under resale agreements	-	-	-
Pledged money for bond borrowing transaction	-	-	-
Monetary claims purchased	3,052	(2,103)	5,274
Securities under proprietary accounts	-	-	-
Monetary trusts	-	-	-
Securities	29,470	(298,687)	(331,934)
Domestic bonds	(85,973)	(180,595)	(53,411)
Domestic stocks	(18,730)	(155,258)	(234,150)
Foreign securities	124,195	51,193	1,595
Bonds	47,175	9,754	(21,204)
Stocks, etc.	77,020	41,439	22,799
Other securities	9,977	(14,027)	(45,967)
Loans	10,753	(1,819)	(20,365)
Policy loans	(2,709)	(2,498)	(3,448)
Commercial loans	13,463	678	(16,917)
Property and equipment	(763)	(984)	(1,299)
Deferred tax assets	-	62,312	11,299
Deferred tax assets concerning revaluation	-	-	-
Other assets	6,629	30,892	13,061
Reserve for possible loan losses	(228)	1,030	(194)
<b>Total</b>	<b>(3,404)</b>	<b>(216,562)</b>	<b>(366,066)</b>
Foreign currency denominated assets, included	80,185	14,245	(55,069)

Note: The figure of property and equipment includes the amount of land, buildings, and construction in progress.

**(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	73,181	65,778	142,024
Interest income from deposits	102	27	182
Interest income and dividends from securities	51,666	45,005	99,194
Interest income from loans	15,286	15,064	30,472
Income from real estate for rent	3,929	3,904	7,819
Other income from interest and dividends	2,195	1,775	4,354
Gain on securities under proprietary accounts	-	-	-
Gains from monetary trusts, net	-	-	-
Gains on investments in trading securities, net	-	-	-
Gains on sale of securities	35,403	47,366	87,291
Gains on sale of domestic bonds	169	5,407	3,004
Gains on sale of domestic stocks	20,423	28,956	47,962
Gains on sale of foreign securities	14,810	13,003	36,324
Other	-	-	-
Gains on redemption of securities	-	-	-
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	81	-	-
Other investment income	136	76	299
<b>Total</b>	<b>108,803</b>	<b>113,222</b>	<b>229,614</b>

**(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 expenses	865	809	1,674
Losses on securities under proprietary accounts	-	-	-
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sale of securities	16,818	26,229	51,942
Losses on sale of domestic bonds	6,616	1,742	7,845
Losses on sale of domestic stocks	4,978	11,135	31,190
Losses on sale of foreign securities	5,224	13,351	12,907
Others	-	-	-
Devaluation losses on securities	4,465	16,832	7,724
Devaluation losses on domestic bonds	-	-	-
Devaluation losses on domestic stocks	4,465	8,615	5,807
Devaluation losses on foreign securities	-	8,216	1,917
Others	-	-	-
Amortization of securities	-	-	-
Losses from derivatives, net	10,351	6,653	7,065
Foreign exchange losses, net	-	156	107
Provision for reserve for possible loan losses	228	-	194
Write-off of loans	10	4	37
Depreciation of real estate for rent	1,207	1,165	2,434
Other investment expenses	1,724	2,152	4,149
<b>Total</b>	<b>35,672</b>	<b>54,003</b>	<b>75,331</b>

**(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
<b>Total</b>	<b>73,130</b>	<b>59,218</b>	<b>154,283</b>

**[Reference] Breakdown of gains / losses from derivatives, net**

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
Interest-rate-related gains / losses	3	0	4
Currency-related gains / losses	(10,128)	(6,257)	(11,042)
Stock-related gains / losses	(226)	(396)	3,972
Bond-related gains / losses	-	-	-
Other gains / losses	-	-	-
<b>Total</b>	<b>(10,351)</b>	<b>(6,653)</b>	<b>(7,065)</b>

**(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	1,084,051	24.0	1,232,909	32.0	1,160,059	28.0
Municipal bonds	459,450	10.2	350,054	9.1	443,854	10.7
Corporate bonds	997,003	22.1	809,507	21.0	969,152	23.4
Public corporation bonds, included	781,436	17.3	605,883	15.7	749,168	18.1
Domestic stocks	852,199	18.9	481,521	12.5	636,779	15.4
Foreign securities	987,895	21.9	916,488	23.8	865,294	20.9
Foreign bonds	628,992	14.0	570,367	14.8	560,613	13.5
Foreign stocks	358,902	8.0	346,121	9.0	304,681	7.3
Other securities	127,506	2.8	57,533	1.5	71,560	1.7
<b>Total</b>	<b>4,508,106</b>	<b>100.0</b>	<b>3,848,014</b>	<b>100.0</b>	<b>4,146,702</b>	<b>100.0</b>

**(8) 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	
Fishery, agriculture and forestry	18	0.0	84	0.0	11	0.0	
Mining	1,355	0.2	502	0.1	578	0.1	
Construction	10,028	1.2	8,921	1.9	8,020	1.3	
Manufacturing industries	Food products	4,721	0.6	3,832	0.8	5,613	0.9
	Textiles and clothing	8,737	1.0	6,677	1.4	6,735	1.1
	Pulp and paper	3,670	0.4	2,791	0.6	2,731	0.4
	Chemicals	40,558	4.8	21,607	4.5	28,759	4.5
	Medicals	12,391	1.5	10,522	2.2	11,218	1.8
	Oil and coal products	1,661	0.2	805	0.2	1,148	0.2
	Rubber products	1,467	0.2	647	0.1	1,072	0.2
	Glass and stone products	2,950	0.3	2,610	0.5	3,630	0.6
	Steel	47,530	5.6	17,511	3.6	29,820	4.7
	Non-steel metals	2,819	0.3	1,697	0.4	2,267	0.4
	Metal products	1,823	0.2	384	0.1	1,530	0.2
	Machinery	235,117	27.6	89,038	18.5	148,593	23.3
	Electric appliances	59,017	6.9	34,839	7.2	40,534	6.4
	Transportation vehicles	25,751	3.0	15,474	3.2	21,788	3.4
	Precision machinery	13,349	1.6	7,712	1.6	10,283	1.6
Others	7,564	0.9	3,326	0.7	5,897	0.9	
Electric and gas utilities	18,699	2.2	15,116	3.1	16,048	2.5	
Transportation / information telecommunications	Ground transportation	65,770	7.7	51,400	10.7	56,930	8.9
	Water transportation	2,010	0.2	2,461	0.5	3,161	0.5
	Air transportation	90	0.0	67	0.0	66	0.0
	Warehouses / transportation	582	0.1	526	0.1	482	0.1
	Information / telecommunications	11,639	1.4	7,728	1.6	9,100	1.4
Commerce	Wholesaling	29,686	3.5	14,275	3.0	26,268	4.1
	Retailers	8,854	1.0	5,176	1.1	7,265	1.1
Financial services / insurance	Banking	82,300	9.7	66,334	13.8	68,231	10.7
	Securities and commodity futures trading	29,721	3.5	19,217	4.0	22,363	3.5
	Insurance	23,131	2.7	14,748	3.1	18,974	3.0
	Other financial services	17,100	2.0	12,499	2.6	14,807	2.3
Real estate	75,204	8.8	37,053	7.7	56,126	8.8	
Service companies	6,872	0.8	5,927	1.2	6,716	1.1	
<b>Total</b>	<b>852,199</b>	<b>100.0</b>	<b>481,521</b>	<b>100.0</b>	<b>636,779</b>	<b>100.0</b>	

