

FINANCIAL SUMMARY

(For the nine months ended December 31, 2009)

February 12, 2010

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo, Osaka
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/e/>

1. Consolidated Operating Results for the Nine Months Ended December 31, 2009 (April 1, 2009 - December 31, 2009)

(1) Results of Operations

Note: Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent. % changes are presented in comparison with the same term of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Net Income	% change
Nine months ended December 31, 2009	¥1,697,977 million	(13.0)	¥71,039 million	-	¥25,054 million	-
Nine months ended December 31, 2008	¥1,952,146 million	-	¥(132,022) million	-	¥(47,508) million	-

	Net Income per Share	Net Income per Share (Fully Diluted)
Nine months ended December 31, 2009	¥90.37	-
Nine months ended December 31, 2008	¥(192.95)	-

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of December 31, 2009	¥12,732,970 million	¥577,364 million	4.5%	¥1,689.99
As of March 31, 2009	¥12,498,562 million	¥296,393 million	2.4%	¥1,076.35

Note: Equity: as of December 31, 2009: ¥575,544 million; as of March 31, 2009: ¥294,656 million

2. Dividends

	Dividends per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Year-End	Annual
Year ended March 31, 2009	-	-	-	¥45.00	¥45.00
Year ending March 31, 2010	-	-	-	-	-
Year ending March 31, 2010 (Forecast)	-	-	-	¥45.00	¥45.00

Note: Revisions to dividend forecasts in this term: None

3. Consolidated Forecasts for the Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

Note: % changes are presented in comparison with the same term of the previous year.

	Ordinary Revenues	Ordinary Profit	Net Income	Net Income per Share
Year ending March 31, 2010	¥2,010,000 million (20.9)%	¥78,000 million -	¥18,000 million -	¥65.75

Note: Revisions to financial forecasts in this term: None

4. Others

- (1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): None
- (2) Adoption of Simple Accounting Methods and Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Principles, Procedures and Presentation Methods for Quarterly Consolidated Financial Statements:
 1. Changes due to the revision of accounting standards: None
 2. Changes due to other factors: None
- (4) Number of Outstanding Shares (Common Stock)
 1. Number of outstanding shares including treasury stock at the end of the term: as of December 31, 2009: 340,740,000
as of March 31, 2009: 273,930,000
 2. Number of treasury stock at the end of the term: as of December 31, 2009: 178,910
as of March 31, 2009: 175,434
 3. Average number of outstanding shares during the term: for the nine months ended December 31, 2009: 277,259,366
for the nine months ended December 31, 2008: 246,220,968

The above forecasts for the year ending March 31, 2010 reflect the Company's current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses. Please refer to T&D Holdings' "Financial Review 4. Forecasts for the Year Ending March 31, 2010(April 1, 2009 – March 31, 2010)" section in this material "Financial Summary for the Nine Months Ended December 31, 2009" about consolidated forecasts.

Financial Review

1. Consolidated Results of Operations

For the nine months ended December 31, 2009, ordinary revenues decreased ¥254.1 billion, or 13.0 percent from the level of the same term of the previous fiscal year, to ¥1,697.9 billion, which was a total of income from insurance premiums of ¥1,356.4 billion (up 7.9 percent), investment income of ¥286.9 billion (down 10.4 percent), other ordinary income of ¥54.5 billion (down 85.5 percent) and others.

Ordinary expenses decreased ¥457.2 billion, or 21.9 percent from the level of the same term of the previous fiscal year, to ¥1,626.9 billion, which was a total of insurance claims and other payments of ¥1,254.7 billion (down 10.0 percent), provision for policy and other reserves of ¥65.7 billion, investment expenses of ¥88.4 billion (down 81.0 percent), operating expenses of ¥158.3 billion (down 1.3 percent), other ordinary expenses of ¥59.7 billion (down 5.8 percent) and others.

