

## **Supplementary Materials for the Nine Months Ended December 31, 2008**

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# 1. Business Highlights

## (1) Total Policy Amount in Force

(Number: Thousands, 100 Millions of yen)

Category	As of December 31, 2007				As of December 31, 2008				As of March 31, 2008	
	Number	Change (%)	Amount	Change (%)	Number	Change (%)	Amount	Change (%)	Number	Amount
Individual insurance	233	89.8	15,921	87.0	208	89.3	13,745	86.3	227	15,424
Individual annuities	111	114.9	7,690	112.3	135	121.7	7,542	98.1	112	7,185
Individual variable annuities	77	127.0	6,457	116.3	103	133.8	6,378	98.8	78	5,968
Subtotal	345	96.6	23,612	93.9	344	99.8	21,287	90.2	339	22,610
Group insurance	-	-	9,755	95.8	-	-	1	0.0	-	154
Group annuities	-	-	373	93.6	-	-	312	83.7	-	367

- Notes:
1. Policy amounts for individual annuities are equal to the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and the amount of policy reserve for an annuity for which payments have commenced.
  2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserve.

## (2) New Policy Amount

(Number: Thousands, 100 Millions of yen)

Category	Nine Months Ended December 31, 2007					
	Number	Change (%)	Amount	Change (%)	New policies	Increase from conversion
Individual insurance	-	-	-	-	-	-
Individual annuities	10	72.2	781	73.5	781	-
Individual variable annuities	10	72.2	781	73.5	781	-
Subtotal	10	72.2	781	73.4	781	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

(Number: Thousands, 100 Millions of yen)

Category	Nine Months Ended December 31, 2008					
	Number	Change (%)	Amount	Change (%)	New policies	Increase from conversion
Individual insurance	-	-	-	-	-	-
Individual annuities	26	265.1	1,608	205.9	1,608	-
Individual variable annuities	26	265.1	1,608	205.9	1,608	-
Subtotal	26	265.1	1,608	205.9	1,608	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

(Number: Thousands, 100 Millions of yen)

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

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

### (3) Annualized Premiums

#### 1) Policies in force

(Millions of yen)

Category	As of December 31, 2007		As of December 31, 2008		As of March 31, 2008	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	26,228	88.7	23,059	87.9	25,460	88.6
Individual annuities	72,483	134.4	102,064	140.8	73,898	116.6
Total	98,712	118.3	125,123	126.8	99,358	107.9
3rd Sector	6,215	89.7	5,640	90.8	6,115	90.7

#### 2) New policies

(Millions of yen)

Category	Nine Months Ended December 31, 2007		Nine Months Ended December 31, 2008		Year Ended March 31, 2008	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	-	-	-	-	-	-
Individual annuities	10,699	81.6	30,415	284.3	12,739	55.4
Total	10,699	81.6	30,415	284.3	12,739	55.4
3rd Sector	-	-	-	-	-	-

Notes:

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

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

#### (4) Surrender and Lapse Amount

(Number: Thousands, 100 Millions of yen)

Category	Nine Months Ended December 31, 2007				Nine Months Ended December 31, 2008				Year Ended March 31, 2008	
	Number	Amount		Number	Amount		Number	Amount		
		Change (%)	Change (%)		Change (%)	Change (%)				
Individual insurance	11	65.3	1,043	61.5	10	86.3	893	85.6	15	1,343
Individual annuities	2	97.0	256	98.6	2	88.3	170	66.2	3	311
Total	14	69.2	1,300	66.4	12	86.7	1,063	81.8	18	1,655

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

(%)

Category	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2008	Year Ended March 31, 2008
Individual insurance	5.88	5.79	7.58
Individual annuities	3.42	2.37	4.16
Total	5.15	4.70	6.56

Note: Surrender and lapse rate for the nine months ended December 31, 2007 and 2008 are not annualized.

