

# NON-CONSOLIDATED FINANCIAL SUMMARY

(For the three months ended June 30, 2006)

August 11, 2006

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

## 1. Premises

- (1) Adoption of Simple Accounting Method: None
- (2) Changes in Method of Accounting: Applicable. Accounting standard for presentation of net assets in the balance sheet and its implementation has been applied since the three months ended June 30, 2006.

## 2. Non-Consolidated Operating Results for the Three Months Ended June 30, 2006 (April 1, 2006 – June 30, 2006)

### (1) Results of Operations

Note: Amounts of less than one million yen have been eliminated, and percentages have been rounded to the nearest percent.

	Ordinary Revenues		Ordinary Profit				Net Income	
		% change		% change	Core Profit	% change		% change
Three months ended June 30, 2006	¥49,619 million	(7.0)	¥(4,331) million	7.6	¥(2,911) million	(3.6)	¥(3,110) million	1.3
Three months ended June 30, 2005	¥53,358 million	72.4	¥(4,026) million	269.6	¥(3,019) million	179.6	¥(3,069) million	-
Year Ended March 31, 2006	¥312,371 million	108.0	¥(12,246) million	(5.0)	¥(7,037) million	4.3	¥(11,413) million	-

	Net Income per Share
Three months ended June 30, 2006	¥(3,887.62)
Three months ended June 30, 2005	¥(5,115.42)
Year Ended March 31, 2006	¥(18,952.71)

Notes:

1. Average number of outstanding shares during the term: for the three months ended June 30, 2006: 800,000; for the three months ended June 30, 2005: 600,000; for the fiscal year ended March 31, 2006: 602,192
2. % change for ordinary revenues, ordinary profit and net income, etc. is presented in comparison with the same term of the previous fiscal year.
3. Core Profit is a measure of a life insurance company's underlying profitability from core insurance operations on a non-consolidated basis, defined as ordinary profit excluding "capital gains and losses" such as gains and losses on sale of securities and devaluation losses on securities and "other one-time gains and losses" such as provision for (reversal of) contingency reserve and write-off of loans.

### (2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of June 30, 2006	¥916,003 million	¥41,997 million	4.6%	¥52,496.34
As of June 30, 2005	¥752,112 million	¥22,502 million	3.0%	¥37,504.24
As of March 31, 2006	¥934,116 million	¥45,243 million	4.8%	¥56,554.76

Notes:

1. Number of outstanding shares at the end of the term: as of June 30, 2006: 800,000; as of June 30, 2005: 600,000; as of March 31, 2006: 800,000.
2. Number of treasury stock at the end of the term: None

### 3. Forecast for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

T&D Financial Life's forecast is omitted. Please refer to T&D Holdings' "Forecast for the Year Ending March 31, 2007" section in this material "Financial Summary for the Three Months Ended June 30, 2006".

**T&D financial Life Unaudited Non-Consolidated Condensed Balance Sheet**

(Millions of yen)

	As of June 30, 2005	As of June 30, 2006	Increase (decrease)		As of March 31, 2006
	Amount	Amount	Amount	% change	Amount
<b>Assets:</b>					
Cash and deposits	51,514	52,229	715	1.4	41,611
Cash	10	4	(5)	(56.4)	5
Deposit	51,504	52,225	720	1.4	41,605
Monetary trusts	7,409	9,531	2,122	28.6	7,748
Securities	643,633	821,454	177,820	27.6	844,351
Government bonds	241,827	314,116	72,288	29.9	289,335
Corporate bonds	23,453	18,096	(5,356)	(22.8)	23,092
Domestic stocks	1,894	2,106	211	11.2	2,331
Foreign securities	43,980	39,805	(4,175)	(9.5)	46,688
Other securities	332,476	447,329	114,852	34.5	482,903
Loans	14,569	13,218	(1,350)	(9.3)	13,333
Policy loans	9,360	8,148	(1,212)	(12.9)	8,261
Commercial loans	5,208	5,070	(138)	(2.7)	5,071
Property and equipment	188	—	—	—	145
Buildings	157	—	—	—	124
Equipment	30	—	—	—	20
Construction in progress	—	—	—	—	0
Tangible fixed assets	—	227	—	—	—
Buildings	—	121	—	—	—
Construction in progress	—	86	—	—	—
Other tangible fixed assets	—	19	—	—	—
Intangible fixed assets	—	2,274	—	—	—
Software	—	2,240	—	—	—
Other intangible fixed assets	—	34	—	—	—
Due from agencies	0	-	(0)	(100.0)	—
Due from reinsurers	5,440	5,653	212	3.9	5,923
Other assets	24,253	6,531	(17,722)	(73.1)	15,887
Accounts receivable	14,858	4,023	(10,835)	(72.9)	11,284
Prepaid expenses	306	470	164	53.8	230
Accrued income	878	842	(35)	(4.1)	932
Deposit for rent	880	927	46	5.3	993
Suspense payable	93	105	12	13.0	85
Goodwill	4,875	—	(4,875)	(100.0)	—
Other assets	2,361	162	(2,199)	(93.1)	2,360
Deferred tax assets	5,248	4,974	(274)	(5.2)	5,207
Reserve for possible loan losses	(145)	(92)	52	(36.4)	(92)
<b>Total assets</b>	<b>752,112</b>	<b>916,003</b>	<b>163,890</b>	<b>21.8</b>	<b>934,116</b>

