Supplementary Materials for the Nine Months Ended December 31, 2008

1. Business Highlights

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

1) Policy amount in force

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

Category	As of 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	3,019	93.8	136,053	97.4	3,255	107.8	138,002	101.4	2,970	134,683
Individual annuities	1,289	97.4	37,361	96.7	1,263	97.9	36,212	96.9	1,284	37,138
Sub total	4,309	94.9	173,414	97.3	4,519	104.9	174,215	100.5	4,255	171,822
Group insurance	-	-	103,749	102.6	-	-	103,120	99.4	-	103,637
Group annuities	-	-	7,609	95.8	-	-	7,001	92.0	-	7,604

Notes:

1. The policy amounts in force for individual annuities are equal to the fund to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and the amount of policy reserve for an annuity for which payments have commenced.

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

3. The number for the product "Hoken Kumikyoku Best", launched on October 2008, counts by stand-alone basis.

2) New policy amount

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

Category	Nine months ended December 31, 2007					
	Number	% Change	Amount	% Change	New policies	Net increase from conversion
Individual insurance	155	69.5	11,078	61.0	8,876	2,201
Individual annuities	32	305.9	783	591.3	846	(63)
Sub total	187	80.1	11,861	64.8	9,723	2,138
Group insurance	-	-	690	177.0	690	-
Group annuities	-	-	0	-	0	-

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

Category	Nine months ended December 31, 2008					
	Number	% Change	Amount	% Change	New policies	Net increase from conversion
Individual insurance	615	395.8	15,599	140.8	10,545	5,054
Individual annuities	35	111.2	860	109.9	896	(35)
Sub total	651	346.8	16,459	138.8	11,441	5,018
Group insurance	-	-	132	19.2	132	-
Group annuities	-	-	0	1,078.7	0	-

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

Category	Year ended March 31, 2008					
	Number	% Change	Amount	% Change	New policies	Net increase from conversion
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 annuities is equal to the initial premium payment.

4. The number for the product "Hoken Kumikyoku Best", launched on October 2008, counts by stand-alone basis.

(2) 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	438,067	94.0	411,323	93.9	431,361	94.1
Individual annuities	205,712	100.2	208,712	101.5	206,007	100.7
Total	643,779	95.9	620,035	96.3	637,368	96.2
3rd sector products, included	111,579	99.3	110,915	99.4	111,075	99.1

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	19,845	71.1	19,924	100.4	25,075	73.5
Individual annuities	5,910	339.9	6,875	116.3	7,692	312.4
Total	25,755	86.9	26,799	104.1	32,768	89.5
3rd sector products, included	7,537	69.7	7,665	101.7	9,548	72.7

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

(3) 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	% Change	Amount	% Change	Number	% Change	Amount	% Change	Number	Amount
Individual insurance	116	90.2	9,889	89.6	110	94.9	9,059	91.6	153	12,908
Individual annuities	14	83.6	433	84.9	14	100.2	439	101.3	19	577
Total	130	89.5	10,322	89.4	125	95.5	9,498	92.0	173	13,486

Note: The number for the product "Hoken Kumikyoku Best", launched on October 2008, counts by stand-alone basis.

(4) 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	7.16	6.73	9.34
Individual annuities	1.13	1.18	1.51
Total	5.85	5.53	7.64

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	179,879	2.8	186,249	3.2	159,654	2.6
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	159,172	2.5	137,137	2.4	160,503	2.6
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	-	-	-	-	-	-
Securities	4,347,762	68.2	3,649,594	63.5	4,146,702	67.1
Domestic bonds	2,524,461	39.6	2,564,161	44.6	2,573,066	41.6
Domestic stocks	747,236	11.7	355,815	6.2	636,779	10.3
Foreign securities	965,257	15.1	709,520	12.3	865,294	14.0
Bonds	609,017	9.5	443,195	7.7	560,613	9.1
Stock, etc.	356,239	5.6	266,324	4.6	304,681	4.9
Other securities	110,806	1.7	20,096	0.3	71,560	1.2
Loans	1,480,730	23.2	1,438,825	25.0	1,481,880	24.0
Policy loans	101,642	1.6	97,682	1.7	101,868	1.6
Commercial loans	1,379,088	21.6	1,341,143	23.3	1,380,012	22.3
Property and equipment	162,304	2.5	160,252	2.8	161,714	2.6
Deferred tax assets	-	-	71,644	1.2	11,299	0.2
Deferred tax assets concerning revaluation	-	-	-	-	-	-
Other assets	51,371	0.8	105,592	1.8	60,421	1.0
Reserve for possible loan losses	(2,562)	(0.0)	(1,589)	(0.0)	(2,558)	(0.0)
Total	6,378,660	100.0	5,747,706	100.0	6,179,618	100.0
Foreign currency denominated assets included	822,715	12.9	530,676	9.2	721,906	11.7