**(9) 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	29,806	182,510	95,347	106,063	234,500	435,822	1,084,051
Municipal bonds	15,139	50,995	55,261	117,419	146,241	74,393	459,450
Corporate bonds	64,896	156,329	149,017	207,114	157,607	262,037	997,003
Domestic stocks	-	-	-	-	-	852,199	852,199
Foreign securities	90,058	184,767	106,349	76,848	113,372	416,499	987,895
Foreign bonds	86,769	136,209	106,349	76,848	105,674	117,141	628,992
Stocks, etc.	3,288	48,558	-	-	7,698	299,358	358,902
Other securities	117	6,705	10,886	-	3,064	106,731	127,506
<b>Total</b>	<b>200,018</b>	<b>581,309</b>	<b>416,862</b>	<b>507,445</b>	<b>654,786</b>	<b>2,147,684</b>	<b>4,508,106</b>

(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	33,376	90,263	108,486	59,168	215,167	726,447	1,232,909
Municipal bonds	16,577	32,762	34,197	113,341	70,265	82,910	350,054
Corporate bonds	23,255	109,399	134,423	153,984	79,930	308,513	809,507
Domestic stocks	-	-	-	-	-	481,521	481,521
Foreign securities	73,387	150,937	139,971	64,139	108,844	379,208	916,488
Foreign bonds	65,590	100,507	127,364	64,139	94,844	117,921	570,367
Stocks, etc.	7,797	50,430	12,607	-	13,999	261,286	346,121
Other securities	54	5,970	2,353	1,545	6,899	40,710	57,533
<b>Total</b>	<b>146,652</b>	<b>389,333</b>	<b>419,432</b>	<b>392,178</b>	<b>481,106</b>	<b>2,019,311</b>	<b>3,848,014</b>

(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	83,710	120,438	126,320	66,122	199,785	563,682	1,160,059
Municipal bonds	21,836	51,439	63,617	122,672	107,256	77,031	443,854
Corporate bonds	55,744	156,308	149,890	199,278	122,230	285,701	969,152
Domestic stocks	-	-	-	-	-	636,779	636,779
Foreign securities	48,797	179,582	101,310	63,370	113,978	358,256	865,294
Foreign bonds	46,307	145,947	99,660	63,370	101,404	103,923	560,613
Stocks, etc.	2,490	33,635	1,649	-	12,573	254,332	304,681
Other securities	131	5,528	-	1,581	1,522	62,796	71,560
<b>Total</b>	<b>210,220</b>	<b>513,297</b>	<b>441,138</b>	<b>453,024</b>	<b>544,773</b>	<b>1,984,247</b>	<b>4,146,702</b>

Note: "Due after Ten Years" includes securities with maturity dates unfixed.

**(10) Loans**

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Policy loans	102,607	99,370	101,868
Policyholders loans	100,330	96,936	99,523
Premium loans	2,277	2,433	2,344
Commercial loans	1,410,393	1,380,691	1,380,012
[Loans to non-residents included]	[97,254]	[90,015]	[86,137]
Loans to corporations	971,120	950,053	947,021
[Loans to domestic corporations included]	[875,266]	[861,438]	[862,284]
Loans to Japanese government, government-related organizations and international organizations	4,168	3,024	3,546
Loans to Japanese local governments and public entities	17,171	16,585	16,730
Mortgage loans	263,470	264,861	265,653
Consumer loans	135,797	128,353	128,719
Others	18,664	17,812	18,341
<b>Total</b>	<b>1,513,000</b>	<b>1,480,061</b>	<b>1,481,880</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-sized corporations	Number of debtors	182	74.0	176	73.6	175	73.5
	Amount	760,073	86.8	739,093	85.8	747,652	86.7
Medium-sized corporations	Number of debtors	4	1.6	4	1.7	4	1.7
	Amount	6,950	0.8	6,501	0.8	6,667	0.8
Small- and medium-sized corporations	Number of debtors	60	24.4	59	24.7	59	24.8
	Amount	108,243	12.4	115,843	13.4	107,965	12.5
<b>Total</b>	Number of debtors	<b>246</b>	<b>100.0</b>	<b>239</b>	<b>100.0</b>	<b>238</b>	<b>100.0</b>
	Amount	<b>875,266</b>	<b>100.0</b>	<b>861,438</b>	<b>100.0</b>	<b>862,284</b>	<b>100.0</b>

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 1,000 million yen or more	With more than 50 employees, and	With a capital of 1,000 million yen or more	With more than 100 employees, and	With a capital of 1,000 million yen or more	With more than 100 employees, and	With a capital of 1,000 million yen or more
Medium-sized corporations		With a capital of more than 300 million yen and less than 1,000 million yen		With a capital of more than 50 million yen and less than 1,000 million yen		With a capital of more than 50 million yen and less than 1,000 million yen		With a capital of more than 100 million yen and less than 1,000 million 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, %)

Industry	As of September 30, 2007		As of September 30, 2008		As of March 31, 2008		
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
Domestic	Manufacturing industries	124,552	8.8	135,480	9.8	131,396	9.5
	Food products	1,641	0.1	1,921	0.1	1,921	0.1
	Textiles and clothing	3,060	0.2	4,850	0.4	4,850	0.4
	Timber and wood products	-	-	-	-	-	-
	Pulp and paper	5,640	0.4	7,867	0.6	6,118	0.4
	Printing	-	-	-	-	-	-
	Chemicals	17,384	1.2	20,023	1.5	17,909	1.3
	Oil and coal	7,062	0.5	3,937	0.3	4,000	0.3
	Ceramic and stone products	852	0.1	-	-	600	0.0
	Steel	39,105	2.8	44,034	3.2	39,487	2.9
	Non-steel metals	3,531	0.3	3,136	0.2	4,833	0.4
	Metal products	-	-	2,000	0.1	-	-
	Machinery	12,297	0.9	13,128	1.0	16,215	1.2
	Electric appliances	14,200	1.0	13,698	1.0	14,699	1.1
	Transportation vehicles	18,311	1.3	19,475	1.4	19,345	1.4
	Precision machinery	1,174	0.1	1,117	0.1	1,126	0.1
	Others	290	0.0	290	0.0	290	0.0
	Agriculture	-	-	-	-	-	-
	Forestry	-	-	-	-	-	-
	Fisheries	-	-	-	-	-	-
Mining	-	-	-	-	-	-	
Construction	8,094	0.6	4,260	0.3	4,770	0.3	
Electricity, gas heat supply and water supply	24,085	1.7	24,111	1.7	23,823	1.7	
Information and telecommunication	14,205	1.0	16,307	1.2	14,984	1.1	
Transportation	56,042	4.0	54,327	3.9	56,402	4.1	
Wholesalers	113,853	8.1	96,310	7.0	102,735	7.4	
Retailers	10,276	0.7	8,672	0.6	8,710	0.6	
Financial services/insurance	322,214	22.8	302,738	21.9	308,349	22.3	
Real estate	87,666	6.2	97,497	7.1	90,820	6.6	
Service companies	124,156	8.8	130,428	9.4	129,517	9.4	
Local governments	10,058	0.7	9,514	0.7	9,651	0.7	
Mortgage and consumer and others	417,932	29.6	411,027	29.8	412,713	29.9	
Total	1,313,138	93.1	1,290,675	93.5	1,293,875	93.8	
Overseas	Government organizations	1,400	0.1	1,400	0.1	1,400	0.1
	Financial institutions	7,000	0.5	7,000	0.5	7,000	0.5
	Commerce and industry companies	88,854	6.3	81,615	5.9	77,737	5.6
	Total	97,254	6.9	90,015	6.5	86,137	6.2
Grand total	1,410,393	100.0	1,380,691	100.0	1,380,012	100.0	

