

## **Supplementary Materials for the Fiscal Year Ended March 31, 2006**

Percentages are rounded to the nearest relevant percentage point.

Therefore, the sums of each percentage do not always amount to 100%.

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## **1. Insurance Business Highlights**

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

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

Category	As of March 31, 2005				As of March 31, 2006			
	Number		Amount		Number		Amount	
		% Change		% Change		% Change		% Change
Individual insurance	3,594	92.8	127,065	109.7	3,368	93.7	135,720	106.8
Individual annuities	1,437	95.5	42,597	94.7	1,368	95.2	40,194	94.4
Sub total	5,031	93.6	169,662	105.5	4,736	94.1	175,915	103.7
Group insurance	-	-	106,003	97.1	-	-	104,469	98.6
Group annuities	-	-	7,187	96.5	-	-	7,754	107.9

Notes: 1. The policy amount for individual annuities is 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.

### **(2) New Policy Amount**

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

Category	Year ended March 31, 2005					
	Number		Amount		New policies	Net increase from conversion
		% Change		% Change		
Individual insurance	335	105.5	29,024	103.8	22,675	6,348
Individual annuities	4	25.0	(114)	-	138	(252)
Sub total	339	101.6	28,910	102.7	22,814	6,095
Group insurance	-	-	275	11.8	275	-
Group annuities	-	-	2	4,562.5	2	-

Category	Year ended March 31, 2006					
	Number		Amount		New policies	Net increase from conversion
		% Change		% Change		
Individual insurance	310	92.6	28,615	98.6	23,219	5,395
Individual annuities	3	86.2	(232)	-	126	(358)
Sub total	314	92.5	28,383	98.2	23,345	5,037
Group insurance	-	-	1,298	471.4	1,298	-
Group annuities	-	-	0	21.9	0	-

Notes: 1. The number of new policies includes increase from conversion.

2. The new policy amount 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.

**(3) Annualized Premiums****a) Policies in force**

(Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	% Change	Amount	% Change
Individual insurance	517,381	94.0	487,367	94.2
Individual annuities	214,145	96.5	207,775	97.0
Sub total	731,527	94.7	695,143	95.0
3rd sector products, included	106,068	103.1	109,472	103.2

**b) New policies**

(Millions of Yen, %)

Category	Year ended March 31, 2005		Year ended March 31, 2006	
	Amount	% Change	Amount	% Change
Individual insurance	46,610	97.1	42,386	90.9
Individual annuities	(176)	-	(648)	-
Sub total	46,434	92.8	41,737	89.9
3rd sector products, included	14,114	109.3	14,249	101.0

- 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.

**(4) Policy Amount by Dividend Type (Individual insurance and annuities)****a) Policy amount in force**

(100 Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Participating	81,169	47.8	71,093	40.4
Semi-participating	43,091	25.4	42,273	24.0
Non-participating	45,401	26.8	62,548	35.6
Total	169,662	100.0	175,915	100.0

**b) New policy amount**

(100 Millions of Yen, %)

Category	Year ended March 31, 2005		Year ended March 31, 2006	
	Amount	Percentage	Amount	Percentage
Participating	2	0.0	2	0.0
Semi-participating	3,741	16.4	2,979	12.8
Non-participating	19,070	83.6	20,363	87.2
Total	22,814	100.0	23,345	100.0

- Notes: 1. Semi-participating policies only pay dividends related to investment every five years.  
2. The new policy amount does not include net increase from conversion.

**(5) Average Amount of New Policies and Amount in Force (Individual insurance)**

(Thousands of Yen)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Average amount of new policies	7,466	8,234
Average amount in force	3,535	4,029

Note: The average amount of new policies does not include increase from conversion.

**(6) New Policy Rate (New policy amount / amount in force at the beginning of fiscal year)**

(%)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Individual insurance	19.59	18.27
Individual annuities	0.31	0.30
Sub total	14.19	13.76
Group insurance	0.25	1.22

Note: The above figures do not include increase from conversion.