(2) Fair Value Information on Securities and Others

1) Fair value information on securities
(those with current fair value out of securities excluding trading securities)

a. Securities with market value (Millions of yen)

Category	As of December 31, 2007				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Gains	Losses
Held-to-maturity securities	375,724	376,419	695	3,303	2,608
Domestic bonds	235,977	235,249	(728)	1,633	2,361
Monetary claims purchased	137,746	139,169	1,423	1,670	246
Certificates of deposit	2,000	2,000	0	0	-
Policy reserve matching bonds	1,607,302	1,639,765	32,462	32,544	81
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	1,982,964	2,400,931	417,967	439,412	21,444
Domestic bonds	672,612	681,181	8,568	8,854	285
Domestics stocks	382,210	730,222	348,012	354,315	6,303
Foreign securities	796,323	860,026	63,703	71,987	8,283
Bonds	592,635	609,017	16,381	18,988	2,606
Stock, etc.	203,687	251,009	47,321	52,999	5,677
Other securities	110,431	108,074	(2,357)	4,085	6,442
Money claims purchased	21,386	21,426	40	169	129
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,965,991	4,417,116	451,125	475,260	24,134
Domestic bonds	2,515,892	2,556,196	40,303	43,032	2,728
Domestic stocks	382,210	730,222	348,012	354,315	6,303
Foreign securities	796,323	860,026	63,703	71,987	8,283
Bonds	592,635	609,017	16,381	18,988	2,606
Stock, etc.	203,687	251,009	47,321	52,999	5,677
Other securities	110,431	108,074	(2,357)	4,085	6,442
Monetary claims purchased	159,132	160,596	1,463	1,839	375
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 treated as equivalent to securities defined in the Financial Instruments and Exchange Law.

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

Category	As of December 31, 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	119,362
Unlisted domestic stocks	12,333
Unlisted foreign stocks	4,061
Unlisted foreign bonds	-
Others	102,968
Total	124,043

a. Securities with market value (Millions of yen)

Category	As of December 31, 2008				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Gains	Losses
Held-to-maturity securities	360,493	371,459	10,965	11,309	343
Domestic bonds	243,398	251,285	7,886	8,230	343
Monetary claims purchased	117,094	120,173	3,079	3,079	0
Certificates of deposit	-	-	-	-	-
Policy reserve matching bonds	1,441,839	1,504,914	63,075	63,077	2
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	1,887,126	1,899,931	12,805	95,903	83,097
Domestic bonds	840,511	878,923	38,412	39,702	1,289
Domestics stocks	271,579	289,431	17,852	42,904	25,051
Foreign securities	736,545	694,529	(42,016)	12,841	54,857
Bonds	456,629	443,195	(13,434)	11,374	24,808
Stock, etc.	279,916	251,333	(28,582)	1,467	30,049
Other securities	18,829	17,004	(1,825)	-	1,825
Money claims purchased	19,660	20,042	382	455	72
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,689,458	3,776,305	86,846	170,290	83,443
Domestic bonds	2,525,749	2,635,123	109,374	111,009	1,635
Domestic stocks	271,579	289,431	17,852	42,904	25,051
Foreign securities	736,545	694,529	(42,016)	12,841	54,857
Bonds	456,629	443,195	(13,434)	11,374	24,808
Stock, etc.	279,916	251,333	(28,582)	1,467	30,049
Other securities	18,829	17,004	(1,825)	-	1,825
Monetary claims purchased	136,755	140,216	3,461	3,534	72
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