(Millions of yen)

	As of June 30, 2005	As of June 30, 2006	Increase (decrease)		As of March 31, 2006
	Amount	Amount	Amount	% change	Amount
<b>Liabilities:</b>					
Policy reserves	714,300	862,514	148,214	20.7	874,877
Reserve for outstanding claims	6,046	3,982	(2,063)	(34.1)	4,475
Policy reserve	704,874	855,811	150,937	21.4	866,962
Reserve for policyholder dividends	3,380	2,720	(659)	(19.5)	3,440
Due to agencies	802	475	(327)	(40.7)	849
Due to reinsurers	88	70	(18)	(20.8)	59
Other liabilities	3,668	2,802	(865)	(23.6)	4,718
Income taxes payable	14	3	(11)	(78.5)	38
Accounts payable	1,970	1,387	(583)	(29.6)	2,518
Accrued expenses	603	421	(181)	(30.1)	1,129
Unearned income	0	0	(0)	(86.3)	0
Deposits received	300	294	(6)	(2.1)	365
Suspense receipt	778	696	(82)	(10.6)	666
Reserve for employees' retirement benefits	10,348	7,634	(2,713)	(26.2)	7,886
Reserve for directors' and corporate auditors' retirement benefits	92	124	31	34.4	117
Reserve for price fluctuations	309	384	75	24.3	364
<b>Total liabilities</b>	<b>729,610</b>	<b>874,006</b>	<b>144,396</b>	<b>19.8</b>	<b>888,872</b>
<b>Stockholders' equity:</b>					
Common stock	20,000	—	—	—	36,000
Capital surplus	10,000	—	—	—	26,000
Retained earnings (deficit)	(7,887)	—	—	—	(16,231)
Unappropriated deficit	7,887	—	—	—	16,231
Net unrealized gains on securities	390	—	—	—	(524)
<b>Total stockholders' equity</b>	<b>22,502</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>45,243</b>
<b>Total liabilities and stockholders' equity</b>	<b>752,112</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>934,116</b>
<b>Net assets:</b>					
Common stock	—	36,000	—	—	—
Capital surplus	—	26,000	—	—	—
Retained earnings	—	(19,341)	—	—	—
Other retained earnings	—	(19,341)	—	—	—
Unappropriated retained earnings	—	(19,341)	—	—	—
Total stockholder's equity	—	42,658	—	—	—
Net unrealized gains on securities	—	(661)	—	—	—
Total valuation and translation adjustment	—	(661)	—	—	—
<b>Total net assets</b>	<b>—</b>	<b>41,997</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total liabilities and net assets</b>	<b>—</b>	<b>916,003</b>	<b>—</b>	<b>—</b>	<b>—</b>

T&D financial Life Unaudited Non-Consolidated Condensed Statements of Operations

(Millions of yen)