**(13) Loans by Contractual Maturity Dates**

(Millions of yen)

Category	As of September 30, 2007						
	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*	Total
Floating rates loans	54,091	46,935	56,097	56,148	31,002	51,506	295,781
Fixed rates loans	132,817	185,642	283,269	245,811	128,410	138,660	1,114,611
<b>Total</b>	<b>186,908</b>	<b>232,577</b>	<b>339,367</b>	<b>301,960</b>	<b>159,413</b>	<b>190,166</b>	<b>1,410,393</b>

(Millions of yen)

Category	As of September 30, 2008						
	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*	Total
Floating rates loans	16,699	54,487	67,140	43,778	23,073	51,325	256,505
Fixed rates loans	98,517	232,159	298,052	200,299	133,637	161,519	1,124,185
<b>Total</b>	<b>115,217</b>	<b>286,647</b>	<b>365,192</b>	<b>244,078</b>	<b>156,711</b>	<b>212,844</b>	<b>1,380,691</b>

(Millions of yen)

Category	As of March 31, 2008						
	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*	Total
Floating rates loans	32,573	49,076	65,906	40,781	31,805	51,587	271,732
Fixed rates loans	96,420	215,565	293,236	205,388	139,337	158,331	1,108,280
<b>Total</b>	<b>128,994</b>	<b>264,642</b>	<b>359,143</b>	<b>246,170</b>	<b>171,143</b>	<b>209,919</b>	<b>1,380,012</b>

Note: "Due after Ten Years" includes loans with maturity dates unfixed.

## (14) Foreign Investments

### a. Investments by asset category

#### (i) Foreign currency denominated assets (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	627,641	55.9	556,825	54.2	543,427	55.9
Foreign stocks	132,139	11.8	60,842	5.9	84,705	8.7
Cash, deposits & others	97,380	8.7	118,483	11.5	93,773	9.6
Total	857,162	76.3	736,151	71.6	721,906	74.3

#### (ii) Foreign currency denominated assets of which the amount in yen is 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	-	-	-	-	-	-
Cash, deposits & others	-	-	-	-	-	-
Total	-	-	-	-	-	-

#### (iii) Yen-denominated assets

(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 non-residents	97,254	8.7	90,015	8.8	86,137	8.9
Foreign bonds	38,517	3.4	34,456	3.4	37,873	3.9
Foreign stocks, etc.	129,793	11.6	167,382	16.3	126,345	13.0
Others	-	-	-	-	-	-
Total	265,565	23.7	291,854	28.4	250,356	25.7

#### (iv) Total [ (i)+(ii)+(iii) ]

(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 investments and loans	1,122,728	100.0	1,028,006	100.0	972,262	100.0
Real estate held abroad, included	-	-	-	-	-	-

Note: "Foreign currency denominated assets of which the amount in yen is fixed" are assets whose amounts in yen to be received at the settlement are fixed by making exchange contracts, and are included in the Balance Sheet.

### b. 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
US dollar	292,143	34.1	304,853	41.4	261,846	36.3
Euro	319,742	37.3	267,006	36.3	275,732	38.2
British pound	27,653	3.2	24,442	3.3	22,483	3.1
Canadian dollar	57,118	6.7	49,347	6.7	46,028	6.4
Swedish krona	57,799	6.7	47,497	6.5	50,128	6.9
Hong Kong dollar	102,704	12.0	38,881	5.3	61,811	8.6
Others	-	-	4,123	0.6	3,876	0.5
Total	857,162	100.0	736,151	100.0	721,906	100.0

c. Investments by region

(Millions of yen, %)

Region	As of September 30, 2007							
	Foreign securities						Loans to non-residents	
	Foreign bonds		Foreign stocks, etc.		Amount	Percentage	Amount	Percentage
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
North America	327,643	33.2	273,788	43.5	53,855	15.0	9,000	9.3
Europe	419,780	42.5	341,189	54.2	78,590	21.9	58,000	59.6
Oceania	-	-	-	-	-	-	-	-
Asia	97,985	9.9	-	-	97,985	27.3	-	-
Latin America	135,284	13.7	6,812	1.1	128,471	35.8	29,854	30.7
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organizations	7,202	0.7	7,202	1.1	-	-	400	0.4
Total	987,895	100.0	628,992	100.0	358,902	100.0	97,254	100.0

(Millions of yen, %)

Region	As of September 30, 2008							
	Foreign securities						Loans to non-residents	
	Foreign bonds		Foreign stocks, etc.		Amount	Percentage	Amount	Percentage
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
North America	287,702	31.4	256,132	44.9	31,570	9.1	9,000	10.0
Europe	378,525	41.3	301,673	52.9	76,852	22.2	54,000	60.0
Oceania	-	-	-	-	-	-	-	-
Asia	40,257	4.4	-	-	40,257	11.6	-	-
Latin America	203,309	22.2	5,868	1.0	197,441	57.0	26,615	29.6
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organizations	6,693	0.7	6,693	1.2	-	-	400	0.4
Total	916,488	100.0	570,367	100.0	346,121	100.0	90,015	100.0

(Millions of yen, %)

Region	As of March 31, 2008							
	Foreign securities						Loans to non-residents	
	Foreign bonds		Foreign stocks, etc.		Amount	Percentage	Amount	Percentage
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
North America	273,022	31.6	239,731	42.8	33,291	10.9	9,000	10.4
Europe	362,119	41.8	307,487	54.8	54,632	17.9	50,000	58.0
Oceania	-	-	-	-	-	-	-	-
Asia	62,723	7.2	-	-	62,723	20.6	-	-
Latin America	160,287	18.5	6,252	1.1	154,034	50.6	26,737	31.0
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organizations	7,142	0.8	7,142	1.3	-	-	400	0.5
Total	865,294	100.0	560,613	100.0	304,681	100.0	86,137	100.0

**(15) Valuation Gains 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	Net valuation gains/losses	Current Fair Value and Carrying Value	Net valuation gains/losses	Current Fair Value and Carrying Value	Net valuation gains/losses
Trading securities	-	-	-	-	-	-

**(16) Fair Value Information on Securities** (with current fair value out of securities excluding trading securities)

(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
Held-to-maturity securities	375,912	371,816	(4,096)	1,710	5,807
Domestic bonds	237,064	233,327	(3,736)	1,063	4,800
Monetary claims purchased	136,848	136,489	(359)	646	1,006
Certificates of deposit	2,000	1,999	(0)	-	0
Policy reserve matching bonds	1,623,197	1,634,548	11,351	13,131	1,780
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,014,438	2,555,089	540,651	555,366	14,715
Domestic bonds	675,971	680,243	4,272	5,549	1,277
Domestic stocks	386,539	835,175	448,636	454,374	5,738
Foreign securities	811,116	893,537	82,420	87,903	5,482
Bonds	614,738	628,992	14,254	16,479	2,225
Stocks, etc.	196,378	264,544	68,165	71,423	3,257
Other securities	119,119	124,700	5,580	7,480	1,900
Money claims purchased	21,690	21,432	(258)	57	316
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,013,548	4,561,454	547,905	570,208	22,302
Domestic bonds	2,536,232	2,548,119	11,886	19,744	7,858
Domestic stocks	386,539	835,175	448,636	454,374	5,738
Foreign securities	811,116	893,537	82,420	87,903	5,482
Bonds	614,738	628,992	14,254	16,479	2,225
Stocks, etc.	196,378	264,544	68,165	71,423	3,257
Other securities	119,119	124,700	5,580	7,480	1,900
Monetary claims purchased	158,539	157,921	(618)	704	1,322
Certificates of deposit	2,000	1,999	(0)	-	0
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 Financial Instruments and Exchange Law.