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

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

Category	As of December 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	82,254
Unlisted domestic stocks	61,702
Unlisted foreign stocks	4,061
Unlisted foreign bonds	-
Others	16,489
Total	86,935

a. Securities with market value (Millions of yen)

Category	As of March 31, 2008				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	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
Domestics stocks	409,839	620,411	210,571	228,968	18,396
Foreign securities	850,185	850,911	725	32,700	31,974
Bonds	553,216	560,613	7,396	13,915	6,518
Stock, etc.	296,968	290,297	(6,670)	18,785	25,456
Other securities	79,599	68,575	(11,023)	1,094	12,118
Money claims purchased	20,855	21,087	232	278	46
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,062,472	4,329,162	266,689	331,362	64,672
Domestic bonds	2,560,576	2,623,741	63,164	65,254	2,090
Domestic stocks	409,839	620,411	210,571	228,968	18,396
Foreign securities	850,185	850,911	725	32,700	31,974
Bonds	553,216	560,613	7,396	13,915	6,518
Stock, etc.	296,968	290,297	(6,670)	18,785	25,456
Other securities	79,599	68,575	(11,023)	1,094	12,118
Monetary claims purchased	160,271	163,522	3,251	3,343	92
Certificates of deposit	2,000	2,000	0	0	-
Others	-	-	-	-	-

Note:

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

2. For the year ended March 31, 2008, the foreign preferred securities (cost/carrying vvalue 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-securities").

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

Category	As of March 31, 2008
Held-to-maturity securities	-
Unlisted foreign bonds	-
Others	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	4,680
Available-for-sale securities	29,388
Unlisted domestic stocks	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 December 31, 2007				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Gains	Losses
Held-to-maturity securities	375,724	376,419	695	3,303	2,608
Domestic bonds	235,977	235,249	(728)	1,633	2,361
Monetary claims purchased	137,746	139,169	1,423	1,670	246
Certificates of deposit	2,000	2,000	0	0	-
Policy reserve matching bonds	1,607,302	1,639,765	32,462	32,544	81
Stocks of subsidiaries and affiliated companies	4,680	4,680	-	-	-
Available-for-sale securities	2,102,327	2,521,228	418,900	440,464	21,564
Domestic bonds	672,612	681,181	8,568	8,854	285
Domestic stocks	394,543	742,556	348,012	354,315	6,303
Foreign securities	900,892	965,257	64,365	72,767	8,402
Bonds	592,635	609,017	16,381	18,988	2,606
Stocks, etc.	308,256	356,239	47,983	53,779	5,796
Other securities	112,892	110,806	(2,085)	4,357	6,443
Monetary claims purchased	21,386	21,426	40	169	129
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,090,035	4,542,094	452,058	476,312	24,254
Domestic bonds	2,515,892	2,556,196	40,303	43,032	2,728
Domestic stocks	399,224	747,236	348,012	354,315	6,303
Foreign securities	900,892	965,257	64,365	72,767	8,402
Bonds	592,635	609,017	16,381	18,988	2,606
Stocks, etc.	308,256	356,239	47,983	53,779	5,796
Other securities	112,892	110,806	(2,085)	4,357	6,443
Monetary claims purchased	159,132	160,596	1,463	1,839	375
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 Financial Instruments and Exchange Law.

(Millions of yen)

Category	As of December 31, 2008				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Gains	Losses
Held-to-maturity securities	360,493	371,459	10,965	11,309	343
Domestic bonds	243,398	251,285	7,886	8,230	343
Monetary claims purchased	117,094	120,173	3,079	3,079	0
Certificates of deposit	-	-	-	-	-
Policy reserve matching bonds	1,441,839	1,504,914	63,075	63,077	2
Stocks of subsidiaries and affiliated companies	4,680	4,680	-	-	-
Available-for-sale securities	1,969,380	1,979,718	10,337	96,069	85,731
Domestic bonds	840,511	878,923	38,412	39,702	1,289
Domestic stocks	333,282	351,134	17,852	42,904	25,051
Foreign securities	754,138	709,520	(44,618)	12,867	57,485
Bonds	456,629	443,195	(13,434)	11,374	24,808
Stocks, etc.	297,508	266,324	(31,184)	1,493	32,677
Other securities	21,787	20,096	(1,691)	140	1,831
Monetary claims purchased	19,660	20,042	382	455	72
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,776,394	3,860,772	84,378	170,456	86,077
Domestic bonds	2,525,749	2,635,123	109,374	111,009	1,635
Domestic stocks	337,963	355,815	17,852	42,904	25,051
Foreign securities	754,138	709,520	(44,618)	12,867	57,485
Bonds	456,629	443,195	(13,434)	11,374	24,808
Stocks, etc.	297,508	266,324	(31,184)	1,493	32,677
Other securities	21,787	20,096	(1,691)	140	1,831
Monetary claims purchased	136,755	140,216	3,461	3,534	72
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.

