

(Reference)

**Performance Forecast for the Year Ending March 31, 2004**

The Company revised its performance forecasts for the year ending March 31, 2004, which were announced on May 22, 2003, as stated below.

(Consolidated) (Billions of Yen, %)

	Previous Forecast	Revised Forecast	% Changes from the previous forecast
Ordinary Revenue	1,127	1,203	6.7 %
Ordinary Profit	66	97	47.0
Net Income	19	30	57.9

(Non- Consolidated) (Billions of Yen, %)

	Previous Forecast	Revised Forecast	% Changes from the previous forecast
Ordinary Revenue	1,124	1,200	6.8 %
Ordinary Profit	70	101	44.3
Net Income	23	34	47.8
Annual Dividends per Share	(Year-End) ¥ 3,000.00	(Year-End) ¥ 3,000.00	0.0
Income from Insurance Premiums	994	921	( 7.3 )
Core Profit	88	95	8.0
Negative Spread	25	19	( 24.0 )
New Policy Amount	4,760	4,490	( 5.7 )
Individual Term Life	4,450	4,300	( 3.4 )
Policy Amount in Force	39,630	39,200	( 1.1 )
Individual Term Life	35,230	34,930	( 0.9 )
Surrender & Lapse Rate	8.5%	9.0%	0.5

Notes:

1. Percentage changes are rounded to the nearest relevant percentage point.
2. Policy amount in force and new policy amount include individual insurance and annuities. The new policy amount includes increase from conversion.
3. The above forecasts for the year ending March 31, 2004 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.

## Supplementary Data for Six Months Ended September 30, 2003 Non-Consolidated Financial Results at Press Conference

**(1) Sales Results**

(Millions of Yen, %)

	Six Months Ended Sept. 30, 2003		Fiscal Year Ended Mar. 31, 2003	Six Months Ended Sept. 30, 2002	
		% Change from Fiscal Year Ended Mar. 31, 2003			% Change from Six Months Ended Sept. 30, 2002
New Policy Amount	2,109,438	-	(8.1)	4,673,514	2,296,478
Policy Amount in Force	39,075,896	(0.7)	(0.0)	39,342,682	39,086,303
Surrender & Lapse Amount	1,823,480	-	10.7	3,290,656	1,646,574
Surrender & Lapse Rate	4.64%	-	-	8.5%	4.23%
Income from Insurance Premiums	480,795	-	(6.8)	989,420	515,888
Individual Insurance and Annuities included	317,454	-	(8.1)	684,990	345,260
Group Insurance and Annuities included	161,494	-	(4.4)	300,730	168,879

*Notes:*

1. New policy amount and policy amount in force include individual insurance and annuities.
2. New policy amount includes increase from conversion.
3. Surrender and lapse amount does not include reinstatement.
4. Surrender and lapse rates for six months ended September 30, 2003 and 2002 are not annualized.

**(2) Assets**

(Millions of Yen, %)

	As of Sept. 30, 2003		As of Mar. 31, 2003	As of Sept. 30, 2002	
		% Change from Mar. 31, 2003			% Change from Sept. 30, 2002
Total Assets	6,051,668	0.7	1.2	6,007,183	5,982,225
Adjusted Net Asset	541,542	5.1	9.9	515,471	492,706
Solvency Margin Ratio	1,069.7%	209.5points	244.8points	860.2%	824.9%

*Note: Adjusted net asset is calculated based on the regulatory standard.*

**(3) Core Profit / Negative Spread**

(Millions of Yen, %)

	Six Months Ended Sept. 30, 2003			Fiscal Year Ended Mar. 31, 2003	Six Months Ended Sept. 30, 2002
		% Change from Fiscal Year Ended Mar. 31, 2003	% Change from Six Months Ended Sept. 30, 2002		
Core Profit	48,056	-	23.9	88,729	38,788

	Fiscal Year Ending Mar. 31, 2004 (Forecast)	Fiscal Year Ended Mar. 31, 2003
Negative Spread	19,000	20,479

**(4) Policy and Other Reserves**

(Millions of Yen)

	As of Sept. 30, 2003			As of Mar.31, 2003	As of Sept. 30, 2002
		Change from Mar. 31, 2003	Change from Sept. 30, 2002		
Policy Reserve	5,310,530	(8,845)	(19,343)	5,319,376	5,329,873
General Accounts included	5,161,337	4,223	26,993	5,157,113	5,134,344
Separate Accounts included	149,192	(13,069)	(46,336)	162,262	195,529
Reserve for Price Fluctuations	30,005	763	1,278	29,242	28,726
Contingency Reserve	75,667	325	964	75,341	74,702
“Contingency Reserve 1” included	43,465	48	311	43,417	43,154
“Contingency Reserve 2” included	32,201	276	652	31,924	31,548

Note: The amount of policy reserve excludes the amount of contingency reserve.

**(5) Unrealized Gains / Losses**

(Millions of Yen)

	As of Sept. 30, 2003			As of Mar.31, 2003	As of Sept. 30, 2002
		Change from Mar. 31, 2003	Change from Sept. 30, 2002		
Securities	178,167	235	16,289	177,932	161,878
Domestic Stocks included	84,895	81,255	75,893	3,639	9,001
Yen Denominated Bonds included	88,223	(88,569)	(64,844)	176,792	153,068
Foreign Securities included	(6,391)	(11,384)	(12,433)	4,992	6,041

Note: These figures include securities held in monetary trusts and do not include securities without readily obtainable fair value.