As a result, ordinary profit increased ¥203.0 billion from the level of the same term of the previous fiscal year, to ¥71.0 billion, compared with a loss of ¥132.0 billion recorded in the same term of the previous fiscal year. Ordinary profit increased mainly due to a decrease in losses on sales of securities and devaluation losses on securities.

Extraordinary gains decreased 99.4 percent, to ¥0.5 billion, and extraordinary losses increased 654.5 percent, to ¥12.3 billion. Extraordinary losses mainly consisted of provision of reserve for price fluctuations of ¥11.4 billion (reversal for reserve for price fluctuations of ¥95.5 billion recorded in the same term of the previous fiscal year).

After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, net income increased ¥72.5 billion from the level of the same term of the previous fiscal year, to ¥25.0 billion, compared with a loss of ¥47.5 billion recorded in the same term of the previous fiscal year.

2. Consolidated Financial Position

(1) Balance Sheets

As of December 31, 2009, total assets amounted to ¥12,732.9 billion (up 1.9 percent from March 31, 2009), mainly consisting of securities centered on public and corporate bonds amounting to ¥8,954.0 billion (up 9.0 percent), loans of ¥2,190.4 billion (down 4.0 percent), monetary claims purchased of ¥350.7 billion (down 20.9 percent), tangible fixed assets of ¥305.0 billion (down 1.1 percent) and cash and deposits of ¥264.3 billion (down 17.3 percent).

Total liabilities were ¥12,155.6 billion (down 0.4 percent), and policy reserves accounting for a substantial portion of them amounted to ¥11,749.6 billion (up 0.4 percent).

Total net assets were ¥577.3 billion (up 94.8 percent), of which net unrealized gains on securities was ¥63.0 billion (a loss of ¥86.2 billion posted at the previous fiscal year-end). Common stock and capital surplus increased ¥118.9 billion in total as a result of capital increase on December 16, 2009 and December 28, 2009.

(2) Cash Flows

Cash flows for the nine months ended December 31, 2009, were as follows.

Net cash provided by operating activities was ¥107.6 billion, up ¥341.9 billion in revenue compared with the expenditure of ¥234.3 billion recorded in the same term of the previous fiscal year. This was mainly due to an increase in income from insurance premiums and a decrease in insurance claims and other payments.

Net cash used in investing activities was ¥523.5 billion, up ¥961.8 billion in expenditure compared with the revenue of ¥438.2 billion recorded in the same term of the previous fiscal year. This was mainly due to a decrease in sale and redemption of securities.

Net cash provided by financing activities was ¥40.8 billion, up ¥62.6 billion in revenue compared with the expenditure of ¥21.8 billion recorded in the same term of the previous fiscal year. This was mainly due to an increase in proceeds from issuance of debenture and proceeds from issuance of stocks, while repayments of debt increased.

As a result, cash and cash equivalents as of December 31, 2009 totaled ¥944.5 billion, down ¥375.6 billion from the beginning of the fiscal year.

3. Operations of Three Life Insurance Companies (Non-consolidated Basis)

(1) Results of Operations

Taiyo Life Insurance Company:

For the nine months ended December 31, 2009, Taiyo Life's ordinary revenues decreased ¥132.8 billion, or 15.5 percent from the level of the same term of the previous fiscal year, to ¥723.2 billion, which was a total of income from insurance premiums of ¥539.8 billion (up 17.2 percent), investment income of ¥128.3 billion (down 23.0 percent) and other ordinary income of ¥55.0 billion (down 76.0 percent).

Ordinary expenses decreased ¥211.5 billion, or 23.6 percent from the level of the same term of the previous fiscal year, to ¥684.2 billion, which was a total of insurance claims and other payments of ¥557.8 billion (down 10.7 percent), investment expenses of ¥30.9 billion (down 82.3 percent), operating expenses of ¥61.6 billion (up 3.9 percent) and others.

As a result, ordinary profit increased ¥78.7 billion from the level of the same term of the previous fiscal year, to ¥38.9 billion, compared with a loss of ¥39.7 billion recorded in the same term of the previous fiscal year. Ordinary profit increased mainly due to a decrease in losses on sales of securities and devaluation losses on securities.