2) Fair value information on monetary trusts

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

3) Fair value information on real estate

(Millions of yen)

Category	As of December 31, 2007				
	Carrying value	Current fair value	Net unrealized gains/losses		
				Gains	Losses
Land	98,867	111,777	12,910	22,507	9,597
Leasehold	156	112	(44)	12	56
Total	99,024	111,890	12,866	22,519	9,653

(Millions of yen)

Category	As of December 31, 2008				
	Carrying value	Current fair value	Net unrealized gains/losses		
				Gains	Losses
Land	98,277	134,350	36,072	43,311	7,239
Leasehold	156	121	(35)	12	47
Total	98,434	134,471	36,037	43,324	7,287

(Millions of yen)

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

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

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

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

(Millions of yen)

Category	As of December 31, 2007					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	379	(6,955)	161	-	-	(6,414)
Hedge accounting not applied	-	(426)	(964)	-	-	(1,390)
Total	379	(7,382)	(802)	-	-	(7,805)

(Millions of yen)

Category	As of December 31, 2008					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	2,100	24,315	284	-	-	26,700
Hedge accounting not applied	-	11,797	(2,148)	-	-	9,649
Total	2,100	36,113	(1,863)	-	-	36,350

(Millions of yen)

Category	As of March 31, 2008					
	Interest-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
Total	1,298	9,887	1,115	-	-	12,300

Note: Accrued interest of interest-related net gains/losses applied hedge accounting: 52 million yen as of December 31, 2007, 63 million yen as of December 2008, and 51 million yen as of March 31, 2008. Currncy-related net gains/losses with fair value hedge accounting: (6,955) million yen as of December 31, 2007, 24,315 million yen as of December 31, 2008, and 6,822 milion yen as of March 31, 2008. Stock-related net gains/losses with fair value hadge accounting: 161 million yen as od December 31, 2007, 284 million yen as of December 31, 2008 and 1,115 million yen as of March 31, 2008. Net gains/losses not applied hedge accounting are recorded on the statement of operations.

b. Interest-related derivative transactions

(Millions of yen)

Category	Type	As of December 31, 2007				As of December 31, 2008				As of March 31, 2008			
		Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)
OTC	Interest rate swaps												
	Receipts fixed, payments floating	143,676	122,751	379	379	132,006	124,382	2,100	2,100	144,827	121,783	1,298	1,298
Total					379				2,100				1,298

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

c. Currency-related derivative transactions

(Millions of yen)