	Three months ended	Three months ended	Increase (decrease)		Year ended March 31,
	June 30, 2005	June 30, 2006	Amount	% change	2006
	Amount	Amount	Amount	% change	Amount
<b>Ordinary revenues</b>	53,358	49,619	(3,738)	(7.0)	312,371
<b>Income from insurance premiums</b>	47,451	34,747	(12,704)	(26.8)	208,153
Insurance premiums	46,167	33,989	(12,178)	(26.4)	203,351
Ceded reinsurance recoveries	1,284	757	(526)	(41.0)	4,802
<b>Investment income</b>	3,824	1,317	(2,507)	(65.6)	92,291
Interest, dividends and income from real estate for rent	807	895	88	10.9	4,590
Interest income from deposits	-	-	-	-	0
Interest income and dividends from securities	714	806	92	13.0	4,224
Interest income from loans	93	88	(4)	(4.9)	366
Other income from interest and dividends	0	-	(0)	(100.0)	0
Gains from monetary trusts, net	-	283	283	-	-
Gains on sales of securities	90	119	29	32.8	502
Gains on redemption of securities	0	-	(0)	(100.0)	0
Other investment income	9	18	9	102.4	170
Gains on separate accounts, net	2,917	-	(2,917)	(100.0)	87,026
<b>Other ordinary income</b>	2,082	13,555	11,473	551.1	11,926
Income related to withheld insurance claims and other payments for future annuity payments	926	1,606	679	73.4	6,413
Income due to withheld insurance payments	138	49	(89)	(64.5)	470
Reversal of reserve for outstanding claims	682	493	(189)	(27.7)	2,252
Reversal of policy reserve	-	11,150	11,150	-	-
Reversal of reserve for employees' retirement benefits	291	251	(39)	(13.6)	2,752
Reversal of reserve for directors' and corporate auditors' retirement benefits	30	-	(30)	(100.0)	5
Other ordinary profit	14	5	(8)	(62.9)	30
<b>Ordinary expenses</b>	57,385	53,950	(3,434)	(6.0)	324,617
<b>Insurance claims and other payments</b>	18,804	24,874	6,069	32.3	97,131
Insurance claims	5,930	5,081	(848)	(14.3)	24,046
Annuity payments	1,248	1,251	3	0.3	5,017
Insurance benefits	3,373	3,851	477	14.2	16,686
Surrender payments	5,025	11,515	6,489	129.1	38,812
Other payments	2,714	2,104	(609)	(22.5)	9,235
Reinsurance premiums	512	1,069	557	108.8	3,334
<b>Provision for policy and other reserves</b>	30,827	1	(30,826)	(100.0)	192,921
Provision for policy reserve	30,826	-	(30,826)	(100.0)	192,914
Interest portion of reserve for policyholder dividends	1	1	(0)	(15.6)	6
<b>Investment expenses</b>	797	24,835	24,037	3,013.2	5,202
Interest expenses	0	0	(0)	(21.3)	1
Losses from monetary trusts, net	627	-	(627)	(100.0)	4,788
Losses on sales of securities	94	807	713	757.5	291
Devaluation losses on securities	55	-	(55)	(100.0)	55
Losses on redemption of securities	1	-	(1)	(100.0)	1
Foreign exchange losses, net	0	0	(0)	(64.3)	0
Other investment expenses	18	5	(13)	(72.2)	61
Losses on separate accounts, net	-	24,022	24,022	-	-
<b>Operating expenses</b>	4,765	3,726	(1,038)	(21.8)	20,294
<b>Other ordinary expenses</b>	2,189	513	(1,676)	(76.6)	9,068
Payments related to withheld insurance claims	94	116	21	22.8	543
Taxes	327	255	(71)	(21.8)	1,484
Depreciation	142	131	(11)	(8.0)	535
Provision for reserve for directors' and corporate auditors' retirement benefits	-	7	7	-	-
Amortization of goodwill	1,625	-	(1,625)	(100.0)	6,500
Other ordinary losses	0	2	2	473.3	5
<b>Ordinary losses</b>	4,026	4,331	304	7.6	12,246

(Millions of yen)

	Three months ended	Three months ended	Increase (decrease)		Year ended March 31,
	June 30, 2005	June 30, 2006	Amount	% change	2006
	Amount	Amount	Amount	% change	Amount
<b>Extraordinary gains</b>	0	0	(0)	(14.7)	1
Reversal of reserve for possible loan losses	0	0	(0)	(14.7)	1
<b>Extraordinary losses</b>	27	27	(0)	(2.2)	2,699
Losses on sales, disposal and devaluation of property and equipment	2	-	—	—	376
Losses on sales of fixed assets	—	7	—	—	—
Provision for reserve for price fluctuations	25	20	(5)	(20.0)	80
Other extraordinary losses	-	-	-	-	2,243
<b>Provision for reserve for policyholder dividends</b>	273	76	(197)	(72.1)	1,233
<b>Loss before income taxes</b>	4,328	4,434	106	2.5	16,178
Current income taxes	(2,816)	(1,616)	1,200	(42.6)	(6,809)
Deferred income taxes	1,557	291	(1,265)	(81.3)	2,044
<b>Net loss</b>	3,069	3,110	40	1.3	11,413
<b>Unappropriated deficit at the beginning of period</b>	4,818	-	-	-	4,818
<b>Unappropriated deficit at the end of period</b>	7,887	-	-	-	16,231