\*The carrying value before mark-to-market of securities without any current fair value is as follows:

(Millions of yen)

Category	As of September 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	108,869
Unlisted domestic stocks	12,342
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	96,526
Total	113,550

(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
Held-to-maturity securities	375,524	375,999	474	3,096	2,621
Domestic bonds	236,959	236,248	(711)	1,560	2,272
Monetary claims purchased	138,564	139,750	1,186	1,535	349
Certificates of deposit	-	-	-	-	-
Policy reserve matching bonds	1,261,452	1,285,792	24,339	24,730	390
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,282,276	2,333,964	51,688	141,481	89,793
Domestic bonds	879,832	894,058	14,226	14,901	674
Domestic stocks	371,979	465,154	93,174	115,555	22,380
Foreign securities	945,486	900,410	(45,076)	10,654	55,730
Bonds	579,523	570,367	(9,156)	6,171	15,327
Stocks, etc.	365,962	330,042	(35,919)	4,483	40,403
Other securities	65,025	54,506	(10,518)	225	10,743
Money claims purchased	19,952	19,834	(117)	145	263
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,919,253	3,995,755	76,502	169,308	92,805
Domestic bonds	2,378,245	2,416,099	37,854	41,192	3,337
Domestic stocks	371,979	465,154	93,174	115,555	22,380
Foreign securities	945,486	900,410	(45,076)	10,654	55,730
Bonds	579,523	570,367	(9,156)	6,171	15,327
Stocks, etc.	365,962	330,042	(35,919)	4,483	40,403
Other securities	65,025	54,506	(10,518)	225	10,743
Monetary claims purchased	158,516	159,585	1,068	1,680	612
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 Financial Instruments and Exchange Law.

\*The carrying value before mark-to-market of securities without any current fair value is as follows:

(Millions of yen)

Category	As of September 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	31,098
Unlisted domestic stocks	11,686
Unlisted foreign stocks	4,061
Unlisted foreign bonds	-
Others	15,350
Total	35,779

(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
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
Stocks, 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
Stocks, 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	-	-	-	-	-

Note:

1. 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.

2. 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").

\*The carrying value before mark-to-market of securities without any current fair value is as follows:

(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	11,687
Unlisted foreign stocks	4,061
Unlisted foreign bonds	-
Others	13,639
Total	34,069

\*The followings are total amount of unrealized gains/losses on the carrying value for the yen-valuated foreign securities out of securities without current fair value, and the securities with current fair value.

(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
Held-to-maturity securities	375,912	371,816	(4,096)	1,710	5,807
Domestic bonds	237,064	233,327	(3,736)	1,063	4,800
Monetary claims purchased	136,848	136,489	(359)	646	1,006
Certificates of deposit	2,000	1,999	(0)	-	0
Policy reserve matching bonds	1,623,197	1,634,548	11,351	13,131	1,780
Stocks of subsidiaries and affiliated companies	4,680	4,680	-	-	-
Available-for-sale securities	2,123,307	2,664,596	541,288	556,102	14,814
Domestic bonds	675,971	680,243	4,272	5,549	1,277
Domestic stocks	398,882	847,518	448,636	454,374	5,738
Foreign securities	905,109	987,895	82,786	88,367	5,581
Bonds	614,738	628,992	14,254	16,479	2,225
Stocks, etc.	290,371	358,902	68,531	71,887	3,356
Other securities	121,653	127,506	5,852	7,753	1,900
Monetary claims purchased	21,690	21,432	(258)	57	316
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,127,099	4,675,642	548,543	570,944	22,401
Domestic bonds	2,536,232	2,548,119	11,886	19,744	7,858
Domestic stocks	403,563	852,199	448,636	454,374	5,738
Foreign securities	905,109	987,895	82,786	88,367	5,581
Bonds	614,738	628,992	14,254	16,479	2,225
Stocks, etc.	290,371	358,902	68,531	71,887	3,356
Other securities	121,653	127,506	5,852	7,753	1,900
Monetary claims purchased	158,539	157,921	(618)	704	1,322
Certificates of deposit	2,000	1,999	(0)	-	0
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 Financial Instruments and Exchange Law.

(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
Held-to-maturity securities	375,524	375,999	474	3,096	2,621
Domestic bonds	236,959	236,248	(711)	1,560	2,272
Monetary claims purchased	138,564	139,750	1,186	1,535	349
Certificates of deposit	-	-	-	-	-
Policy reserve matching bonds	1,261,452	1,285,792	24,339	24,730	390
Stocks of subsidiaries and affiliated companies	4,680	4,680	-	-	-
Available-for-sale securities	2,313,374	2,364,756	51,381	141,923	90,542
Domestic bonds	879,832	894,058	14,226	14,901	674
Domestic stocks	383,665	476,840	93,174	115,555	22,380
Foreign securities	962,005	916,488	(45,516)	10,956	56,473
Bonds	579,523	570,367	(9,156)	6,171	15,327
Stocks, etc.	382,482	346,121	(36,360)	4,785	41,145
Other securities	67,917	57,533	(10,384)	365	10,750
Monetary claims purchased	19,952	19,834	(117)	145	263
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,955,032	4,031,228	76,196	169,750	93,554
Domestic bonds	2,378,245	2,416,099	37,854	41,192	3,337
Domestic stocks	388,346	481,521	93,174	115,555	22,380
Foreign securities	962,005	916,488	(45,516)	10,956	56,473
Bonds	579,523	570,367	(9,156)	6,171	15,327
Stocks, etc.	382,482	346,121	(36,360)	4,785	41,145
Other securities	67,917	57,533	(10,384)	365	10,750
Monetary claims purchased	158,516	159,585	1,068	1,680	612
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 Financial Instruments and Exchange Law.

( Millions of yen )

Category	As of March 31, 2008				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	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	4,680	4,680	-	-	-
Available-for-sale securities	2,110,299	2,322,963	212,663	276,158	63,495
Domestic bonds	720,431	732,920	12,489	12,750	260
Domestic stocks	421,527	632,099	210,571	228,968	18,396
Foreign securities	865,046	865,294	248	32,922	32,674
Bonds	553,216	560,613	7,396	13,915	6,518
Stocks, etc.	311,829	304,681	(7,148)	19,007	26,155
Other securities	82,439	71,560	(10,878)	1,239	12,118
Monetary claims purchased	20,855	21,087	232	278	46
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,096,542	4,362,899	266,356	331,728	65,371
Domestic bonds	2,560,576	2,623,741	63,164	65,254	2,090
Domestic stocks	426,208	636,779	210,571	228,968	18,396
Foreign securities	865,046	865,294	248	32,922	32,674
Bonds	553,216	560,613	7,396	13,915	6,518
Stocks, etc.	311,829	304,681	(7,148)	19,007	26,155
Other securities	82,439	71,560	(10,878)	1,239	12,118
Monetary claims purchased	160,271	163,522	3,251	3,343	92
Certificates of deposit	2,000	2,000	0	0	-
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.

**(17) Fair Value Information on Monetary Trusts**

The Company did not have any balances of monetary trusts as of September 30, 2008 and 2007, and March 31, 2008.