Category	Type	As of December 31, 2007				As of December 31, 2008				As of March 31, 2008			
		Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)
OTC	Exchange contracts												
	Sold	419,703	-	427,085	(7,382)	384,284	-	347,546	36,738	417,923	-	408,036	9,887
	US dollar	155,003	-	156,332	(1,328)	141,003	-	132,543	8,460	146,291	-	138,360	7,930
	Euro	193,070	-	197,547	(4,477)	180,794	-	161,054	19,740	190,955	-	191,321	(366)
	British pound	7,231	-	7,150	81	14,820	-	11,951	2,868	10,003	-	9,737	266
	Canadian dollar	37,053	-	38,761	(1,708)	22,409	-	20,969	1,440	35,233	-	32,669	2,564
	Swedish krona	27,340	-	27,289	51	25,256	-	21,027	4,229	35,439	-	35,947	(508)
	Hong Kong dollar	3	-	3	(0.0)	-	-	-	-	-	-	-	-
	Bought	-	-	-	-	99	-	100	0	-	-	-	-
	US dollar	-	-	-	-	99	-	100	0	-	-	-	-
	Currency options												
	Sold												
	Call	-	-			37,508	-			-	-		
		[-]		-	-	[444]		691	(246)	[-]		-	-
	US dollar	-	-			18,551	-			-	-		
		[-]		-	-	[175]		164	11	[-]		-	-
	Euro	-	-			18,957	-			-	-		
		[-]		-	-	[269]		527	(258)	[-]		-	-
	Bought												
	Put	-	-			34,100	-			-	-		
		[-]		-	-	[444]		66	(378)	[-]		-	-
	US dollar	-	-			16,800	-			-	-		
		[-]		-	-	[175]		27	(148)	[-]		-	-
	Euro	-	-			17,300	-			-	-		
		[-]		-	-	[269]		38	(230)	[-]		-	-
Total					(7,382)				36,113				9,887

Notes:

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

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

3. 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.

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

d. Stock-related derivative transactions (Millions of yen)

Category	Type	As of December 31, 2007				As of December 31, 2008				As of March 31, 2008			
		Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)	Contracted value or notional principal amount	Over 1 year	Current market or fair value	Valuation gains (losses)
OTC	Stock index futures												
	Sold	-	-	-	-	47,640	-	48,565	(924)	-	-	-	-
	Future contracts												
	Sold	41,908	-	42,711	(802)	8,225	-	7,940	284	22,135	-	21,020	1,115
	Stock options												
	Bought												
	Put	-	-			80,500	-			-	-		
	Option	[-]		-	-	[1,343]		119	(1,223)	[-]		-	-
Total					(802)				(1,863)				1,115

Notes;

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

2. Valuation gains/loses indicates the difference between the contracted amount and the current fair value in futures transaction and forward agreement, and valuation gains and losses for option transactions indicates the difference between the contracted

e. Bond-related derivative transactions

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

f. Others

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

3. Status of Separate Account Assets

(1) Balance of Separate Account Assets

(Millions of yen)

Category	As of December 31, 2007	As of December 31, 2008	As of March 31, 2008
Individual variable insurance	6,703	4,974	5,975
Individual variable annuities	-	-	-
Group annuities	-	-	-
Total	6,703	4,974	5,975

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

1) Individual variable insurance

(Number, 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)	278	303	265	289	274	298
Variable insurance (whole life)	523	1,493	516	1,484	522	1,492
Total	801	1,797	781	1,774	796	1,790

2) Individial variable annuities

The company held no individual variable annuities as of December 31, 2007 and 2008, and March 31, 2008.

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	719,583	755,518	929,482
Income from Insurance Premiums	491,269	460,433	635,739
Insurance premiums	491,161	460,369	635,544
Ceded reinsurance recoveries	108	64	195
Investment Income	103,680	93,026	142,323
Interest, dividends and income from real estate for rent	103,419	92,908	142,024
Other investment income	261	117	299
Gains on separate accounts, net	-	-	-
Other Ordinary Income	124,632	202,057	151,420
Income related to withheld insurance claims and other payments for future annuity payments	199	215	360
Income due to withheld insurance payments	20,131	25,714	32,807
Reversal of reserve for outstanding claims	1,206	1,643	578
Reversal of policy reserves	101,371	172,862	115,528
Reversal of reserve for employees' retirement benefits	-	-	-
Other ordinary income	1,723	1,621	2,143
Other Core Revenues	-	-	-
Core Expenses	680,317	728,038	876,419
Insurance Claims and Other Payments	586,533	624,624	747,133
Insurance claims	253,076	246,395	318,842
Annuity payments	109,682	119,494	139,962
Insurance benefits	75,914	79,950	107,257
Surrender payments	76,262	76,076	97,958
Other payments	71,383	102,508	82,868
Reinsurance payments	213	199	243
Provision for Policy and Other Reserves	78	79	105
Investment Expenses	5,848	6,652	9,248
Interest expenses	1,271	1,186	1,674
Provision for general reserve for possible loan losses	194	-	188
Depreciation of real estate for rent	1,817	1,759	2,434
Other investment expenses	2,481	2,730	4,149
Losses on separate accounts, net	84	975	800
Operating Expenses	57,492	59,331	77,088
Other Ordinary Expenses	30,365	37,350	42,843
Payments related to withheld insurance claims	20,256	26,837	28,605
Taxes	3,545	3,601	4,686
Depreciation	3,709	3,613	5,089
Provision for reserve for employees' retirement benefits	389	1,620	1,531
Other ordinary losses	2,465	1,677	2,930
Other Core Expenses	-	-	-