Extraordinary gains decreased 99.4 percent, to ¥0.3 billion, and extraordinary losses were ¥10.6 billion. Extraordinary losses mainly consisted of provision of reserve for price fluctuations of ¥10.0 billion (reversal for reserve for price fluctuations of ¥61.8 billion recorded in the same term of the previous fiscal year).

Net income increased ¥13.1 billion from the level of the same term of the previous fiscal year, to ¥14.1 billion.

Core profit (a measure of underlying profitability from core insurance operations on a non-consolidated basis) for the nine months ended December 31, 2009, recorded ¥34.0 billion, up 23.9 percent compared with the same term of the previous fiscal year, after compensating for a negative spread of ¥13.3 billion (down 41.8 percent).

Daido Life Insurance Company:

For the nine months ended December 31, 2009, Daido Life's ordinary revenues decreased ¥119.9 billion, or 12.9 percent from the level of the same term of the previous fiscal year, to ¥809.5 billion, which was a total of income from insurance premiums of ¥587.8 billion (down 4.0 percent), investment income of ¥86.5 billion (down 34.6 percent) and other ordinary income of ¥135.0 billion (down 26.8 percent).

Ordinary expenses decreased ¥236.7 billion, or 23.5 percent from the level of the same term of the previous fiscal year, to ¥771.0 billion, which was a total of insurance claims and other payments of ¥642.5 billion (down 8.7 percent), investment expenses of ¥34.4 billion (down 83.2 percent), operating expenses of ¥81.7 billion (down 6.2 percent) and others.

As a result, ordinary profit increased ¥116.8 billion from the level of the same term of the previous fiscal year, to ¥38.4 billion, compared with a loss of ¥78.3 billion recorded in the same term of the previous fiscal year. Ordinary profit increased mainly due to a decrease in investment expenses such as losses on sales of securities and losses on investment in trading securities.

Extraordinary gains decreased 99.9 percent, to ¥0.0 billion, and extraordinary losses increased 74.3 percent, to ¥1.5 billion. Extraordinary losses mainly consisted of provision of reserve for price fluctuations of ¥1.4 billion (reversal for reserve for price fluctuations of ¥33.6 billion recorded in the same term of the previous fiscal year).

Net income increased ¥53.9 billion from the level of the same term of the previous fiscal year, to ¥15.8 billion, compared with a loss of ¥38.0 billion recorded in the same term of the previous fiscal year.

Core profit was ¥43.1 billion, up 353.2 percent compared with the same term of the previous year, after compensating for a negative spread of ¥32.6 billion (down 48.1 percent).

T&D Financial Life Insurance Company:

For the nine months ended December 31, 2009, T&D Financial Life's ordinary revenues increased ¥87.9 billion, or 39.8 percent from the level of the same term of the previous fiscal year, to ¥308.8 billion, which was a total of income from insurance premiums of ¥228.5 billion (up 24.5 percent), investment income of ¥73.7 billion (up 155.8 percent), and other ordinary income of ¥6.5 billion (down 22.7 percent).

Ordinary expenses increased ¥78.4 billion, or 33.1 percent from the level of the same term of the previous fiscal year, to ¥315.2 billion, which was a total of insurance claims and other payments of ¥54.2 billion (down 18.7 percent), provision for policy reserve of ¥224.0 billion (up 248.9 percent), investment expenses of ¥22.0 billion (down 76.0 percent), operating expenses of ¥12.9 billion (up 6.8 percent) and others.

As a result, ordinary losses decreased ¥9.5 billion, or 59.8 percent from the level of the same term of the previous fiscal year, to ¥6.4 billion.

Net loss decreased ¥6.8 billion, or 60.2 percent from the same term of the previous fiscal year, to ¥4.4 billion.