**(18) Fair Value Information on Real Estate**

(Millions of yen)

Category	As of September 30, 2007					As of September 30, 2008				
	Carrying value	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses		Carrying value	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses				Gains	Losses
Land	98,867	111,837	12,969	22,520	9,550	98,382	134,471	36,088	43,314	7,225
Leasehold	156	112	(44)	12	56	156	121	(35)	12	47
Total	99,024	111,949	12,925	22,532	9,607	98,539	134,592	36,053	43,326	7,273

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 prices and posted prices.

**(19) Fair Value Information on Derivative Transactions**  
(total transactions which hedge accounting applied and not applied)

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

(Millions of yen)

Category	As of September 30, 2007					
	Interest-rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(735)	(1,680)	(670)	-	-	(3,086)
Hedge accounting not applied	-	147	-	-	-	147
<b>Total</b>	<b>(735)</b>	<b>(1,532)</b>	<b>(670)</b>	<b>-</b>	<b>-</b>	<b>(2,938)</b>

(Millions of yen)

Category	As of September 30, 2008					
	Interest-rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	11	18,005	2,550	-	-	20,567
Hedge accounting not applied	-	5,938	-	-	-	5,938
<b>Total</b>	<b>11</b>	<b>23,944</b>	<b>2,550</b>	<b>-</b>	<b>-</b>	<b>26,506</b>

(Millions of yen)

Category	As of March 31, 2008					
	Interest-rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	1,298	6,822	1,115	-	-	9,235
Hedge accounting not applied	-	3,064	-	-	-	3,064
<b>Total</b>	<b>1,298</b>	<b>9,887</b>	<b>1,115</b>	<b>-</b>	<b>-</b>	<b>12,300</b>

Note: Accrued interest of interest-related net gains/losses applied hedge accounting: 60 million yen as of September 30, 2007, 60 million yen as of September 2008, and 51 million yen as of March 31, 2008. Net gains/losses with fair value hedge accounting, Currency-related: (1,680) million yen, 18,005 million yen, and 6,822 million yen, Stock-related (670) million yen, 2,550 million yen, and 1,115 million yen, as of September 30, 2007, September 30, 2008, and March 31, 2008, respectively. Net gains/losses not applied hedge accounting are recorded on the statement of operations.

(ii) Interest-rate-related derivative transactions

(Millions of yen)

Category	Type	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			Over 1 year			Over 1 year					
OTC	Interest rate swaps Receipts fixed, payments floating	155,816	114,332	(735)	(735)	134,018	126,281	11	11	144,827	121,783	1,298	1,298
	<b>Total</b>				(735)				11				1,298

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

(Reference) Balance of notional principal of interest rate swapping by term to maturity

(Millions of yen)

Type	As of September 30, 2007						
	1 year or shorter	1 year to 3 years	3 year to 5 years	5 year to 7 years	7 year to 10 years	Over 10 years	Total
Receipts fixed, payments floating	41,484	27,780	37,195	36,937	12,420	-	155,816
Average rate received	1.15%	1.38%	1.55%	1.65%	1.81%	-	1.46%
Average rate paid	1.20%	1.41%	1.28%	1.32%	1.18%	-	1.28%

Type	As of September 30, 2008						
	1 year or shorter	1 year to 3 years	3 year to 5 years	5 year to 7 years	7 year to 10 years	Over 10 years	Total
Receipts fixed, payments floating	7,736	38,327	48,681	33,747	5,525	-	134,018
Average rate received	1.28%	1.45%	1.30%	1.14%	1.22%	-	1.30%
Average rate paid	1.11%	1.52%	1.55%	1.69%	2.09%	-	1.57%

Type	As of March 31, 2008						
	1 year or shorter	1 year to 3 years	3 year to 5 years	5 year to 7 years	7 year to 10 years	Over 10 years	Total
Receipts fixed, payments floating	23,043	30,176	48,536	29,515	13,555	-	144,827
Average rate received	1.34%	1.38%	1.58%	1.75%	1.81%	-	1.56%
Average rate paid	1.43%	1.39%	1.41%	1.18%	1.15%	-	1.34%

## (iii) Currency-related derivative transactions

(Millions of yen)

Category	Type	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	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 contract												
	Sold	429,497	-	431,030	(1,532)	475,346	-	451,383	23,963	417,923	-	408,036	9,887
	US dollar	171,928	-	169,630	2,298	209,148	-	203,001	6,147	146,291	-	138,360	7,930
	Euro	172,749	-	175,079	(2,329)	189,906	-	177,621	12,284	190,955	-	191,321	(366)
	British pound	10,704	-	10,378	325	10,734	-	9,916	817	10,003	-	9,737	266
	Canadian dollar	26,791	-	27,690	(899)	35,310	-	33,936	1,373	35,233	-	32,669	2,564
	Swedish krona	47,306	-	48,233	(927)	29,945	-	26,606	3,338	35,439	-	35,947	(508)
	HongKong dollar	17	-	17	(0)	301	-	299	2	-	-	-	-
	Bought	0	-	0	0	2,625	-	2,606	(19)	-	-	-	-
	US dollar	0	-	0	0	4	-	4	(0)	-	-	-	-
HongKong dollar	-	-	-	-	2,620	-	2,601	(18)	-	-	-	-	
	Total				(1,532)				23,944				9,887

Notes: 1. Exchange rate as of the end of respective accounting periods 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.

## (iv) Stock-related derivative transactions

(Millions of yen)

Category	Type	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	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	Stock forward contracts												
	Sold	19,001	-	19,672	(670)	19,280	-	16,729	2,550	22,135	-	21,020	1,115
	Total				(670)				2,550				1,115

## (v) Bond-related derivative transactions

The Company did not have any balances as of September 30, 2008 and 2007, and March 31, 2008.

## (vi) Others

The Company did not have any balances as of September 30, 2008 and 2007, and March 31, 2008.

#### 4. Status of Separate Account Assets

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

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
	Amount	Amount	Amount
Individual variable insurance	6,914	5,617	5,975
Individual variable annuities	-	-	-
Group annuities	-	-	-
Total of separate account	6,914	5,617	5,975

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

###### a. Total policy amount in force

(Number, 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
Variable insurance (term-life)	287	312	267	291	274	298
Variable insurance (whole-life)	525	1,498	518	1,487	522	1,492
Total	812	1,810	785	1,779	796	1,790

###### b. 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	225	3.3	198	3.5	210	3.5
Securities	6,659	96.3	5,388	95.9	5,721	95.8
Domestic bonds	1,965	28.4	2,042	36.4	2,036	34.1
Domestic stocks	2,344	33.9	1,597	28.4	1,752	29.3
Foreign securities	2,349	34.0	1,749	31.1	1,932	32.3
Foreign bonds	775	11.2	719	12.8	744	12.5
Stocks, etc.	1,573	22.8	1,029	18.3	1,187	19.9
Other securities	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Others	29	0.4	30	0.5	43	0.7
Reserve for possible loan losses	-	-	-	-	-	-
Total	6,914	100.0	5,617	100.0	5,975	100.0

###### c. Net investment gains/losses

(Millions of yen)

Category	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	Year Ended March 31, 2008
	Amount	Amount	Amount
Interests, dividends and income from real estate for rent	69	63	129
Gains on sale of securities	80	42	146
Gains on redemption of securities	-	-	-
Valuation gains on securities	1,321	377	464
Foreign exchange gains, net	0	1	1
Gains from derivatives, net	-	-	-
Other investment income	0	0	1
Losses on sale of securities	28	33	87
Amortization of securities	-	-	-
Devaluation losses on securities	1,329	793	1,453
Foreign exchange losses, net	1	1	2
Losses from derivatives, net	-	-	-
Other investment expenses	0	0	0
Net investment gains/losses	114	(341)	(800)

d. 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	Net valuation gains/losses	Current Fair Value and Carrying Value	Net valuation gains/losses	Current Fair Value and Carrying Value	Net valuation gains/losses
Trading securities	6,659	(8)	5,388	(415)	5,721	(989)

e. Fair value information on monetary trusts

The Company did not have any balances of monetary trusts as of September 30, 2008 and 2007, and March 31, 2008.

f. Fair value information on derivative transactions

Interest-rate-related derivative transactions	} The Company did not have any balances of these transactions as of September 30, 2008 and 2007, and March 31, 2008.
Currency-related derivative transactions	
Stock-related derivative transactions	
Bond-related derivative transactions	
Others	

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

The Company did not have any balances of individual variable annuities separate accounts as of September 30, 2008 and 2007, and March 31, 2008.