Core Profit	39,265	27,479	53,063

(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)	39,265	27,479	53,063
Capital gains		55,002	73,615	87,291
Gains from monetary trusts, net		-	-	-
Gains on investments in trading securities, net		-	-	-
Gains on sale of securities		54,861	73,201	87,291
Gains from derivatives, net		-	-	-
Foreign exchange gains, net		141	413	-
Others		-	-	-
Capital losses		46,354	167,695	66,840
Losses from monetary trusts, net		-	-	-
Losses on investments in trading securities, net		-	-	-
Losses on sale of securities		23,046	135,497	51,942
Devaluation losses on securities		7,152	31,334	7,724
Losses from derivatives, net		16,155	863	7,065
Foreign exchange losses, net		-	-	107
Others		-	-	-
Total capital gains/losses	(B)	8,648	(94,080)	20,451
Core profit reflecting capital gains/losses	(A) + (B)	47,913	(66,601)	73,514
Other one-time gains		935	26,938	-
Ceding reinsurance recoveries		-	-	-
Reversal of contingency reserve		935	26,938	-
Others		-	-	-
Other one-time losses		18	83	16,476
Reinsurance premiums		-	-	-
Provision for contingency reserve		-	-	16,432
Provision for specific reserve for possible loan losses		3	-	5
Provision for specific reserve for loans to refinancing countries		-	-	-
Write-off of loans		15	83	37
Others		-	-	-
Other one-time gains/losses	(C)	917	26,855	(16,476)
Ordinary profit (loss)	(A) + (B) + (C)	48,830	(39,746)	57,038

(3) Average Assumed Investment Yield and 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	15,579	22,932	17,602
Investment yield on core profit (annualized)	2.35%	2.14%	2.40%
Average assumed investment yield (annualized)	2.73%	2.70%	2.72%
Individual insurance and annuities, included	2.96%	2.93%	2.96%
Policy reserve in general account	5,557,628	5,408,475	5,531,936

Notes:

1. Method of calculating negative spread:

(Investment yield on core profit [1.60%] - Average assumed investment yield [2.02%]) x Policy reserve in general account [5,408.4 billion yen]

2. Investment yield on core profit and average assumed investment yield as in the note 1 above are not annualized.

3. "Investment yield on core profit" is calculated by dividing numerator as investment revenues and expenses (investment profit in general account) included in core profit less amount of provision for accumulated interest due to policyholders by denominator as policy reserve in general account.

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

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

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

5. Solvency Margin Ratio

(Millions of yen)

Items		As of December 31, 2007	As of December 31, 2008	As of March 31, 2008
Total solvency margin	(A)	846,246	402,991	698,527
Common stock, etc. (less certain items)		161,984	159,586	158,482
Reserve for price fluctuations		58,136	1,410	63,296
Contingency reserve		84,613	75,043	101,982
Reserve for possible loan losses		1,642	1,430	1,636
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent, if gains; x 100 per cent, if losses)		377,010	9,303	191,396
Net unrealized gains (losses) on real estate (x 85 per cent, if gains; x 100 per cent, if losses)		(24,223)	(1,351)	(1,498)
Excess amount of policy reserve based on Zillmer method		54,434	46,599	52,370
Unallotted portion of reserve for policyholder dividends		21,747	21,199	21,715
Future profits		6,757	6,982	6,982
Deferred tax assets		49,141	47,786	47,163
Subordinated debt		55,000	35,000	55,000
Deductible items		-	-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	(B)	155,770	98,234	139,617
Insurance risk	R_1	27,401	27,299	27,378
3rd sector insurance risk	R_8	8,019	8,123	7,969
Assumed investment yield risk	R_2	23,068	22,121	22,889
Investment risk	R_3	124,836	66,815	108,708
Business risk	R_4	3,666	2,487	3,339
Minimum guarantee risk	R_7	16	16	16
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		1,086.5%	820.4%	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. *"Common stock, etc. (less certain items)" represents net assets on the balance sheet less total valuation and translation adjustments, and estimated appropriation paid in cash.*
3. *"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.*
4. *The figures of "minimum guarantee risks" were calculated on the basis of the regulatory standard.*