Core profit was ¥19.0 billion (a loss of ¥32.6 billion recorded in the same term of the previous fiscal year). A negative spread was ¥2.6 billion (down 2.1 percent).

(2) Financial Position

Taiyo Life Insurance Company:

As of December 31, 2009, total assets amounted to ¥5,779.9 billion (up 0.2 percent from March 31, 2009), mainly consisting of securities centered on public and corporate bonds amounting to ¥3,746.1 billion (up 1.9 percent), loans of ¥1,429.6 billion (down 4.3 percent), tangible fixed assets of ¥161.6 billion (down 0.5 percent) and monetary claims purchased of ¥145.4 billion (up 0.1 percent).

Total liabilities were ¥5,592.5 billion (down 0.6 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,442.6 billion (down 0.6 percent).

Total net assets were ¥187.4 billion (up 28.6 percent) of which net unrealized gains on securities was ¥34.4 billion.

As of December 31, 2009, solvency margin ratio (a measure of insurance companies' financial soundness) was 1,016.6 percent (866.4 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets (adjusted assets at fair value less liabilities, excluding quasi-equity liabilities) amounted to ¥411.3 billion (¥330.4 billion posted at the previous fiscal year-end).

Daido Life Insurance Company:

As of December 31, 2009, total assets amounted to ¥5,454.5 billion (down 0.3 percent from March 31, 2009), mainly consisting of securities centered on public and corporate bonds amounting to ¥3,950.3 billion (up 12.2 percent), loans of ¥773.2 billion (down 3.5 percent), monetary claims purchased of ¥205.2 billion (down 31.1 percent), tangible fixed assets of ¥139.0 billion (down 1.2 percent) and call loans of ¥111.3 billion (down 59.5 percent).

Total liabilities were ¥5,144.0 billion (down 2.7 percent), and policy reserves accounting for a substantial portion of them amounted to ¥4,969.3 billion (down 2.7 percent).

Total net assets were ¥310.4 billion (up 67.0 percent) of which net unrealized gains on securities was ¥28.9 billion (a loss of ¥86.0 billion posted at the previous fiscal year-end).

As of December 31, 2009, solvency margin ratio was 1,072.5 percent (823.4 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets amounted to ¥584.2 billion (¥447.9 billion posted at the previous fiscal year-end).

T&D Financial Life Insurance Company:

As of December 31, 2009, total assets amounted to ¥1,390.8 billion (up 18.8 percent from March 31, 2009), mainly consisting of securities of ¥1,259.5 billion (up 23.0 percent) and monetary trust of ¥50.5 billion (down 21.8 percent).

Total liabilities were ¥1,347.7 billion (up 19.9 percent), and policy reserves accounting for a substantial portion of them amounted to ¥1,336.7 billion (up 20.1 percent).

Total net assets were ¥43.1 billion (down 8.2 percent), of which net unrealized gains on securities was a loss of ¥0.6 billion (down 50.8 percent).

As of December 31, 2009, solvency margin ratio was 711.3 percent (832.0 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets amounted to ¥94.2 billion

(¥87.1 billion posted at the previous fiscal year-end).

(Reference) Sales Results

Taiyo Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the nine months ended December 31, 2009 increased 24.8 percent compared with the same term of the previous fiscal year, to ¥2,053.6 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 10.6 percent compared with the same term of the previous fiscal year, to ¥849.2 billion.

As a result, the total policy amount in force of individual insurance and annuities as of December 31, 2009 increased 4.0 percent from the level of the same term of the previous fiscal year, or increased 4.4 percent from the previous fiscal year-end, to ¥18,115.4 billion.

Daido Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the nine months ended December 31, 2009 decreased 9.5 percent compared with the same term of the previous fiscal year, to ¥2,772.1 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities increased 2.7 percent compared with the same term of the previous fiscal year, to ¥3,063.0 billion.

As a result, the total policy amount in force of individual insurance and annuities as of December 31, 2009 decreased 4.3 percent from the level of the same term-end of the previous fiscal year, or decreased 2.9 percent from the previous fiscal year-end, to ¥37,509.1 billion.