## **Supplementary Materials for the Three Months Ended June 30, 2006**

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## **Business Highlights (Non-Consolidated)**

### **(1) Total Policy Amount in Force**

(Number: Thousands, 100 Millions of yen)

Category	As of June 30, 2005				As of June 30, 2006				As of March 31, 2006	
	Number		Amount		Number		Amount		Number	Amount
		Change (%)		Change (%)		Change (%)		Change (%)		
Individual insurance	330	91.5	24,312	88.3	278	84.1	19,915	81.9	286	20,708
Individual annuities	75	110.0	4,219	124.6	88	116.2	5,827	138.1	86	5,945
Individual variable annuities	36	135.1	2,808	149.3	50	140.1	4,493	160.0	49	4,595
Subtotal	406	94.5	28,531	92.3	366	90.1	25,742	90.2	373	26,654
Group insurance	-	-	17,844	89.5	-	-	15,356	86.1	-	15,160
Group annuities	-	-	470	78.2	-	-	426	90.8	-	444

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	Three Months Ended June 30, 2005					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	2	35.9	234	33.1	234	-
Individual annuities	4	233.6	303	242.6	303	-
Individual variable annuities	4	233.6	303	242.6	303	-
Subtotal	7	78.5	537	64.5	537	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Category	Three Months Ended June 30, 2006					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	0	0.2	0	0.3	0	-
Individual annuities	2	56.5	185	61.0	185	-
Individual variable annuities	2	56.5	185	61.0	185	-
Subtotal	2	36.3	185	34.6	185	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Category	Year Ended March 31, 2006					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	3	17.2	341	14.3	341	-
Individual annuities	19	246.6	1,286	211.6	1,286	-
Individual variable annuities	19	246.6	1,286	211.6	1,286	-
Subtotal	23	77.8	1,627	54.3	1,627	-
Group insurance	-	-	0	5.7	0	-
Group annuities	-	-	-	-	-	-

Notes:

1. There is no conversion plan from FY2001.
2. The policy amount including increase from conversion for individual annuities is fund to be held at the time annuity payments are to commence for an annuity.
3. The new policy amount for group annuity products is equal to the initial premium payment.

### (3) Annualized Premiums

#### 1) Policy Amount in Force

(Millions of yen)

Category	As of June 30, 2005		As of June 30, 2006		As of March 31, 2006	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	39,311	92.1	31,592	80.4	32,681	81.0
Individual annuities	31,150	135.4	43,152	138.5	41,436	148.0
Total	70,462	107.2	74,745	106.1	74,117	108.5
3rd Sector	8,854	96.0	7,409	83.7	7,711	81.7

#### 2) New Policy Amount

(Millions of yen)

Category	Three Months Ended June 30, 2005		Three Months Ended June 30, 2006		Year Ended March 31, 2006	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	325	41.9	0	0.2	485	18.2
Individual annuities	2,942	253.8	1,796	61.0	12,545	222.5
Total	3,268	168.8	1,797	55.0	13,030	156.9
3rd Sector	203	42.7	0	0.0	293	17.3

Notes:

- The amounts are calculated by multiplying monthly premiums by 12, and dividing lump-sum payments by the insurance period.
- 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	Three Months Ended June 30, 2005				Three Months Ended June 30, 2006				Year Ended March 31, 2006	
	Number		Amount		Number		Amount		Number	Amount
		Change (%)		Change (%)		Change (%)		Change (%)		
Individual insurance	9	88.6	936	86.9	6	70.2	651	69.6	40	3,894
Individual annuities	0	67.2	29	63.9	0	159.8	90	309.1	3	292
Total	10	87.1	965	86.0	7	75.1	742	76.9	43	4,186

Note: Surrender and lapse 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.

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

(%)

Category	Three Months Ended June 30, 2005	Three Months Ended June 30, 2006	Year Ended March 31, 2006
Individual insurance	3.71	3.15	15.43
Individual annuities	0.75	1.52	7.52
Total	3.31	2.78	14.37

Note: Surrender and Lapse Rate for the three months ended June 30, 2005 and 2006 are not annualized.