6. Adjusted Net Assets

(Millions of yen)

Item	As of December 31, 2007	As of December 31, 2008	As of March 31, 2008
Adjusted net assets	802,122	376,133	659,726

Note: Foregoing were calculated according to the orders providing classifications of Insurance Business Law, and description provided in Notification No.2 issued in January 1996 by Finance Supervisory Agency and Ministry of Finance.

[Reference]
Business result for the three months from October 1, 2008 to December 31, 2008

1. Business Highlights

(1) New Policy Amount

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

Category	Three months from October 1, 2008 to December 31, 2008			
	Number	Amount	New Policies	Net increase from conversion
Individual insurance	521	8,429	4,556	3,872
Individual annuities	10	243	250	(7)
Sub Total	531	8,672	4,807	3,865
Group insurance	-	68	68	-
Group annuities	-	-	-	-

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

4. The number for the product"Hoken Kumikyoku Best", launched on October 2008, counts by stand-alone basis.

(2) Annualized Premiums (New policies)

(Millions of yen, %)

Category	Three months from October 1, 2008 to December 31, 2008
	Amount
Individual insurance	7,869
Individual annuities	2,020
Total	9,890
3rd sector products, included	3,439

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.Taiyo Life Unaudited Non-Consolidated Statements of Operations for the three months ended December 31, 2008

(Millions of yen)

	Three months ended December 31, 2008
Ordinary revenues	304,580
Income from insurance premiums	144,196
Insurance premiums	144,161
Ceded reinsurance recoveries	35
Investment income	59,365
Interest, dividends and income from real estate for rent	27,129
Interest income from deposits	48
Interest income and dividends from securities	16,770
Interest income from loans	7,466
Interest from real estate for rent	1,917
Other income from interest and dividends	926
Gains on sales of securities	25,835
Gains from derivatives, net	5,790
Foreign exchange gains, net	569
Other investment income	41
Other ordinary income	101,018
Income related to withheld insurance claims and other payments for future annuity payments	137
Income due to withheld insurance payments	8,541
Reversal of reserve for outstanding claims	562
Reversal of policy reserve	91,382
Other ordinary income	394
Ordinary expenses	365,808
Insurance claims and other payments	205,291
Insurance claims	85,064
Annuity payments	43,481
Insurance benefits	25,310
Surrender payments	29,646
Other payments	21,711
Reinsurance premiums	76
Provision for policy and other reserves	25
Interest portion of reserve for policyholder dividends	25
Investment expenses	126,094
Interest expenses	377
Losses on sales of securities	109,267
Devaluation losses on securities	14,502
Provision for reserve for possible loan losses	61
Write-off of loans	78
Depreciation of real estate for rent	594
Other investment expenses	578
Losses on separate accounts, net	634
Operating expenses	20,888
Other ordinary expenses	13,509
Payments related to withheld insurance claims	9,502
Taxes	1,299
Depreciation	1,204
Provision for reserve for employees' retirement benefits	978
Other ordinary losses	524
Ordinary loss	61,227

(Millions of yen)

	Three months ended December 31, 2008
Extraordinary gains	62,041
Reversal of reserve for price fluctuation	62,041
Recoveries of bad debts previously written-off	0
Extraordinary losses	385
Losses on disposal of fixed assets	385
Provision for reserve for policyholder dividends	1,992
Loss before income taxes	1,564
Current income taxes	(10,902)
Deferred income taxes	16,855
Net loss	7,518