## 2. Status of General Account Assets

### (1) Asset Composition

(Millions of yen, %)

Category	As of December 31, 2007		As of December 31, 2008		As of March 31, 2008	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	33,235	7.4	68,629	13.3	34,066	7.4
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-	-
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	19,469	4.3	63,587	12.3	30,165	6.6
Securities	364,561	80.8	347,941	67.3	361,189	78.7
Domestic bonds	362,500	80.4	347,326	67.2	359,295	78.3
Domestic stocks	183	0.0	182	0.0	183	0.0
Foreign securities	86	0.0	34	0.0	65	0.0
Bonds	-	-	-	-	-	-
Stocks, etc.	86	0.0	34	0.0	65	0.0
Other securities	1,790	0.4	397	0.1	1,644	0.4
Loans	8,709	1.9	6,817	1.3	7,277	1.6
Policy loans	7,413	1.6	6,783	1.3	7,235	1.6
Commercial loans	1,296	0.3	34	0.0	41	0.0
Property and equipment	297	0.1	283	0.1	293	0.1
Deferred tax asset	7,486	1.7	12,908	2.5	8,755	1.9
Deferred tax asset concerning revaluation	-	-	-	-	-	-
Other assets	17,391	3.9	16,594	3.2	17,068	3.7
Reserve for possible loan losses	(70)	(0.0)	(72)	(0.0)	(69)	(0.0)
Total assets	451,081	100.0	516,690	100.0	458,748	100.0
Foreign currency denominated assets	86	0.0	34	0.0	65	0.0

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

**1) Fair value information on securities (except trading securities)**

**a. Securities with market value**

(Millions of yen)

Category	As of December 31, 2007				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	268,060	269,858	1,797	2,188	(390)
Domestic bonds	268,060	269,858	1,797	2,188	(390)
Foreign bonds	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	97,236	96,065	(1,171)	87	(1,258)
Domestic bonds	95,650	94,440	(1,210)	6	(1,216)
Domestic stocks	-	-	-	-	-
Foreign securities	91	86	(4)	8	(13)
Bonds	-	-	-	-	-
Stocks, etc.	91	86	(4)	8	(13)
Other securities	1,494	1,538	44	72	(27)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	365,296	365,923	626	2,275	(1,648)
Domestic bonds	363,711	364,298	587	2,194	(1,607)
Domestic stocks	-	-	-	-	-
Foreign securities	91	86	(4)	8	(13)
Bonds	-	-	-	-	-
Stocks, etc.	91	86	(4)	8	(13)
Other securities	1,494	1,538	44	72	(27)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

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

Category	As of December 31, 2007
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	435
Unlisted domestic stocks (excluding over-the-counter stocks)	183
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	252
Total	435

**a. Securities with market value**

(Millions of yen)

Category	As of December 31, 2008				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	267,071	273,938	6,867	7,094	(227)
Domestic bonds	267,071	273,938	6,867	7,094	(227)
Foreign bonds	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	82,176	80,566	(1,610)	42	(1,652)
Domestic bonds	81,861	80,255	(1,606)	42	(1,648)
Domestic stocks	-	-	-	-	-
Foreign securities	38	34	(3)	-	(3)
Bonds	-	-	-	-	-
Stocks, etc.	38	34	(3)	-	(3)
Other securities	276	276	-	-	-
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	349,247	354,504	5,257	7,136	(1,879)
Domestic bonds	348,932	354,193	5,260	7,136	(1,875)
Domestic stocks	-	-	-	-	-
Foreign securities	38	34	(3)	-	(3)
Bonds	-	-	-	-	-
Stocks, etc.	38	34	(3)	-	(3)
Other securities	276	276	-	-	-
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

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

(Millions of yen)

Category	As of December 31, 2008
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	304
Unlisted domestic stocks (excluding over-the-counter stocks)	182
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	121
Total	304

**a. Securities with market value**

(Millions of yen)

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

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

(Millions of yen)

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

## 2) Fair value information on monetary trusts

(Millions of yen)