T&D Financial Life Insurance Company:

The new policy amount of individual insurance and annuities for the nine months ended December 31, 2009 (there is no net increase from conversions) increased 29.6 percent compared with the same term of the previous fiscal year, to ¥208.4 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 21.3 percent compared with the same term of the previous fiscal year, to ¥83.7 billion.

As a result, the total policy amount in force of individual insurance and annuities as of December 31, 2009, increased 5.0 percent from the level of the same term of the previous fiscal year, or increased 5.4 percent from the previous fiscal year-end, to ¥2,235.0 billion.

4. Forecasts for the Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

Consolidated net income of ¥25.0 billion for the nine months ended December 31, 2009, surpassed on the forecast for the year ending March 31, 2010, of ¥18.0 billion. This was mainly due to gains on the sale of securities, net (before-tax) of ¥27.5 billion posted.

The forecasts publicly announced on May 19, 2009, however, will not be revised at this stage, since it is possible that capital gains and losses on investments may substantially change according to future market trends.

The consolidated forecasts for the year ending March 31, 2010, are as follows:

	Ordinary revenues	Ordinary profit	Net income
Year-end	2,010	78	18
Change	(20.9%)	-	-

Note: "Change" represents the amount change from the year ended March 31, 2009.

Reference: Forecasts for the Year Ending March 31, 2010, of Three Life Insurance Companies (Non-consolidated Basis)

	Taiyo Life	Daido Life	T&D Financial Life
Ordinary revenues	910	970	270
Change	(18.2%)	(22.4%)	(5.4%)
Ordinary profit (loss)	41	50	(14)
Change	-	-	(47.8%)
Core profit (loss)	50	55	(4)
Change	11.1%	-	(90.2%)
Net income (loss)	11	17	(10)
Change	-	-	(49.5%)

Note: "Change" represents the amount change from the year ended March 31, 2009. The decreased amount shown in "loss" means an improvement in its loss.

5. Others

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation)

None

(2) Adoption of Simple Accounting Methods and Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Principles and Procedures and Presentation Methods for Quarterly Consolidated Financial Statements

None

6. Unaudited Consolidated Financial Statements
(1) Unaudited Consolidated Balance Sheets

(Millions of yen)		
	As of December 31, 2009	As of March 31, 2009
	Amount	Amount
Assets:		
Cash and deposits	264,312	319,643
Call loans	221,700	397,500
Monetary claims purchased	350,785	443,212
Monetary trust	73,472	78,112
Securities	8,954,094	8,218,502
Loans	2,190,460	2,280,772
Tangible fixed assets	305,091	308,604
Intangible fixed assets	22,429	23,444
Due from agencies	1,124	1,233
Due from reinsurers	12,073	10,422
Other assets	157,038	191,792
Deferred tax assets	184,590	227,992
Reserve for possible loan losses	(4,204)	(2,671)
Total assets	12,732,970	12,498,562
Liabilities:		
Policy reserves	11,749,630	11,699,006
Reserve for outstanding claims	65,039	71,474
Policy reserve	11,545,540	11,480,401
Reserve for policyholder dividends	139,050	147,129
Due to agencies	1,057	604
Due to reinsurers	439	450
Short-term debenture	26,994	9,994
Subordinated bonds	14,000	-
Other liabilities	166,233	306,659
Reserve for bonus to directors and corporate auditors	185	160
Reserve for employees' retirement benefits	118,041	118,040
Reserve for directors' and corporate auditors' retirement benefits	4,570	4,123
Reserve for price fluctuations	63,899	52,453
Deferred tax liabilities	11	-
Deferred tax liabilities on land revaluation	10,541	10,674
Total liabilities	12,155,605	12,202,169
Net assets:		
Common stock		
Authorized - 966,000,000 shares		
Issued - 340,740,000 shares	207,111	147,637
Capital surplus	194,619	135,145
Retained earnings	159,559	146,616
Treasury stock	(934)	(927)
Total stockholders' equity	560,356	428,471
Net unrealized gains (losses) on securities	63,098	(86,246)
Deferred gains on hedging instruments	206	348
Land revaluation	(48,001)	(47,805)
Foreign currency translation adjustments	(116)	(110)
Total valuation and translation adjustments	15,187	(133,814)
Minority interests	1,820	1,736
Total net assets	577,364	296,393
Total liabilities and net assets	12,732,970	12,498,562