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	245,822
Income from insurance premiums	144,196
Insurance premiums	144,161
Ceded reinsurance recoveries	35
Investment income	27,171
Interest, dividends and income from real estate for rent	27,129
Other investment income	41
Gains on separate accounts, net	-
Other ordinary income	74,454
Income related to withheld insurance claims and other payments for future annuity payments	137
Income due to withheld insurance payments	8,541
Reversal of reserve for outstanding claims	562
Reversal of policy reserve	64,818
Reversal of reserve for employees’ retirement benefits	-
Other ordinary income	394
Other core revenues	-
Core Expenses	241,861
Insurance claims and other payments	205,291
Insurance claims	85,064
Annuity payments	43,481
Insurance benefits	25,310
Surrender payments	29,646
Other payments	21,711
Reinsurance payments	76
Provision for policy and other reserves	25
Investment expenses	2,146
Interest expense	377
Provision for reserve for possible loan losses	(37)
Depreciation of real estate for rent	594
Other investment expenses	578
Losses on separate accounts, net	634
Operating expenses	20,888
Other ordinary expenses	13,509
Payments related to withheld insurance claims	9,502
Taxes	1,299
Depreciation	1,204
Provision for reserve for employees’ retirement benefits	978
Other ordinary expenses	524
Other core expenses	-

Core Profit	3,960

(2) Reconciliation to Ordinary Profit

(Millions of yen)

Category	Three Months from October 1, 2008 to December 31, 2008
Core profit (A)	3,960
Capital gains	32,194
Gains from monetary trusts, net	-
Gains on investments in trading securities, net	-
Gains on sales of securities	25,835
Gains from derivatives, net	5,790
Foreign exchange gains, net	569
Others	-
Capital losses	123,770
Losses from monetary trusts, net	-
Losses on investments in trading securities, net	-
Losses on sales of securities	109,267
Devaluation losses on securities	14,502
Losses from derivatives, net	-
Foreign exchange losses, net	-
Others	-
Total capital gains/losses (B)	(91,575)
Core profit reflecting capital gains / losses (A+B)	(87,614)
Other one-time gains	26,563
Ceding reinsurance recoveries	-
Reversal of contingency reserve	26,563
Others	-
Other one-time losses	177
Reinsurance premiums	-
Provision for contingency reserve	-
Provision for specific reserve for possible loans losses	98
Provision for specific reserve for loans to refinancing countries	-
Write-off of loans	78
Others	-
Other one-time gains/losses (C)	26,386
Ordinary profit(loss) (A+B+C)	(61,227)

Exhibit

The state of investment in securitized products, sub-prime related products and others (as of December 31, 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)

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

(vi) Other products

Hedge Fund:

Offshore hedge funds amounted to 61.6 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 6.8 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			9.0	(0.2)	0.1
	ABS-CDO		5.7	(0.2)	0.0
		AAA	2.7	(0.2)	0.0
		AA	3.0	-	0.0
		A	-	-	-
		BBB and below	-	-	-
	CLO		3.3	0.0	0.0
		AAA	3.0	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)

		Fair value	(ref.) as of Sep. 30, 2008	Net unrealized gains/losses	Realized gains/losses
	Rating				
CMBS		10.2	11.2	(0.0)	0.1
Japan		10.2	11.2	(0.0)	0.1
	AAA	2.5	2.4	0.0	0.0
	AA	3.6	3.9	(0.0)	0.0
	A	4.0	4.7	(0.0)	0.0
	BBB and below	-	-	-	-

(v) Leveraged Finance

(Billions of yen)

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

(vi) Other products

(Billions of yen)

	Fair Value	Net unrealized gains/losses	Realized gains/losses
RMBS	204.5	3.6	2.9
AAA	198.6	3.2	2.8
Securities issued by Japan Housing Finance Agency	61.3	0.1	0.8
AA	5.3	0.3	0.1
A	0.5	-	0.0
BBB	-	-	-
BB and below	-	-	-
Other products	92.7	0.0	1.2
AAA	4.2	0.0	0.0
AA	56.0	0.0	0.5
A	14.9	-	0.0
BBB	2.0	-	0.0
None (apartment loans securitized by Taiyo)	15.5	-	0.5

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.

<u>Hedge Fund:</u>
In domestic hedge funds, there are no hedge funds using strategies to invest in the sub-prime related products. Fair value of domestic hedge funds amounts to 2.5 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.*