## 5. 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
Core Revenues	468,865	509,696	929,482
Income from Insurance Premiums	330,321	316,237	635,739
Insurance premiums	330,267	316,208	635,544
Ceded reinsurance recoveries	53	29	195
Investment Income	73,431	65,855	142,323
Interest, dividends and income from real estate for rent	73,181	65,778	142,024
Other investment income	136	76	299
Gains on separate accounts, net	114	-	-
Other Ordinary Income	65,111	127,603	151,420
Income related to withheld insurance claims and other payments for future annuity payments	150	78	360
Income due to withheld insurance payments	12,353	17,172	32,807
Reversal of reserve for outstanding claims	113	1,081	578
Reversal of policy reserves (except contingency reserve)	51,222	108,043	115,528
Reversal of reserve for employees' retirement benefits	-	-	-
Other ordinary profit	1,271	1,227	2,143
Other Core Revenues	-	-	-
Core Expenses	438,323	486,140	876,419
Insurance Claims and Other Payments	376,745	419,333	747,133
Insurance claims	175,327	161,331	318,842
Annuity payments	69,755	76,012	139,962
Insurance benefits	52,088	54,640	107,257
Surrender payments	45,391	46,429	97,958
Other payments	34,054	80,797	82,868
Reinsurance payments	127	122	243
Provision for Policy and Other Reserves	47	54	105
Investment Expenses	4,022	4,468	9,248
Interest expense	865	809	1,674
Provision for general reserve for possible loan losses	225	-	188
Depreciation of real estate for rent	1,207	1,165	2,434
Other investment expenses	1,724	2,152	4,149
Losses on separate accounts, net	-	341	800
Operating Expenses	38,299	38,442	77,088
Other Ordinary Expenses	19,207	23,841	42,843
Payments related to withheld insurance claims	12,457	17,335	28,605
Taxes	2,344	2,302	4,686
Depreciation	2,566	2,408	5,089
Provision for reserve for employees' retirement benefits	85	642	1,531
Other ordinary losses	1,753	1,153	2,930
Other Core Expenses	-	-	-
Core Profit	30,542	23,555	53,063

**(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)	30,542	23,555	53,063
Capital gains	35,485	47,366	87,291
Gains from monetary trusts, net	-	-	-
Gains on investments in trading securities, net	-	-	-
Gains on sale of securities	35,403	47,366	87,291
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	81	-	-
Others	-	-	-
Capital losses	31,635	49,871	66,840
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sale of securities	16,818	26,229	51,942
Devaluation losses on securities	4,465	16,832	7,724
Losses from derivatives, net	10,351	6,653	7,065
Foreign exchange losses, net	-	156	107
Others	-	-	-
Total capital gains/losses (B)	3,849	(2,504)	20,451
Core profit reflecting capital gains/losses (A) + (B)	34,391	21,050	73,514
Other one-time gains	831	374	-
Ceding reinsurance recoveries	-	-	-
Reversal of contingency reserve	831	374	-
Others	-	-	-
Other one-time losses	13	4	16,476
Reinsurance premiums	-	-	-
Provision for contingency reserve	-	-	16,432
Provision for specific reserve for possible loans losses	3	-	5
Provision for specific reserve for loans to refinancing countries	-	-	-
Write-off of loans	10	4	37
Others	-	-	-
Other one-time gains/losses (C)	817	369	(16,476)
Ordinary profit (A) + (B) + (C)	35,209	21,420	57,038

## **6. Disclosed Claims under the Insurance Business Law**

(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 a	577	461	448
Claims with collection risk b	1,022	2	1,002
Claims for special attention c	4,346	4,123	3,884
Sub total a + b + c	5,945	4,587	5,335
% of Total	0.39%	0.31%	0.36%
Claims against normal obligors d	1,512,586	1,480,802	1,481,523
Total a + b + c + d	1,518,532	1,485,389	1,486,858

- 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.

## **7. Risk Monitored Loans (Under the Insurance Business Law)**

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Loans to bankrupt companies a	343	273	282
Past due loans b	1,254	189	1,168
Loans overdue for three months or more c	4,315	4,093	3,854
Restructured loans d	30	29	30
Total a + b + c + d	5,945	4,586	5,335
% of total loans =e	0.39%	0.31%	0.36%

- Notes:
1. Certain Past due loans and loans to bankrupt companies were written off and charged to the reserve for possible loan losses. Write-offs relating to bankrupt companies was 130 million yen, 130 million yen, and 130 million yen as of September 2007, September 30, 2008 and March 31, 2008, respectively. Past due loans decreased due to write-offs in the amounts of 10 million yen, 10 million yen, and 37 million yen as of September 30, 2007, September 30, 2008, and March 31, 2008, respectively.
  2. Loans to bankrupt companies are loans to obligors that are subject to bankruptcy, corporate reorganization, or rehabilitation or other similar proceedings on which a 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.
  3. 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 obligor) on which a company has stopped accruing interest based on self-assessment.
  4. Loans overdue for three months or more are loans, other than the loans described in Note 2 or 3 above, on which principal and/or interest are in arrears for three months or more.
  5. Restructured loans are loans, other than the loans described in Note 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 obligor for purposes of restructuring or supporting the obligor.

## (Reference) Reserve for Possible Loan Losses

### (1) Reserve 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 for possible loan losses	1,672	1,467	1,636
Specific reserve for possible loan losses	920	60	922
Specific reserve for loans to refinancing countries	-	-	-
Total	2,592	1,527	2,558

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

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Transfer	920	60	922
Reversal	916	915	916
Net transfer	3	(854)	5

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

#### a. Specific reserve for loans to refinancing countries

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

#### b. Loan outstanding by country

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

### (4) Write-off of Loans

(Millions of yen)

Category	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Write-off of loans	10	4	37

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-assessment of assets 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 statements.

According to their risks in collection or deterioration of the value as an asset, assets are categorized into four classes from Class I - IV. Class I is composed of assets with no problem.

Taiyo Life has established the internal criteria for self-assessment, and write-offs and reservation, and is carrying out strict self-assessment, and write-offs and reserve.

In the results of self-assessment as of September 30, 2008, the Company deducted all assets categorized Class IV as uncollectible, and calculated the expected losses on each asset in Class III, and added the adequate reserve. Thus, the Company is making efforts to keep soundness of its assets.