**(7) Surrender and Lapse Rate (Surrender and lapse amount / policy amount in force at the beginning of fiscal year)**

(%)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Individual insurance	11.43	12.29
Individual annuities	2.25	1.94
Sub total	8.86	9.69
Group insurance	0.10	6.28

**(8) Surrender and Lapse Amount**

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

Category	Year ended March 31, 2005				Year ended March 31, 2006			
	Number		Amount		Number		Amount	
		% Change		% Change		% Change		% Change
Individual insurance	205	88.7	13,228	110.1	190	92.5	15,613	118.0
Individual annuities	35	64.7	1,012	62.9	28	80.3	826	81.7
Sub total	240	84.2	14,240	104.5	218	90.7	16,440	115.4
Group insurance	-	-	111	29.3	-	-	6,658	5,992.7

**(9) Average Insurance Premium of Individual Insurance New Policies (Monthly premium)**

(Yen)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Average insurance premium	12,907	12,582

Note: The above figures do not include increase from conversion.

**(10) Average Assumed Investment Yield and Amount of Negative Spread**

(Millions of yen)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Amount of negative spread	39,170	38,525
Investment yield on core profit	2.17%	2.10%
Average assumed investment yield	2.85%	2.78%
Individual insurance annuities, included	3.08%	3.01%
Policy reserve in general account	5,753,499	5,676,724

Notes: 1. Method of calculating negative spread:

(Investment yield on core profit [2.10%] - Average assumed investment yield [2.78%])

x Policy reserve in general account [5,676.7 billion yen]

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

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

4. 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 beginning of fiscal year + Policy reserve at end of fiscal year - Assumed interest) x (1/2)

**(11) Mortality Rate for Individual Insurance**

Category	Year ended March 31, 2005	Year ended March 31, 2006
Rate based on number of policies	5.88‰	6.31‰
Rate based on policy amount	2.47‰	2.38‰

Notes: 1. The above figures represent the rates of paid policies against passed policies.

2. 1‰ (per mille) represents 1/1000.

## 2. Indices Concerning Accounting

### (1) Reserve for Outstanding Claims

(Millions of Yen)

Category		As of March 31, 2005	As of March 31, 2006
Insurance claims	Death benefits	7,950	7,586
	Accidental death benefits	437	380
	Disability benefits	815	779
	Maturity benefits	508	468
	Others	91	206
	Sub total	9,803	9,420
Annuity payments		353	492
Insurance benefits		5,772	5,635
Surrender payments		4,242	4,458
Deferred insurance benefits		61	77
Total, including others		20,682	20,477

### (2) Policy Reserve

(Millions of Yen)

Category		As of March 31, 2005	As of March 31, 2006
Policy reserve (excluding contingency reserve)	Individual insurance	2,491,800	2,424,366
	General Accounts	2,491,077	2,423,660
	Separate Accounts	723	706
	Individual annuities	2,547,586	2,525,028
	General Accounts	2,547,586	2,525,028
	Separate Accounts	-	-
	Group insurance	10,957	11,086
	General Accounts	10,957	11,086
	Separate Accounts	-	-
	Group annuities	718,743	775,481
	General Accounts	718,743	775,481
	Separate Accounts	-	-
	Others	3,864	3,922
	General Accounts	3,864	3,922
	Separate Accounts	-	-
Sub total	5,772,952	5,739,885	
General Accounts	5,772,229	5,739,179	
Separate Accounts	723	706	
Contingency reserve	I	43,871	44,713
	II	12,552	26,520
	III	-	10
	Sub total	56,424	71,244
Total		5,829,377	5,811,130
General Accounts		5,828,654	5,810,424
Separate Accounts		723	706

### (3) Policy Reserve Calculating Methods and Ratios

Category		As of March 31, 2005	As of March 31, 2006
Calculating methods	Policies subject to Standard Policy Reserve Method	Net level premium reserve method	Net level premium reserve method
	Policies not subject to Standard Policy Reserve Method	Net level premium reserve method	Net level premium reserve method
Ratio of "amount of the company's policy reserve (excluding contingency reserve)" to "policy reserve required by regulatory standards"		100.0%	100.0%

- Notes:
1. The calculating methods and the ratios are set for individual insurance and individual annuities. The concept of accumulation method is not targeted at policy reserve for group insurance and group annuities, so these insurance policies are not included.
  2. The ratio for policies to which the standard policy reserve method is applied is indicated in the method laid down in Notice No. 48 from the Ministry of Finance. The ratio for policies to which the standard policy reserve method is not applied is indicated for accumulated reserve for claims and unearned premiums calculated with the net level premium reserve method.