Category	As of December 31, 2007				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	19,469	19,469	-	-	-

(Millions of yen)

Category	As of December 31, 2008				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	63,587	63,587	-	-	-

(Millions of yen)

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

### a. Monetary trusts for investment

(Millions of yen)

Category	As of December 31, 2007		As of December 31, 2008		As of March 31, 2008	
	Carrying value	Net valuation gains(losses)	Carrying value	Net valuation gains(losses)	Carrying value	Net valuation gains(losses)
Monetary trusts for investment	19,469	5,432	63,587	25,523	30,165	16,162

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

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

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

## 3) Fair value information on real estate

The Company held no real estate as of December 31, 2007 and 2008 as well as March 31, 2008.

## 4) Fair value information on derivative transactions

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

(Millions of yen)

Category	As of December 31, 2007					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(1,994)	90	-	-	(1,903)
Total	-	(1,994)	90	-	-	(1,903)

(Millions of yen)

Category	As of December 31, 2008					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	830	33,519	-	-	34,350
Total	-	830	33,519	-	-	34,350

(Millions of yen)

Category	As of March 31, 2008					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(974)	9,800	-	-	8,826
Total	-	(974)	9,800	-	-	8,826

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

### b. Interest-related transactions

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

**c. Currency-related transactions**

(Millions of yen)

Category	As of December 31, 2007				As of December 31, 2008				As of March 31, 2008			
	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)
		Over 1 Year				Over 1 Year				Over 1 Year		
Currency options:												
Sold:												
Call	-	-			-	-			-	-		
	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Put	-	-			-	-			-	-		
	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Bought:												
Call	-	-			-	-			-	-		
	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Put	35,290	31,645			32,168	28,303			34,222	30,495		
	[4,540]	[4,352]	[2,546]	[(1,994)]	[4,425]	[4,146]	[5,255]	[830]	[4,508]	[4,287]	[3,534]	[(974)]
U.S. dollar	21,519	19,248			19,376	16,986			20,686	18,369		
	[3,005]	[2,875]	[1,786]	[(1,219)]	[2,898]	[2,707]	[3,167]	[268]	[2,971]	[2,818]	[2,643]	[(328)]
Euro	13,771	12,397			12,791	11,317			13,535	12,126		
	[1,535]	[1,477]	[760]	[(775)]	[1,526]	[1,438]	[2,088]	[562]	[1,536]	[1,469]	[891]	[(645)]
<b>Total</b>				(1,994)				830				(974)

Note: Parenthesized figures are option premiums.

**d. Stock-related transactions**

(Millions of yen)

Category	As of December 31, 2007				As of December 31, 2008				As of March 31, 2008			
	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount		Current market or fair value	Valuation gains (losses)
		Over 1 Year				Over 1 Year				Over 1 Year		
Stock index options:												
Sold:												
Call	-	-			-	-			-	-		
	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Put	-	-			-	-			-	-		
	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Bought:												
Call	-	-			-	-			-	-		
	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Put	110,272	103,287			131,245	124,047			110,044	102,932		
	[15,073]	[14,641]	[15,163]	[90]	[21,465]	[20,817]	[54,985]	[33,519]	[15,576]	[15,103]	[25,377]	[9,800]
Nikkei225	95,393	88,627			99,775	93,023			94,094	87,233		
	[12,262]	[11,845]	[12,481]	[218]	[14,272]	[13,686]	[39,959]	[25,687]	[12,415]	[11,963]	[20,590]	[8,174]
S&P500	9,702	9,551			11,457	11,268			10,356	10,187		
	[1,683]	[1,674]	[1,719]	[36]	[2,193]	[2,174]	[5,994]	[3,800]	[1,880]	[1,867]	[3,033]	[1,152]
DJES 50	5,175	5,109			6,158	6,058			5,593	5,511		
	[1,127]	[1,122]	[962]	[(164)]	[1,467]	[1,454]	[3,626]	[2,159]	[1,280]	[1,271]	[1,753]	[473]
MSCI KOKUSAI	-	-			13,853	13,697			-	-		
	[-]	[-]	[-]	[-]	[3,532]	[3,501]	[5,404]	[1,872]	[-]	[-]	[-]	[-]
<b>Total</b>				90				33,519				9,800

Note: Parenthesized figures are option premiums.