### Self-Assessment of Loans

(Millions of yen)

Classifications	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
Class I	1,471,748	1,472,663	1,444,923	1,444,933	1,443,606	1,444,522
Class II	45,768	45,768	40,456	40,456	42,236	42,236
Class III	1,014	100	9	0	1,016	100
Class IV	10	-	4	-	37	-
Total exposures	1,518,542	1,518,532	1,485,394	1,485,389	1,486,896	1,486,858

Note: The total exposures include 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.

## 8. Solvency Margin Ratio

(Millions of yen)

Items	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Total solvency margin (A)	952,193	560,396	698,527
Common stock, etc. (less certain items)	161,075	164,767	158,482
Reserve for price fluctuations	52,959	63,451	63,296
Contingency reserve	84,718	101,607	101,982
Reserve for possible loan losses	1,672	1,467	1,636
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent, if gains; x 100 per cent, if losses)	487,159	46,243	191,396
Net unrealized gains (losses) on real estate (x 85 per cent, if gains; x 100 per cent, if losses)	(24,163)	(1,276)	(1,498)
Excess of amount of policy reserve based on Zillmer method	56,857	49,152	52,370
Unallotted portion of reserve for policyholder dividends	21,527	22,285	21,715
Future profits	6,757	6,982	6,982
Deferred tax assets	48,628	50,713	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)	165,029	127,140	139,617
Insurance risk $R_1$	27,453	27,164	27,378
3rd sector insurance risk $R_8$	8,007	7,915	7,969
Assumed investment yield risk $R_2$	23,359	22,421	22,889
Investment risk $R_3$	133,851	96,557	108,708
Business risk $R_4$	3,853	3,081	3,339
Minimum guarantee risk $R_7$	16	16	16
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,153.9%	881.5%	1,000.6%

Notes: 1. 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.

2. "Net assets (less certain items)" represents net assets on the balance sheet less total valuation and translation adjustments, and estimated appropriation paid in cash.

3. "Excess amount of policy reserve based on Zillmer method" in Total solvency margin above was described as "Excess amount of surrender payment" in the end of September 30, 2007.

4. The figures of "minimum guarantee risks" were calculated on the basis of the regulatory standard.

## 9. Adjusted Net Assets

(Millions of yen)

Item	As of September 30, 2007	As of September 30, 2008	As of March 31, 2008
Adjusted net assets	893,331	467,605	659,726

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

**[Reference]**

**Business result for the three months from July 1, 2008 to September 30, 2008**

**1. Business Highlights**

**(1) New Policy Amount**

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

Category	Three months from July1, 2008 to September 30, 2008					
	Number		Amount		New Policies	Net increase from conversion
		% Change		% Change		
Individual insurance	37	93.7	2,496	101.7	2,125	371
Individual annuities	11	119.1	271	121.5	281	(9)
Total	49	98.5	2,768	103.4	2,406	361
Group insurance	-	-	53	11.5	53	-
Group annuities	-	-	0	853.9	0	-

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.
3. The number of new policies includes increase from conversion

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

(Millions of yen, %)

Category	Three months from July1, 2008 to September 30, 2008	
	Amount	% Change
Individual insurance	4,870	92.5
Individual annuities	2,145	124.8
Total	7,016	100.4
3rd sector products, included	1,667	84.1

Notes:

1. The amounts are calculated by multiplying monthly premiums by 12, and dividing lump-sum payments by the insurance period.
2. The Japanese insurance market is legally divided into three major fields: the First Sector, which involves conventional life insurance; the Second Sector, which involves P&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. New policies include net increase from conversions.

## 2. Status of General Account Assets

### (1) Changes in the Amount of Asset by Categories

(Millions of yen)

Category	Three months from July 1, 2008 to September 30, 2008
Cash and deposits, call loans	37,847
Securities repurchased under resale agreements	-
Pledged money for bond borrowing transaction	-
Monetary claims purchased	2,086
Securities under proprietary accounts	-
Monetary trusts	-
Securities	(345,180)
Domestic bonds	(141,559)
Domestic stocks	(180,146)
Foreign securities	(10,601)
Bonds	38,534
Stocks, etc.	(49,135)
Other securities	(12,872)
Loans	(4,963)
Policy loans	(346)
Commercial loans	(4,617)
Property and equipment	(142)
Deferred tax asset	73,612
Deferred tax asset concerning revaluation	-
Other assets	30,256
Reserve for possible loan losses	1,011
Total assets	(205,471)
Foreign currency denominated assets	(8,389)

Note: The figure of property and equipment includes the total amount of lands, buildings, and construction in progress.

### (2) Investment Income

(Millions of yen)

Category	Three months from July 1, 2008 to September 30, 2008
Interest, dividends and income from real estate for rent	34,797
Interest income from deposits	10
Interest income and dividends from securities	24,382
Interest income from loans	7,547
Interest income from real estate for rent	1,953
Other income from interest and dividends	903
Gains on investment in securities under proprietary accounts	-
Gains from monetary trusts	-
Gains on investment in trading securities	-
Gains on sale of securities	28,064
Gains on sales of domestic bonds	4,470
Gains on sales of stocks	16,150
Gains on sales of foreign securities	7,443
Others	-
Gains on redemption of securities	-
Gains from derivatives	663
Foreign exchange gains	-
Other investment income	38
Total	63,563

### (3) Investment Expenses

(Millions of yen)

Category	Three months from July 1, 2008 to September 30, 2008
Interest expenses	407
Losses on investment in securities under proprietary accounts	-
Losses from monetary trusts	-
Losses on investment in trading securities	-
Losses on sale of securities	18,727
Losses on sales of domestic bonds	657
Losses on sales of stocks	8,244
Losses on sales of foreign securities	9,826
Others	-
Devaluation losses on securities	14,789
Devaluation losses on domestic bonds	-
Devaluation losses on domestic stocks	7,828
Devaluation losses on foreign securities	6,960
Others	-
Losses on redemption of securities	-
Losses from derivatives	-
Foreign exchange losses	204
Provision for possible loan losses	-
Write-off of loans	(2)
Depreciation of real estate for rent	585
Other investment expenses	1,411
Total	36,123

### (4) Total Investment Amount

(Millions of yen)

Category	Three months from July 1, 2008 to September 30, 2008
Total	27,439

### 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	244,726
Income from insurance premiums	143,974
Insurance premiums	143,945
Ceded reinsurance recoveries	29
Investment income	34,836
Interest, dividends and income from real estate for rent	34,797
Other investment income	38
Gains on separate accounts, net	-
Other ordinary income	65,916
Income related to withheld insurance claims and other payments for future annuity payments	28
Income due to withheld insurance payments	6,317
Reversal of reserve for outstanding claims	586
Reversal of policy reserve	58,536
Reversal of reserve for employees' retirement benefits	-
Other ordinary income	446
Other core revenues	-
Core Expenses	230,773
Insurance claims and other payments	198,727
Insurance claims	64,839
Annuity payments	32,782
Insurance benefits	22,543
Surrender payments	24,682
Other payments	53,848
Reinsurance payments	31
Provision for policy and other reserves	26
Investment expenses	2,937
Interest expense	407
Provision for reserve for possible loan losses	-
Depreciation of real estate for rent	585
Other investment expenses	1,411
Losses on separate accounts, net	532
Operating expenses	18,695
Other ordinary expenses	10,387
Payments related to withheld insurance claims	6,964
Taxes	1,081
Depreciation	1,190
Provision for reserve for employees' retirement benefits	646
Other ordinary expenses	504
Other core expenses	-
Core Profit	13,953

**(2) Reconciliation to Ordinary Profit**

(Millions of yen)