### (4) Policy Reserve by Contract Year

(Millions of Yen, %)

Contract Year	Policy Reserve Amount	Assumed Investment Yield
- FY1980	6,583	4.00 – 5.50
FY1981 - FY1985	380,240	1.00 – 6.00
FY1986 - FY1990	864,379	1.00 – 6.00
FY1991 - FY1995	837,524	1.00 – 5.75
FY1996 - FY2000	1,584,283	1.75 – 2.75
FY2001	339,274	1.50 – 2.00
FY2002	265,866	1.50
FY2003	211,609	1.50
FY2004	189,004	1.50
FY2005	269,922	1.50

- Notes:
1. The policy reserve amount stated above represents that of individual insurance and annuities excluding contingency reserve.
  2. The assumed investment yields stated above represent the main yield used in calculating policy reserve for each contract year.

### (5) Other Reserves

(Millions of Yen)

Category	As of March 31, 2005	Increase	Decrease (used for specific purpose)	Decrease (used for other purpose)	As of March 31, 2006
Reserve for possible loan losses	2,828	1,680	877	1,951	1,680
General reserve	1,752	1,482	-	1,752	1,482
Specific reserve	1,076	197	877	199	197
Reserve for employees' retirement benefits	33,763	-	-	1,235	32,527
Reserve for directors' and corporate auditors' retirement benefits	1,066	193	9	-	1,250
Reserve for price fluctuations	9,801	16,258	-	-	26,059

- Notes:
1. "Decrease (used for other purpose)" of the general reserve for possible loan losses represents the recast based on the past loan loss ratio of general loan receivables.
  2. "Decrease (used for other purpose)" of the specific reserve for possible loan losses represents collection and others through repayment.

**(6) Insurance Premium****a) Payment method**

(Millions of Yen)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Individual insurance	545,130	519,100
[Single premiums]	82,369	92,143
[Annual payment]	12,029	11,414
[Semi-annual payment]	1,493	1,343
[Monthly payment]	449,237	414,199
Individual annuities	101,537	90,146
[Single premiums]	4,465	3,201
[Annual payment]	2	0
[Semi-annual payment]	-	-
[Monthly payment]	97,069	86,944
Group insurance	35,800	35,525
Group annuities	104,530	177,017
Total, including others	788,108	822,946

**b) Year**

(Millions of Yen)

Category		Year ended March 31, 2005	Year ended March 31, 2006
Individual insurance and annuities	First year	120,773	127,351
	Second and subsequent years	525,895	481,895
	Sub total	646,668	609,247
Group insurance	First year	188	219
	Second and subsequent years	35,611	35,305
	Sub total	35,800	35,525
Group annuities	First year	341	1,096
	Second and subsequent years	104,188	175,921
	Sub total	104,530	177,017
Total, including others	First year	121,345	128,713
	Second and subsequent years	666,762	694,232
	Total	788,108	822,946
	% Change	(0.7%)	4.4%

**(7) Insurance Claims**

(Millions of Yen)

Category	Year ended March 31, 2005	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Year ended March 31, 2006
Death benefits	49,946	27,951	4,129	18,839	-	-	3	50,924
Accidental death benefits	1,373	1,228	-	59	-	-	-	1,288
Disability benefits	2,166	1,077	82	999	-	-	-	2,158
Maturity benefits	447,049	357,276	-	-	46,319	-	-	403,596
Others	128	288	6	-	-	-	0	295
Total	500,665	387,822	4,218	19,898	46,319	-	3	458,262

**(8) Annuity Payments**

(Millions of Yen)

Year ended March 31, 2005	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Year ended March 31, 2006
105,123	-	101,643	426	13,688	57	-	115,815

**(9) Insurance Benefits**

(Millions of Yen)

Category	Year ended March 31, 2005	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Year ended March 31, 2006
Death benefits	5,839	972	5,295	3	-	0	-	6,272
Hospitalization benefits	22,541	21,905	270	26	-	-	75	22,277
Operation benefits	10,585	10,036	165	-	-	-	-	10,201
Injury benefits	60	41	-	14	-	-	-	56
Survival benefits	46,374	37,728	-	-	-	112	-	37,841
Others	30,046	68	20	16	29,632	-	1	29,741
Total	115,448	70,753	5,752	61	29,632	113	77	106,390