(2) Unaudited Consolidated Statements of Operations

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
	Amount	Amount
Ordinary revenues	1,952,146	1,697,977
Income from insurance premiums	1,256,810	1,356,471
Investment income	320,371	286,955
Interest, dividends and income from real estate for rent	190,661	163,587
Gains from monetary trusts, net	20,676	-
Gains on investment in trading securities, net	-	4,176
Gains on sales of securities	90,521	41,512
Gains from derivatives, net	16,504	-
Other investment income	2,007	1,996
Gains on separate accounts, net	-	75,682
Other ordinary income	374,930	54,537
Reversal of policy reserve	311,249	-
Other ordinary income	63,681	54,537
Equity in net income of affiliated companies	33	13
Ordinary expenses	2,084,169	1,626,938
Insurance claims and other payments	1,394,880	1,254,729
Insurance claims	492,866	413,708
Annuity payments	147,805	153,312
Insurance benefits	220,953	209,383
Surrender payments	335,576	319,694
Other payments	197,678	158,630
Provision for policy and other reserves	670	65,753
Provision for reserve for outstanding claims	-	65,138
Interest portion of reserve for policyholder dividends	670	614
Investment expenses	464,848	88,421
Interest expenses	1,467	2,246
Losses from monetary trust, net	-	21,811
Losses on investment in trading securities, net	38,102	-
Losses on sales of securities	181,391	14,006
Devaluation losses on securities	63,596	9,376
Losses from derivatives, net	-	14,916
Foreign exchange losses, net	3,419	1,967
Provision for reserve for possible loan losses	-	1,560
Write-off of loans	112	5,049
Depreciation of real estate for rent	4,176	4,041
Other investment expenses	69,140	13,444
Losses on separate accounts, net	103,441	-
Operating expenses	160,358	158,310
Other ordinary expenses	63,411	59,723
Ordinary profit (loss)	(132,022)	71,039

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
	Amount	Amount
Extraordinary gains	97,721	558
Gains on disposal of fixed assets	702	343
Reversal of reserve for price fluctuations	95,528	-
Reversal of reserve for possible loan losses	1,157	-
Recoveries of bad debts previously written-off	119	40
Other extraordinary gains	213	174
Extraordinary losses	1,635	12,341
Losses on disposal of fixed assets	1,388	549
Impairment loss	-	184
Provision for reserve for price fluctuations	-	11,445
Other extraordinary losses	246	161
Provision for reserve for policyholder dividends	16,473	20,593
Income (loss) before income taxes	(52,410)	38,662
Income taxes:		
Current	1,381	755
Deferred	(6,334)	12,712
Total income taxes	(4,953)	13,467
Minority interests	50	139
Net income (loss)	(47,508)	25,054