**e. Bond-related transactions**

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

**f. Others**

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

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

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

(Millions of yen)

Category	As of December 31, 2007	As of December 31, 2008	As of March 31, 2008
Individual variable insurance	2,912	2,056	2,568
Individual variable annuities	638,100	622,097	588,207
Total	641,013	624,154	590,775

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

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

(Number: Thousands, Millions of yen)

Category	As of December 31, 2007		As of December 31, 2008		As of March 31, 2008	
	Number	Amount	Number	Amount	Number	Amount
Variable insurance (term life)	0	15	0	15	0	15
Variable insurance (whole life)	3	12,016	2	11,695	3	11,939
Total	3	12,032	2	11,710	3	11,954

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

(Number: Thousands, Millions of yen)

Category	As of December 31, 2007		As of December 31, 2008		As of March 31, 2008	
	Number	Amount	Number	Amount	Number	Amount
Individual variable annuities	77	645,774	103	637,899	78	596,807

## 4. Reconciliation to Core Profit and Ordinary Profit

### (1) Reconciliation to Core Profit

(Millions of yen)

Category	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2008	Year Ended March 31, 2008
Core Revenues	121,831	195,267	171,722
Income from insurance premiums	111,189	183,600	134,097
Insurance premiums	108,377	179,651	130,894
Ceded reinsurance recoveries	2,812	3,949	3,203
Investment income	3,210	3,218	4,227
Interest, dividends and income from real estate for rent	3,175	3,146	4,158
Gains on redemption of securities	-	-	14
Other investment income	34	72	53
Gains on separate accounts, net	-	-	-
Other ordinary income	7,432	8,448	33,397
Income related to withheld insurance claims and other payments for future annuity payments	6,861	6,595	9,222
Income due to withheld insurance payments	171	131	227
Reversal of reserve for outstanding claims	-	1,310	-
Reversal of policy reserves (except contingency reserve)	-	-	23,593
Reversal of reserve for employees' retirement benefits	393	403	347
Other ordinary income	6	8	7
Other core revenues	-	-	-
Core Expenses	129,196	227,945	189,906
Insurance claims and other payments	73,814	66,669	95,581
Insurance claims	15,418	13,584	20,119
Annuity payments	4,213	4,600	5,720
Insurance benefits	13,428	12,725	18,705
Surrender payments	32,812	24,541	40,103
Other payments	5,335	8,996	7,702
Reinsurance premiums	2,605	2,221	3,229
Provision for policy and other reserves	19,689	55,812	101
Investment expenses	22,678	91,168	77,737
Interest expenses	21	5	21
Losses on redemption of securities	-	-	-
Provision for general reserve for possible loan losses	0	2	-
Depreciation of real estate for rent	-	-	-
Other investment expenses	42	32	96
Losses on separate accounts, net	22,614	91,128	77,619
Operating expenses	10,700	12,104	13,605
Other ordinary expenses	2,313	2,190	2,880
Payments related to withheld insurance claims	398	467	599
Taxes	766	1,206	940
Depreciation	463	484	615
Provision for reserve for employees' retirement benefits	-	-	-
Other ordinary losses	684	31	725
Other core expenses	-	-	-
Core Profit	(7,364)	(32,678)	(18,183)

**[Reference] Negative Spread**

(Millions of yen)

Category	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2008	Year Ended March 31, 2008
Amount of negative spread	3,047	2,699	4,103
Investment yield on core profit	1.07%	1.03%	1.04%
Average assumed investment yield	2.11%	1.90%	2.08%
Individual insurance and annuities	2.26%	2.00%	2.22%
Policy reserve in general accounts	390,998	411,561	394,802