**(10) Surrender Payments**

(Millions of Yen)

Year ended March 31, 2005	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset formation insurance and annuities	Others	Year ended March 31, 2006
150,011	62,058	33,166	61	31,804	192	-	127,283

**(11) Operating Expenses**

(Millions of Yen)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Sales Activity Related Expenses	25,937	24,712
In-house sales representative expenses	24,741	23,909
Sales agent expenses	571	270
Underwriting expenses	624	532
Sales Administrative Expenses	7,752	7,563
Administrative / operational expenses	6,052	5,914
Expenses for training of in-house sales representatives	1,622	1,565
Advertising expenses	77	83
General Administrative Expenses	49,055	50,258
Personnel expenses	21,051	21,017
Non-Personnel Expenses	26,238	27,274
[Donation and others]	[21]	[19]
Contributions	677	676
Burden charges	1,088	1,289
<b>Total</b>	<b>82,745</b>	<b>82,533</b>

- Notes:
1. Major non-personnel expenses are system-related costs, shop costs and welfare expenses.
  2. The contributions are burden charges paid to former Life Insurance Policyholders' Protection Fund taken over by the current Life Insurance Policyholders' Protection Corporation in accordance with the provision of Clause 5, Article 140 of bylaws to the Law Concerning Establishment of Laws Related to the Financial System Reformation.
  3. The burden charges are paid to the Life Insurance Policyholders' Protection Corporation in accordance with the provision of Article 259 of the Insurance Business Law.

**(12) Operating Expense Ratio (Against insurance premiums)**

Year ended March 31, 2005	Year ended March 31, 2006
10.5%	10.0%

### **3. Investment in General Account Assets**

#### **(1) Fiscal Year 2005 Investment**

##### **a) Investment performances**

Taiyo Life's general account assets as of March 31, 2006 totaled ¥6,585.2 billion, up ¥314.3 billion from the previous fiscal year-end. Of these assets, net unrealized gains on "available-for-sale securities" resulting from application of the fair value accounting increased by ¥327.9 billion from the previous fiscal year-end, to ¥492.9 billion. Out of such net unrealized gains, ¥314.9 billion was added directly to shareholders' equity as net unrealized gains on securities.

In terms of major asset allocation, while decreasing loans by ¥163.3 billion from the previous fiscal year-end, the Company focused on investments to domestic public and corporate bonds to pursue stable income flow. As a result, its outstanding balance increased by ¥114.7 billion (*See Note*) from the previous fiscal year-end. Also, while decreasing foreign bonds considering foreign-exchange rate, the Company made new investments to domestic and foreign stocks.

*Note: Increase or decrease in securities is calculated based on the outstanding assets before marking to market.*

##### **b) Investment income/ expenses**

Investment income of general account assets for fiscal year 2005 increased by ¥19.3 billion from the previous fiscal year, to ¥196.8 billion due to increase of gains on sales of securities.

Investment expenses totaled ¥54.8 billion, down ¥5.0 billion from the previous fiscal year, to due mainly to reductions in losses from derivatives, net.

As a result, net investment income totaled ¥142.0 billion, up ¥24.4 billion from the previous fiscal year.

Net unrealized gains on securities (*See Note*) as a whole were ¥466.6 billion, up ¥279.5 billion from the previous fiscal year-end, since net unrealized gains on domestic stocks increased due mainly to a rise in stock prices.