**(6) Reconciliation to Core Profit and Non-Consolidated Ordinary Profit****a. Reconciliation to Core Profit**

(Millions of yen)

Category	Three Months Ended June 30, 2005	Three Months Ended June 30, 2006	Year Ended March 31, 2006
<b>Core Revenues</b>	53,268	50,231	311,869
Income from insurance premiums	47,451	34,747	208,153
Insurance premiums	46,167	33,989	203,351
Ceded reinsurance recoveries	1,284	757	4,802
Investment income	3,734	913	91,788
Interest, dividends and income from real estate for rent	807	895	4,590
Gains on redemption of securities	0	-	0
Other investment income	9	18	170
Gains on separate accounts, net	2,917	-	87,026
Other ordinary income	2,082	14,569	11,926
Income related to withheld insurance claims and other payments for future annuity payments	926	1,606	6,413
Income due to withheld insurance payments	138	49	470
Reversal of reserve for outstanding claims	682	493	2,252
Reversal of policy reserves (except contingency reserve)	-	12,164	-
Reversal of reserve for employees' retirement benefits	291	251	2,752
Other ordinary profit	44	5	35
Other core revenues	-	-	-
<b>Core Expenses</b>	56,287	53,142	318,906
Insurance claims and other payments	18,804	24,874	97,131
Insurance claims	5,930	5,081	24,046
Annuity payments	1,248	1,251	5,017
Insurance benefits	3,373	3,851	16,686
Surrender payments	5,025	11,515	38,812
Other payments	2,714	2,104	9,235
Reinsurance premiums	512	1,069	3,334
Provision for policy and other reserves	30,508	1	192,347
Investment expenses	19	24,027	64
Interest expenses	0	0	1
Losses on redemption of securities	1	-	1
Provision for reserve for possible loan losses	-	-	-
Depreciation of real estate for rent	-	-	-
Other investment expenses	18	5	61
Losses on separate accounts, net	-	24,022	-
Operating expenses	4,765	3,726	20,294
Other ordinary expenses	2,189	513	9,068
Payments related to withheld insurance claims	94	116	543
Taxes	327	255	1,484
Depreciation	142	131	535
Provision for reserve for employees' retirement benefits	-	-	-
Other ordinary losses	1,625	9	6,505
Other core expenses	-	-	-
<b>Core Profit</b>	<b>(3,019)</b>	<b>(2,911)</b>	<b>(7,037)</b>

**b. Reconciliation to non-consolidated ordinary profit**

(Millions of yen)

Category	Three Months Ended June 30, 2005	Three Months Ended June 30, 2006	Year Ended March 31, 2006
Core profit A	(3,019)	(2,911)	(7,037)
Capital gains	90	403	502
Gains from monetary trusts, net	-	283	-
Gains on investment in trading securities, net	-	-	-
Gains on sales of securities	90	119	502
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	-	-	-
Others	-	-	-
Capital Losses	777	807	5,137
Losses from monetary trusts, net	627	-	4,788
Losses on investments in trading securities, net	-	-	-
Losses on sales of securities	94	807	291
Devaluation losses on securities	55	-	55
Losses from derivatives, net	-	-	-
Foreign exchange losses, net	0	0	0
Others	-	-	-
Capital gains/losses B	(687)	(404)	(4,635)
Core profit reflecting capital gains/losses A+B	(3,707)	(3,316)	(11,672)
Other one-time gains	207	-	2,962
Ceding reinsurance commissions	-	-	-
Reversal of contingency reserve	-	-	-
Others	207	-	2,962
Other one-time losses	527	1,014	3,536
Reinsurance premiums	-	-	-
Provision for contingency reserve	527	494	3,536
Provision for specific reserve for possible loan losses	-	-	-
Provision for specific reserve for loans to refinancing countries	-	-	-
write-off loans	-	-	-
Others	-	520	-
Other one-time gains/losses C	(319)	(1,014)	(573)
Ordinary profit (losses) A+B+C	(4,026)	(4,331)	(12,246)

*Notes:*

- 1. The figure for the year ended March 31, 2006, includes 2,962 million yen of provision of policy reserve for minimum guarantee risks relating to valuable annuities contracted prior to March 31, 2004, which were not mandatory in the FSA regulation.*
- 2. The figure for three months ended June 30, 2005, includes 207 million yen of provision of policy reserve for minimum guarantee risks relating to valuable annuities contracted prior to March 31, 2004.*
- 3. The figure for three months ended June 30, 2006, includes 520 million yen of reversal of policy reserve for minimum guarantee risks relating to valuable annuities contracted prior to March 31, 2004, which were not mandatory in the FSA regulation.*