*Notes:**1. Negative spread calculations:**a) For the nine months ended December 31, 2007 and 2008 are calculated by the following method:**(Investment yield on core profit - Average assumed investment yield) x Policy reserve in general accounts x 3/4**b) For the year the ended March 31, 2008 is calculated by the following method:**(Investment yield on core profit - average assumed investment yield) x policy reserves in general accounts**2. "Investment yield on core profit" is calculated by dividing numerator as investment revenues and expenses (investment profit in general account) included in core profit less amount of provision for accumulated interest due to policyholders by denominator as policy reserve in general reserve in general account.**3. Average assumed investment yield is calculated by dividing numerator as assumed interest (general accounts only) by denominator as policy reserve in general accounts.**4. Investment yield on core profit and average assumed investment yield for the nine months ended December 31, 2007 and 2008 are annualized.**5. Policy reserve in general accounts represents the earned policy reserve calculated for policy reserve in general accounts less contingency reserve by Hardy method as follows:**Hardy method: (Policy reserve at beginning of fiscal year + Policy reserve at the end of fiscal year - Assumed interest) x 1/2*

**(2) Reconciliation to Ordinary Profit**

(Millions of yen)

Category	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2008	Year Ended March 31, 2008
Core profit (A)	(7,364)	(32,678)	(18,183)
Capital gains	4,905	25,622	15,602
Gains from monetary trusts, net	(Note 1) 4,628	(Note 1) 25,622	(Note 1) 15,324
Gains on investment in trading securities, net	-	-	-
Gains on sales of securities	277	0	277
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	0	-	0
Others	-	-	-
Capital Losses	196	472	213
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sales of securities	189	224	189
Devaluation losses on securities	7	248	24
Losses from derivatives, net	-	-	-
Foreign exchange losses, net	-	-	-
Others	-	-	-
Capital gains/losses (B)	4,709	25,150	15,388
Core profit reflecting capital gains/losses (A)+(B)	(2,655)	(7,528)	(2,795)
Other one-time gains	-	-	-
Ceding reinsurance recoveries	-	-	-
Reversal of contingency reserve	-	-	-
Others	-	-	-
Other one-time losses	3,974	8,402	6,871
Reinsurance premiums	-	-	-
Provision for contingency reserve	3,619	3,079	4,275
Provision for specific reserve for possible loan losses	0	0	-
Provision for specific reserve for loans to refinancing countries	-	-	-
write-off of loans	-	-	-
Others	(Note 2) 354	(Note 2) 5,322	(Note 2) 2,595
Other one-time gains/losses (C)	(3,974)	(8,402)	(6,871)
Ordinary profit (losses) (A)+(B)+(C)	(6,630)	(15,930)	(9,667)

## Notes:

- The figures of gains and losses from monetary trusts are equal to gains and losses on delivative transactions for the purpose of hedging minimum guarantee risks relating to individual variable annuities.
- 'Others' in Other one-time losses above include provision for policy reserve relating to minimum guarantee risks for individual variable annuities contracted prior to March 31, 2004, which were not mandatory in the FSA regulationd. In addition, they include a 2,288 million yen of provision for policy reserve relating to minimum guarantee risks for individual variable annuities contracted prior to March 31, 2004, a 234 millions yen of additional premium reserve relating to third sector products, and a 73 million yen of the provision for policy reserve for the scheduled accumulation to net level premium reserve for the year ended March 31, 2008.