**(6) Devaluation Losses**

(Millions of Yen, %)

	As of Sept. 30, 2003			As of Mar.31, 2003	As of Sept. 30, 2002
		Change from Mar. 31, 2003	Change from Sept. 30, 2002		
Securities: a	452	(99.1)	(97.5)	49,540	18,108
Domestic Stocks included	148	(99.6)	(98.5)	40,714	10,214
Yen Denominated Bonds included	-	(100.0)	(100.0)	174	174
Other Domestic Securities included	62	(99.2)	(99.1)	7,883	6,910
Foreign Securities included	241	(68.5)	(70.1)	768	808
Foreign Bonds	-	-	-	-	-
Foreign Stocks, etc.	241	(68.5)	(70.1)	768	808
Monetary Trusts: b	32	(99.6)	(99.7)	9,173	10,843
Total: a + b	485	(99.2)	(98.3)	58,713	28,952

Standards for Calculating Devaluation Losses on Domestic Stocks:

All losses when the rate of decline of the market value is 30% or more of the book value.

**(7) Investment for Six Months Ended September 30, 2003**

(Millions of Yen)

	Net Increase (decrease) from Mar. 31, 2003	2 <sup>nd</sup> . Half Year Ending Mar. 31, 2004 (Planned)
Domestic Stocks	47,477	- Slightly increase net exposure to domestic stocks - Regarding other investments, primarily maintain current asset composition - Possible change depending on market prospects
Domestic Bonds	(432,622)	
Foreign Stocks, etc.	(9,363)	
Foreign Bonds	351,783	
Other Securities	86,837	
Real Estate	(1,306)	

Notes:

1. Domestic stocks and foreign stocks include those held in monetary trusts and alternative investments.
2. Net increase (decrease) indicates net of the total executed amount including stock futures contracts. As for monetary trusts the amount is the net cash inflow (outflow) due to newly setup or cancellation.

**(8) Level of Indices where Unrealized Gains/Losses on Assets are Break-even as of September 30, 2003**

Nikkei Average	6,800 Yen	
Topix	670 Points	
Yen-Denominated Bonds	Parallel-shift case	2.2%
	Steepening case	2.6%
Foreign Securities	113.3 Yen	

Notes:

1. The indices for Yen-Denominated Bonds are calculated on a 10-Year JGB yield basis. The indice for Foreign Securities is calculated on a U.S. dollar/yen rate basis.
2. These figures are calculated based on asset holdings as of September 30, 2003 assuming that our asset portfolio is the same as those of the Nikkei average and Topix. Because our portfolio is not necessarily the same as these indices, actual results may differ from above figures.
3. Regarding the Yen-Denominated Bonds calculation, the "parallel-shift case" is based on the assumption that any shifts in the yield curve as of September 30, 2003 will be parallel shifts, while the "Steepening case" is based on the assumption that the current near-zero short-term interest rates of 10-Year JGB yield will remain, and future long-term interest rates will rise relative to the short-term interest rates.

**(9) Performance Forecast for the Fiscal Year Ending March 31, 2004**

(Billions of Yen)

	Fiscal Year Ending Mar. 31, 2004 (Current Forecast)	Fiscal Year Ending Mar. 31, 2004 (Previous Forecast)
Income from Insurance Premiums	921	994
Core Profit	95	88
Ordinary Profit	101	70
Unappropriated Retained Earnings	-	-
Policy amount in Force	39,200	39,630

Notes:

1. Policy amount in force includes individual insurance and annuities.

2. The above forecasts for the year ending March 31, 2004 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.

**(10) Cross Holdings with Domestic Banks at September 30, 2003****i) Contributions from Domestic Banks**

(Millions of Yen)

	Amount
Funds	None
Subordinated Debt	None

**ii) Contributions to Domestic Banks**

(Millions of Yen)

	Amount
Bank Stocks Held	77,490
Preferred Stocks issued by Foreign Subsidiaries	60,000
Preferred Securities issued by Foreign Subsidiaries	14,437
Subordinated Loans and Debentures	203,301

**(11) Number of Employees and Agents**

	As of Sept. 30, 2003		As of Mar.31, 2003	As of Sept. 30, 2002	
		Change from Mar. 31, 2003			Change from Sept. 30, 2002
In-house Sales Representatives	5,295	1.9	2.3	5,194	5,178
Sales Agents	13,089	0.9	0.3	12,970	13,055
Administrative Personnel	3,185	2.0	0.0	3,122	3,185

**(12) Other Questions****i) Future plans for capital raising**

- We believe that Daido is currently maintaining an ample capital level. Therefore, we have no plans to seek third-party funds to raise capital.

**ii) The Company's position related to the reduction of assumed investment yields for existing individual insurance policies and annuities**

- According to the Insurance Business Law, assumed investment yield reductions may be implemented "only when there is a possibility of a failure in continuing insurance business operations" and the proceeding of a given yield reduction must be initiated by that particular insurance company.
- Daido maintains sufficient financial soundness to conduct current operations.
- Consequently, we have no plan to apply to proceed with a yield reduction.

**iii) Future restructuring plans**

- We will further enhance operational efficiency through the use of information technology and rationalization of operations.
- As part of the management integration with Taiyo Life, we will continue to pursue enhanced joint operations and integration of affiliates in areas and functions where cooperation between the two companies are deemed feasible and thereby further streamline our operations.

**(13) OTC Sales through Banks (October 2002 – September 30, 2003)**

Not applicable, as Daido does not sell its products OTC through banks.