Category	Three Months from July 1, 2008 to September 30, 2008
Core profit (A)	13,953
Capital gains	28,727
Gains from monetary trusts, net	-
Gains on investments in trading securities, net	-
Gains on sales of securities	28,064
Gains from derivatives, net	663
Foreign exchange gains, net	-
Others	-
Capital losses	33,721
Losses from monetary trusts, net	-
Losses on investments in trading securities, net	-
Losses on sales of securities	18,727
Devaluation losses on securities	14,789
Losses from derivatives, net	-
Foreign exchange losses, net	204
Others	-
Total capital gains/losses (B)	(4,993)
Core profit reflecting capital gains / losses (A+B)	8,959
Other one-time gains	1,284
Ceding reinsurance recoveries	-
Reversal of contingency reserve	1,284
Others	-
Other one-time losses	(2)
Reinsurance premiums	-
Provision for contingency reserve	-
Provision for specific reserve for possible loans losses	-
Provision for specific reserve for loans to refinancing countries	-
Write-off of loans	(2)
Others	-
Other one-time gains/losses (C)	1,286
Ordinary profit (A+B+C)	10,246

[Reference]

**Taiyo 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>	274,738
<b>Income from insurance premiums</b>	143,974
Insurance premiums	143,945
Ceded reinsurance recoveries	29
<b>Investment income</b>	63,563
Interest, dividends and income from real estate for rent	34,797
Interest income from deposits	10
Interest income and dividends from securities	24,382
Interest income from loans	7,547
Interest from real estate for rent	1,953
Other income from interest and dividends	903
Gains on sales of securities	28,064
Gains from derivatives, net	663
Other investment income	38
<b>Other ordinary income</b>	67,200
Income related to withheld insurance claims and other payments for future annuity payments	28
Income due to withheld insurance payments	6,317
Reversal of reserve for outstanding claims	586
Reversal of policy reserve	59,820
Other ordinary income	446
<b>Ordinary expenses</b>	264,492
<b>Insurance claims and other payments</b>	198,727
Insurance claims	64,839
Annuity payments	32,782
Insurance benefits	22,543
Surrender payments	24,682
Other payments	53,848
Reinsurance premiums	31
<b>Provision for policy and other reserves</b>	26
Interest portion of reserve for policyholder dividends	26
<b>Investment expenses</b>	36,656
Interest expenses	407
Losses on sales of securities	18,727
Devaluation losses on securities	14,789
Foreign exchange losses, net	204
Write-off of loans	(2)
Depreciation of real estate for rent	585
Other investment expenses	1,411
Losses on separate accounts, net	532
<b>Operating expenses</b>	18,695
<b>Other ordinary expenses</b>	10,387
Payments related to withheld insurance claims	6,964
Taxes	1,081
Depreciation	1,190
Provision for reserve for employees' retirement benefits	646
Other ordinary losses	504
<b>Ordinary profit</b>	10,246

(Millions of yen)

	Three Months from July 1, 2008 to September 30, 2008
	Amount
<b>Extraordinary gains</b>	1,005
Reversal of reserve for possible loan losses	1,005
Recoveries of bad debts previously written-off	0
<b>Extraordinary losses</b>	177
Losses on disposal of fixed assets	110
Provision for reserve for price fluctuations	67
<b>Provision for reserve for policyholder dividends</b>	3,259
<b>Income before income taxes</b>	7,814
<b>Current income taxes</b>	6,347
<b>Deferred income taxes</b>	(3,199)
<b>Net income</b>	4,666

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

**1. Overseas Investments**

(i) SPEs

(Billions of yen)

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

Note: The above table shows the figures for SPEs to invest in securitized products and others.

(ii) CDO

(Billions of yen)

	Rating	Fair value	Net unrealized gains/losses	Realized gains/losses
CDO		-	-	-
ABS-CDO		-	-	-
AAA		-	-	-
AA		-	-	-
A		-	-	-
BBB and below		-	-	-
CLO		-	-	-
AAA		-	-	-
AA		-	-	-
A		-	-	-
BBB and below		-	-	-
CBO		-	-	-
Other products		-	-	-

(iii) 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	-	-	-

(iv) CMBS

(Billions of yen)

	Rating	Fair value		Net unrealized gains/losses	Realized gains/losses
			(ref.) as of June 30, 2008		
CMBS		-	-	-	-
	Japan	-	-	-	-
	AAA	-	-	-	-
	AA	-	-	-	-
	A	-	-	-	-
	BBB and below	-	-	-	-

(v) Leveraged Finance

(Billions of yen)

	Fair value		Net unrealized gains/losses	Realized gains/losses
		(ref.) as of Sep.30, 2007		
Leveraged Finance	-	-	-	-

(vi) Other products

Hedge Fund:

Offshore hedge funds amounted to 74.9 billion yen, and the impact of sub-prime crisis is so limited. (Funds of hedge funds include hedge funds using strategies to invest in the sub-prime related products, and the fair value of those hedge funds came to 7.4 billion yen. However, the investment amount of sub-prime related products was actually so little.)

## 2. Domestic Investments

### (i) SPEs

(Billions of yen)

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

Note: The above table shows the figures for SPEs to invest in securitized products and others.

### (ii) CDO

(Billions of yen)

	Rating	Fair value	Net unrealized gains/losses	Realized gains/losses
CDO		9.1	(0.0)	0.0
ABS-CDO		5.9	(0.0)	0.0
AAA		2.9	(0.0)	0.0
AA		3.0	-	0.0
A		-	-	-
BBB and below		-	-	-
CLO		3.2	(0.0)	0.0
AAA		2.9	(0.0)	0.0
AA		0.2	0.0	0.0
A		-	-	-
BBB and below		-	-	-
CBO		-	-	-
Other products		-	-	-

### (iii) 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	-	-	-

## (iv) CMBS

(Billions of yen)

	Rating	Fair value		Net unrealized gains/losses	Realized gains/losses
			(ref.) as of June 30, 2008		
CMBS		11.2	11.5	(0.0)	0.0
Japan		11.2	11.5	(0.0)	0.0
AAA		2.4	2.4	(0.0)	0.0
AA		3.9	3.9	(0.0)	0.0
A		4.7	5.0	(0.0)	0.0
BBB and below		-	-	-	-

## (v) Leveraged Finance

(Billions of yen)

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

## (vi) Other products

(Billions of yen)

		Fair Value	Net unrealized gains/losses	Realized gains/losses
RMBS		193.8	0.7	1.9
AAA		188.3	0.6	1.8
Securities issued by Japan Housing Finance Agency		57.1	(0.3)	0.5
AA		5.0	0.1	0.0
A		0.4	(0.0)	0.0
BBB		-	-	-
BB and below		-	-	-
Other products	(note)	93.3	(0.0)	0.9
AAA		4.2	0.0	0.0
AA		55.9	(0.0)	0.4
A		15.4	(0.0)	0.0
BBB		2.0	-	0.0
None (apartment loans securitized by Taiyo)		15.6	-	0.3

Notes:

1. RMBS are backed with domestic residential mortgages in Japan Housing Finance Agency and domestic finance institutions.

- 2. Other products include credit card-backed securities, lease-backed securities, credit linked loans and apartment loans.*

Hedge Fund:

In domestic hedge funds, there are no hedge funds using strategies to invest in the sub-prime related products. The fair value of domestic hedge funds amounts to 2.7 billion yen.

*Notes:*

- 1. Realized gains/losses include interest, dividends and income from real estate for rent in addition to gains/losses on sales of securities.*
- 2. Rating is based on JCR, R&I, S&P and Moody's. If there is more than one rating, lower rating is showed.*