## 5. Solvency Margin Ratio

(Millions of yen)

Items	As of December 31, 2007	As of December 31, 2008	As of March 31, 2008
Total solvency margin (A)	71,024	99,722	68,361
Common stocks, etc. (less certain items)	30,278	56,814	28,110
Reserve for price fluctuations	409	430	414
Contingency reserve	12,931	16,667	13,587
Reserve for possible loan losses	4	7	4
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent., if gains; x 100 per cent., if losses)	(1,171)	(1,610)	(1,697)
Net unrealized gains(losses) on real estate (x 85 per cent., if gains; x 100 per cent., if losses)	-	-	-
Excess amount of policy reserve based on Zillmer method	28,475	27,403	27,851
Subordinated debt	-	-	-
Deductible items	-	-	-
Others	95	10	91
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	13,869	20,702	14,984
Insurance risk $R_1$	1,634	1,113	1,162
3rd sector insurance risk $R_8$	415	349	403
Assumed investment yield risk $R_2$	374	354	368
Investment risk $R_3$	1,400	1,961	1,441
Business risk $R_4$	459	644	479
Minimum guarantee risk $R_7$	11,478	17,688	12,610
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,024.1%	963.3%	912.4%

Notes:

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

## 6. Adjusted Net Assets

(Millions of yen)

Category	As of December 31, 2007	As of December 31, 2008	As of March 31, 2008
Adjusted net assets	64,883	97,064	63,798

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

**[Reference]****Business Results for the Three Months from October 1, 2008 to December 31, 2008****1. Business Highlights****(1) New Policy Amount**

(Number: Thousand, 100 Millions of yen)

Category	Three Months from October 1, 2008 to December 31, 2008			
	Number	Amount		
			New Policies	Increase from Conversion
Individual insurance	-	-	-	-
Individual annuities	10	548	548	-
Individual variable annuities	10	548	548	-
Subtotal	10	548	548	-
Group insurance	-	-	-	-
Group annuities	-	-	-	-

Note: The new policy amount for individual annuity is equal to the initial premium payment of individual variable annuities.

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

(Millions of yen)

Category	Three Months from October 1, 2008 to December 31, 2008
Individual insurance	-
Individual annuities	10,734
Total	10,734
3rd Sector	-

Notes:

1. The amounts are calculated by multiplying monthly premiums by 12, and dividing lump-sum payments by the insurance period.
2. The Japanese insurance market is legally divided into three major fields: the First Sector, which involves conventional life insurance; the Second Sector, which involves P&C insurance; and the Third Sector, which involves insurance positioned between the two, including medical insurance, cancer insurance, accident insurance, and nursing care insurance.

## 2. T&D Financial Life Unaudited Non-Consolidated Statements of Operations for the Three Months from October 1, 2008 to December 31, 2008

(Millions of yen)

	Three Months from October 1, 2008 to December 31, 2008
	Amount
<b>Ordinary revenues</b>	89,008
<b>Income from insurance premiums</b>	62,250
Insurance premiums	60,858
Ceded reinsurance recoveries	1,391
<b>Investment income</b>	23,476
Interest, dividends and income from real estate for rent	1,058
Interest income and dividends from securities	978
Interest income from loans	56
Other income from interest and dividends	24
Gains from monetary trusts, net	22,417
Gains on sales of securities	0
Other investment income	0
<b>Other ordinary income</b>	3,281
Income related to withheld insurance claims and other payments for future annuity payments	2,248
Income due to withheld insurance payments	43
Reversal of reserve for outstanding claims	740
Reversal of reserve for employees' retirement benefits	244
Other ordinary profit	3
<b>Ordinary expenses</b>	90,826
<b>Insurance claims and other payments</b>	23,342
Insurance claims	4,930
Annuity payments	1,668
Insurance benefits	4,126
Surrender payments	6,970
Other payments	4,785
Reinsurance premiums	861
<b>Provision for policy and other reserves</b>	3,867
Provision for policy reserve	3,866
Interest portion of reserve for policyholder dividends	1
<b>Investment expenses</b>	58,725
Interest expenses	4
Losses on sales of securities	145
Devaluation losses on securities	229
Provision for reserve for possible loan losses	2
Other investment expenses	9
Losses on separate accounts, net	58,334
<b>Operating expenses</b>	4,035
<b>Other ordinary expenses</b>	854
Payments related to withheld insurance claims	155
Taxes	496
Depreciation	166
Provision for reserve for directors' and corporate auditors' retirement benefits	14
Other ordinary losses	21
<b>Ordinary loss</b>	1,817