**(7) Negative Spread**

(Millions of yen)

Category	Three Months Ended June 30, 2005	Three Months Ended June 30, 2006	Year Ended March 31, 2006
Negative Spread	1,497	1,262	4,306
Investment yield on core profit	0.75%	0.90%	1.14%
Average assumed investment yield	2.17%	2.16%	2.19%
Policy reserve in general accounts	423,409	402,580	411,721

Notes:

1. Negative spread calculations:

a) For the three months ended June 30, 2005 and 2006 are calculated by the following method:

*(Investment yield on core profit - Average assumed investment yield) x Policy reserve in general accounts x 1/4*

b) For the year the ended March 31, 2006 is calculated by the following method:

*(Investment yield on core profit - average assumed investment yield) x policy reserves in general accounts*

2. While investment yield on core profit and average assumed investment yield as in 1 above are not annualized as in the notes 3 and 4 hereunder.

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

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

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 12***(8) Solvency Margin Ratio**

(Millions of yen)

Items	As of June 30, 2005	As of June 30, 2006	As of March 31, 2006
Total solvency margin (A)	26,561	68,959	71,703
Net Assets (less certain items)	22,112	42,658	45,768
Reserve for price fluctuations	309	384	364
Contingency reserve	2,125	5,629	5,134
Reserve for possible loan losses	15	13	13
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent., if gains; x 100 per cent., if losses)	550	(944)	(749)
Net unrealized gains(losses) on real estate (x 85 per cent., if gains; x 100 per cent., if losses)	-	-	-
Excess of amount of policy surrender payment	901	21,066	20,555
Unallotted portion of reserve for policyholder dividends	-	-	-
Future profits	547	152	616
Deferred tax assets	-	-	-
Subordinated debt	-	-	-
Deductible items	-	-	-
Total risk (B) $\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$	9,073	8,375	7,501
Insurance risk $R_1$	3,072	2,603	2,660
Assumed investment yield risk $R_2$	417	399	402
Investment risk $R_3$	2,701	2,826	2,512
Business risk $R_4$	337	307	281
Minimum guarantee $R_7$	5,059	4,410	3,796
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	585.5%	1,646.6%	1,911.8%

Notes:

1. The above figures are 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.

2. "Net assets (less certain items)" as of June 30, 2006 represents net assets on the balance sheet less net unrealized gains on securities, provision for advanced depreciation on real estate, gains on deferred hedge and estimated appropriation paid in cash. As for June 30, 2005 and March 31, 2006, "Net assets (less certain items)" above represents equity capital on the balance sheet less net unrealized gains on securities, provision for advanced

3. Minimum guarantee risks were calculated using the standard method regulated by FSA.

**(9) Adjusted Net Assets**

(Millions of yen)

Category	As of June 30, 2005	As of June 30, 2006	As of March 31, 2006
Adjusted net assets	42,100	60,870	64,567

Note: Foregoing were calculated according to the orders providing classifications, etc. that are stipulated in 132.2 of Insurance Business Law, and descriptions provided in Notification No. 2 issued in January 1999 by Financial Supervisory Agency and Ministry of Finance.

**(10) Asset Composition (General Account Assets)**

(Millions of yen, %)

Category	As of June 30, 2005		As of June 30, 2006		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	43,358	9.2	41,995	9.0	30,582	6.4
Monetary claims purchased	-	-	-	-	-	-
Monetary trusts	7,409	1.6	9,531	2.0	7,748	1.6
Securities	370,559	78.7	383,078	82.0	398,232	83.6
Domestic bonds	264,612	56.2	331,574	71.0	311,786	65.5
Domestic stocks	365	0.1	414	0.1	481	0.1
Foreign securities	41,837	8.9	37,759	8.1	44,607	9.4
Bonds	29,540	6.3	27,555	5.9	27,566	5.8
Stocks, etc.	12,296	2.6	10,204	2.2	17,041	3.6
Other securities	63,743	13.5	13,330	2.9	41,356	8.7
Loans	14,569	3.1	13,218	2.8	13,333	2.8
Policy loans	9,360	2.0	8,148	1.7	8,261	1.7
Commercial loans	5,208	1.1	5,070	1.1	5,071	1.1
Property and equipment	157	0.0	208	0.0	125	0.0
Deferred tax asset	5,248	1.1	4,974	1.1	5,207	1.1
Deferred tax asset concerning revaluation	-	-	-	-	-	-
Other assets	29,582	6.3	14,382	3.1	21,200	4.5
Reserve for possible loan losses	(145)	(0.0)	(92)	(0.0)	(92)	(0.0)
Total assets	470,739	100.0	467,297	100.0	476,337	100.0
Foreign currency denominated assets	641	0.1	647	0.1	658	0.1