(3) Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
	Amount	Amount
Cash flows from operating activities:		
Income (loss) before income taxes	(52,410)	38,662
Depreciation of real estate for rent	4,176	4,041
Other depreciation and amortization	9,351	9,153
Impairment loss	-	184
Amortization of goodwill due to consolidation	357	-
Decrease in reserve for outstanding claims	(8,249)	(6,435)
Increase (decrease) in policy reserve	(311,249)	65,138
Increase in interest portion of reserve for policyholder dividends	670	614
Increase in provision for reserve for policyholder dividends	16,473	20,593
Increase (decrease) in reserve for possible loan losses	(1,166)	1,534
Increase (decrease) in reserve for bonus to directors and corporate auditors	(47)	24
Increase in reserve for employees' retirement benefits	1,878	0
Increase (decrease) in reserve for directors' and corporate auditors' retirement benefits	(142)	446
Increase (decrease) in reserve for price fluctuations	(95,528)	11,445
Interest, dividends and income from real estate for rent	(190,661)	(163,587)
Losses (gains) on investment securities	296,010	(97,988)
Interest expense	1,467	2,246
Exchange losses	3,260	2,058
Gains on disposal of tangible fixed assets	(55)	(52)
Equity in net income of affiliated companies	(33)	(13)
Decrease in amount due from agencies	160	108
Increase in amount due from reinsurers	(1,423)	(1,650)
(Increase) decrease in other assets (excluding investment activities-related and financing activities-related)	(18,969)	9,574
Increase in amount due to agencies	536	453
Decrease in amount due to reinsurers	(35)	(11)
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(6,224)	1,469
Others, net	30,269	53,349
Subtotal	(321,583)	(48,638)
Interest, dividends and income from real estate for rent received	197,254	161,423
Interest paid	(1,837)	(2,476)
Policyholder dividends	(36,563)	(29,368)
Others, net	(5,105)	(1,994)
Income taxes received (paid)	(66,500)	28,704
Net cash provided by (used in) operating activities	(234,336)	107,649

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
	Amount	Amount
Cash flows from investing activities:		
Net (increase) decrease in short-term investments	(1,420)	170
Investments in monetary claims purchased	(40,284)	(9,096)
Proceeds from sale and redemption of monetary claims purchased	57,822	11,125
Investments in monetary trusts	(16,600)	(24,100)
Proceeds from monetary trusts	94,576	6,950
Purchase of securities	(2,861,338)	(2,616,794)
Sale and redemption of securities	2,995,135	2,067,239
Investments in loans	(402,688)	(402,506)
Collection of loans	531,886	490,113
Others, net	86,715	(41,990)
Subtotal	443,805	(518,889)
Total of net cash provided by (used in) operating activities and investment transactions as above	209,469	(411,239)
Purchase of tangible fixed assets	(7,132)	(5,361)
Proceeds from disposal of tangible fixed assets	1,574	678
Net cash provided by (used in) investing activities	438,247	(523,571)
Cash flows from financing activities:		
Income from issuance of short-term debenture	-	16,995
Redemption of short-term debenture	(27,971)	-
Proceeds from debt	47,800	46,600
Repayments of debt	(5,644)	(143,471)
Proceeds from issuance of debenture	-	14,000
Redemption of debenture	(20,000)	-
Payment of lease obligations	(21)	(73)
Proceeds from issuance of stocks	-	118,948
Purchase of treasury stock	(310)	(12)
Sale of treasury stock	17	2
Dividends paid	(15,703)	(12,112)
Dividends paid to minority interests	(31)	(58)
Net cash provided by (used in) financing activities	(21,866)	40,819
Effect of exchange rate changes on cash and cash equivalents	(2,957)	(573)
Net increase (decrease) in cash and cash equivalents	179,087	(375,676)
Cash and cash equivalents at the beginning of the year	982,596	1,320,251
Cash and cash equivalents at the end of the period	1,161,683	944,575

(4) Notes on Going-Concern Assumption

Not applicable.

(5) Notes for Material Changes in Shareholders' Equity

The Company issued new shares by public offering as of December 16, 2009 as the payment date, as a result, the number of outstanding shares increased by 58,100 thousand shares, common stock increased by ¥51,720 million and capital surplus increased by ¥51,720 million.

In addition, outstanding share of common stock increased by 8,710 thousand shares, common stock increased by ¥7,753 million and capital surplus increased by ¥7,753 million, because of new share issuance and third-party allotment to Nomura Securities Co., Ltd. as of December 28, 2009 as the payment date.

As a result, common stock amounted to ¥207,111 million, capital surplus amounted to ¥194,619 million as of December 31, 2009.