(Millions of yen)

	Three Months from October 1, 2008 to December 31, 2008
	Amount
<b>Extraordinary gains</b>	-
<b>Extraordinary losses</b>	6
Losses on disposal of fixed assets	0
Provision for reserve for price fluctuations	6
<b>Provision for reserve for policyholder dividends</b>	5
<b>Loss before income taxes</b>	1,829
<b>Current income taxes</b>	2,924
<b>Deferred income taxes</b>	(3,364)
<b>Net loss</b>	1,390

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

#### (1) Reconciliation to Core Profit

(Millions of yen)

Category	Three Months from October 1, 2008 to December 31, 2008
Core Revenues	67,105
Income from insurance premiums	62,250
Insurance premiums	60,858
Ceded reinsurance recoveries	1,391
Investment income	1,059
Interest, dividends and income from real estate for rent	1,058
Gains on redemption of securities	-
Other investment income	0
Gains on separate accounts, net	-
Other ordinary income	3,795
Income related to withheld insurance claims and other payments for future annuity payments	2,248
Income due to withheld insurance payments	43
Reversal of reserve for outstanding claims	740
Reversal of policy reserve	514
Reversal of reserve for employees' retirement benefits	244
Other ordinary income	3
Other core revenues	-
Core Expenses	86,584
Insurance claims and other payments	23,342
Insurance claims	4,930
Annuity payments	1,668
Insurance benefits	4,126
Surrender payments	6,970
Other payments	4,785
Reinsurance payments	861
Provision for policy and other reserves	1
Investment expenses	58,350
Interest expense	4
Losses from redemption of securities	-
Provision for reserve for possible loan losses	2
Depreciation of real estate for rent	-
Other investment expenses	9
Losses on separate accounts, net	58,334
Operating expenses	4,035
Other ordinary expenses	854
Payments related to withheld insurance claims	155
Taxes	496
Depreciation	166
Provision for reserve for employees' retirement benefits	-
Other ordinary expenses	35
Other core expenses	-
Core Profit	(19,479)

**(2) Reconciliation to Ordinary Profit**

(Millions of yen)

Category	Three Months from October 1, 2008 to December 31, 2008
Core profit (A)	(19,479)
Capital gains	22,417
Gains from monetary trusts, net	<i>(Note 1)</i> 22,417
Gains on investments in trading securities, net	-
Gains on sales of securities	0
Gains from derivatives, net	-
Foreign exchange gains, net	-
Others	-
Capital losses	374
Losses from monetary trusts, net	-
Losses on investments in trading securities, net	-
Losses on sales of securities	145
Devaluation losses on securities	229
Losses from derivatives, net	-
Foreign exchange losses, net	-
Others	-
Total capital gains/losses (B)	22,042
Core profit reflecting capital gains/losses (A)+(B)	2,562
Other one-time gains	-
Ceding reinsurance recoveries	-
Reversal of contingency reserve	-
Others	-
Other one-time losses	4,380
Reinsurance premiums	-
Provision for contingency reserve	573
Provision for specific reserve for possible loan losses	0
Provision for specific reserve for loans to refinancing countries	-
Write-off of loans	-
Others	<i>(Note 2)</i> 3,807
Other one-time gains/losses (C)	(4,380)
Ordinary profit (A)+(B)+(C)	(1,817)

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

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

Exhibit
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**The State of Investment in Securitized Products, Sub-prime Related Products and Others  
(As of December 31, 2008)**

**1. SPEs**

(Billions of yen)

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

**2. CDO**

(Billions of yen)

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

**3. Other Sub-Prime and ALT-A Exposure**

(Billions of yen)

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

**4. CMBS**

(Billions of yen)

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

**5. Leveraged Finance**

(Billions of yen)

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

**6. Other Products**

None

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