**(11) Fair Value Information on Securities and Others (General Account Assets)****1) Fair value information on securities (except trading securities)****a. Securities with market value**

(Millions of yen)

Category	As of June 30, 2005				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	253,403	257,962	4,558	5,253	695
Domestic bonds	224,405	229,480	5,075	5,224	149
Foreign bonds	28,998	28,482	(516)	28	545
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	115,800	116,411	611	1,369	758
Domestic bonds	40,193	40,207	13	70	57
Domestic stocks	99	201	101	101	-
Foreign securities	12,885	12,838	(47)	121	168
Bonds	597	542	(55)	-	55
Stocks, etc.	12,288	12,296	7	121	113
Other securities	62,620	63,163	543	1,075	532
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	369,204	374,373	5,169	6,623	1,453
Domestic bonds	264,598	269,687	5,088	5,295	207
Domestic stocks	99	201	101	101	-
Foreign securities	41,884	41,320	(563)	150	714
Bonds	29,595	29,024	(571)	28	600
Stocks, etc.	12,288	12,296	7	121	113
Other securities	62,620	63,163	543	1,075	532
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

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.

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

(Millions of yen)

Category	As of June 30, 2005
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	744
Unlisted domestic stocks (excluding over-the-counter stocks)	164
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	580
Total	744

**a. Securities with market value**

(Millions of yen)

Category	As of June 30, 2006				
	Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Held-to-maturity securities	297,321	294,954	(2,367)	264	(2,631)
Domestic bonds	270,322	267,991	(2,330)	260	(2,590)
Foreign bonds	26,999	26,962	(37)	3	(41)
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	86,102	85,167	(934)	1,281	(2,215)
Domestic bonds	63,149	61,252	(1,897)	1	(1,899)
Domestic stocks	99	297	197	197	-
Foreign securities	10,694	10,770	76	146	(70)
Bonds	594	555	(38)	-	(38)
Stocks, etc.	10,099	10,214	114	146	(31)
Other securities	12,158	12,847	689	934	(245)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-
Total	383,423	380,121	(3,301)	1,545	(4,847)
Domestic bonds	333,471	329,243	(4,227)	262	(4,489)
Domestic stocks	99	297	197	197	-
Foreign securities	37,693	37,732	38	150	(111)
Bonds	27,594	27,517	(76)	3	(79)
Stocks, etc.	10,099	10,214	114	146	(31)
Other securities	12,158	12,847	689	934	(245)
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Monetary trusts	-	-	-	-	-

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.

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

(Millions of yen)

Category	As of June 30, 2006
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	598
Unlisted domestic stocks (excluding over-the-counter stocks)	116
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	482
Total	598

**a. Securities with market value**

(Millions of yen)

Category		As of March 31, 2006				
		Cost/ carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
					Gains	Losses
Held-to-maturity securities		285,920	285,309	(610)	682	(1,293)
Domestic bonds		258,921	258,231	(689)	588	(1,278)
Foreign bonds		26,999	27,078	78	93	(15)
Monetary claims purchased		-	-	-	-	-
Policy reserve matching bonds		-	-	-	-	-
Stocks of subsidiaries and affiliated companies		-	-	-	-	-
Available-for-sale securities		112,461	111,711	(749)	1,994	(2,743)
Domestic bonds		54,868	52,865	(2,003)	0	(2,003)
Domestic stocks		99	365	265	265	-
Foreign securities		17,633	17,608	(24)	128	(153)
Bonds		595	566	(28)	-	(28)
Stocks, etc.		17,038	17,041	3	128	(125)
Other securities		39,859	40,872	1,013	1,599	(585)
Monetary claims purchased		-	-	-	-	-
Certificates of deposit		-	-	-	-	-
Monetary trusts		-	-	-	-	-
Total		398,381	397,021	(1,360)	2,676	(4,036)
Domestic bonds		313,789	311,096	(2,693)	600	(3,293)
Domestic stocks		99	365	265	265	-
Foreign securities		44,632	44,686	53	222	(168)
Bonds		27,594	27,645	50	93	(43)
Stocks, etc.		17,038	17,041	3	128	(125)
Other securities		39,859	40,872	1,013	1,599	(585)
Monetary claims purchased		-	-	-	-	-
Certificates of deposit		-	-	-	-	-
Monetary trusts		-	-	-	-	-

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.

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

(Millions of yen)

Category	As of March 31, 2006
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	-
Available-for-sale securities	600
Unlisted domestic stocks (excluding over-the-counter stocks)	116
Unlisted foreign stocks (excluding over-the-counter stocks)	-
Unlisted foreign bonds	-
Others	484
Total	600

**2) Fair value information on monetary trusts** (Millions of yen)

Category	As of June 30, 2005				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	7,409	7,409	-	-	-

(Millions of yen)

Category	As of June 30, 2006				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	9,531	9,531	-	-	-

(Millions of yen)

Category	As of March 31, 2006				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts	7,748	7,748	-	-	-

**a. Monetary trusts for investment** (Millions of yen)

Category	As of June 30, 2005		As of June 30, 2006		As of March 31, 2006	
	Carrying value	Net valuation gains(losses)	Carrying value	Net valuation gains(losses)	Carrying value	Net valuation gains(losses)
Monetary trusts for investment	7,409	(627)	9,531	311	7,748	(4,406)

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 available-for-sale securities as of June 30, 2005 and 2006, and as of March 31, 2006.

**3) Fair value information on real estate**

The Company held no real estate as of June 30, 2005 and 2006, and as of March 31, 2006.

**4) Fair value information on derivative transactions**

**a. Gains (losses) on derivatives with and without hedge accounting** (Millions of yen)

Category	As of June 30, 2006					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	-	-	-	-	-	-
Hedge accounting not applied	-	(1,342)	(2,703)	-	-	(4,045)
Total	-	(1,342)	(2,703)	-	-	(4,045)

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 June 30, 2005 and 2006, and March 31, 2006.

c. Currency-related transactions

(Millions of yen)

Category	As of June 30, 2005			As of June 30, 2006			As of March 31, 2006					
	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	-	-	-	-	-	-	-	-	-	-	-	-
U.S. dollar	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Euro	-	-	-	-	-	-	-	-	-	-	-	-
Pound	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Canada dollar	-	-	-	-	-	-	-	-	-	-	-	-
Put	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
U.S. dollar	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Bought:												
Call	-	-	-	-	-	-	-	-	-	-	-	-
Put	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
U.S. dollar	27,300	23,834	[2,423]	36,260	32,987	[3,038]	29,401	26,945	[3,446]	[3,393]	[1,918]	[(1,528)]
Euro	15,421	13,541	[1,415]	23,541	21,415	[2,352]	16,966	15,536	[2,159]	[2,125]	[1,203]	[(955)]
Pound	[1,814]	[1,793]	[1,415]	[3,051]	[2,991]	[2,352]	[(698)]	[2,159]	[2,125]	[1,203]	[(955)]	[(572)]
Canada dollar	11,878	10,292	[1,008]	12,719	11,572	[685]	12,435	11,408	[1,287]	[1,267]	[714]	[(572)]
U.S. dollar	[1,146]	[1,131]	[1,008]	[1,329]	[1,300]	[685]	[(644)]	[1,287]	[1,267]	[714]	[(572)]	[(572)]
Euro	-	-	-	-	-	-	-	-	-	-	-	-
Pound	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Canada dollar	-	-	-	-	-	-	-	-	-	-	-	-
U.S. dollar	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Euro	-	-	-	-	-	-	-	-	-	-	-	-
Pound	-	-	-	-	-	-	-	-	-	-	-	-
Canada dollar	-	-	-	-	-	-	-	-	-	-	-	-
Total			(537)			(1,342)						(1,528)

Note: Parenthesized figures are option premiums.

**d. Stock-related transactions**

(Millions of yen)

Category	As of June 30, 2005			As of June 30, 2006			As of March 31, 2006					
	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	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	42,336	38,296		71,364	66,381		63,940	59,531				
	[3,542]	[3,510]	[3,502]	[(40)]	[8,082]	[7,940]	[5,378]	[(2,703)]	[7,014]	[6,908]	[4,185]	[(2,828)]
<b>Total</b>												

Note: Parenthesized figures are option premiums.

**e. Bond-related transactions**

The Company held no bond-related derivative instruments as of June 30, 2005 and 2006, and March 31, 2006.

**f. Others**

The Company held no other derivative instruments as of June 30, 2005 and 2006, and March 31, 2006.