*Note: Net unrealized gains on securities represent those with market value.*

**(2) Asset Composition**

(Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	174,036	2.8	158,706	2.4
Securities repurchased under resale agreements	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-
Monetary claims purchased	83,342	1.3	124,358	1.9
Securities under proprietary accounts	-	-	-	-
Monetary trusts	50	0.0	50	0.0
Securities	4,075,050	65.0	4,550,498	69.1
Domestic bonds	2,570,793	41.0	2,671,153	40.6
Domestic stocks	547,561	8.7	933,993	14.2
Foreign securities	840,419	13.4	863,303	13.1
Foreign bonds	681,037	10.9	619,201	9.4
Foreign stocks and other securities	159,382	2.5	244,102	3.7
Other securities	116,275	1.9	82,047	1.2
Loans	1,699,167	27.1	1,535,833	23.3
Policy loans	113,965	1.8	109,118	1.7
Commercial loans	1,585,201	25.3	1,426,715	21.7
Property and equipment	176,076	2.8	168,480	2.6
Deferred tax assets	3,349	0.1	-	-
Deferred tax assets concerning revaluation	2,868	0.0	-	-
Other assets	59,817	1.0	49,049	0.7
Reserve for possible loan losses	(2,828)	(0.0)	(1,680)	(0.0)
<b>Total</b>	<b>6,270,929</b>	<b>100.0</b>	<b>6,585,297</b>	<b>100.0</b>
Foreign currency denominated assets included	796,806	12.7	793,354	12.0

**(3) Changes in the Amount of Assets by Categories**

(Millions of Yen)

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Cash and deposits, call loans	25,446	(15,329)
Securities repurchased under resale agreements	-	-
Pledged money for bond borrowing transaction	-	-
Monetary claims purchased	28,250	41,016
Securities under proprietary accounts	-	-
Monetary trusts	(30,830)	-
Securities	162,974	475,447
Domestic bonds	154,827	100,360
Domestic stocks	(2,362)	386,431
Foreign securities	(22,382)	22,883
Foreign bonds	(47,228)	(61,836)
Foreign stocks and other securities	24,845	84,720
Other securities	32,891	(34,228)
Loans	(265,394)	(163,333)
Policy loans	(6,116)	(4,847)
Commercial loans	(259,278)	(158,485)
Property and equipment	(10,357)	(7,595)
Deferred tax assets	(5,019)	(3,349)
Deferred tax assets concerning revaluation	1,036	(2,868)
Other assets	(29,772)	(10,767)
Reserve for possible loan losses	1,166	1,148
<b>Total</b>	<b>(122,499)</b>	<b>314,368</b>
Foreign currency denominated assets included	(70,170)	(3,451)

**(4) Investment Income**

(Millions of Yen)

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Interests, dividends and income from real estate for rent	131,012	126,092
Interest income from deposits	4	2
Interest income and dividends from securities	81,262	83,751
Interest income from loans	41,620	33,677
Income from real estate for rent	7,496	7,348
Other income from interest and dividends	628	1,311
Gain on securities under proprietary accounts	-	-
Gains from monetary trusts, net	466	-
Gains on investments in trading securities, net	-	-
Gains on sale of securities	45,284	70,593
Gains on sale of domestic bonds	2,069	1,592
Gains on sale of domestic stocks	27,612	46,687
Gains on sale of foreign securities	13,631	19,797
Others	1,971	2,516
Gains on redemption of securities	-	-
Gains from derivatives, net	-	-
Foreign exchange gains, net	98	-
Other investment income	686	213
Total	177,548	196,899

**(5) Investment Expenses**

(Millions of Yen)

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Interest expenses	1,601	1,624
Losses on securities under proprietary accounts	-	-
Losses from monetary trusts, net	-	0
Losses on investments in trading securities, net	-	-
Losses on sale of securities	24,669	25,458
Losses on sale of domestic bonds	4,179	9,689
Losses on sale of domestic stocks	13,319	8,326
Losses on sale of foreign securities	6,993	7,325
Others	177	117
Devaluation losses on securities	2,297	269
Devaluation losses on domestic bonds	-	-
Devaluation losses on domestic stocks	207	34
Devaluation losses on foreign securities	1,898	-
Others	191	235
Amortization of securities	-	-
Losses from derivatives, net	24,790	21,068
Foreign exchange losses, net	-	221
Provision for reserve for possible loan losses	-	-
Write-offs of loans	7	-
Depreciation of real estate for rent	2,978	2,692
Other investment expenses	3,647	3,558
Total	59,992	54,893

**(6) Net Investment Income**

(Millions of Yen)

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Total	117,556	142,006

[Reference] Breakdown of gains / losses from derivatives, net

(Millions of Yen)

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Interest-rate-related gains / losses	65	297
Currency-related gains / losses	(19,797)	(17,675)
Stock-related gains / losses	(5,058)	(3,690)
Bond-related gains / losses	-	-
Other gains / losses	-	-
Total	(24,790)	(21,068)

## (7) Investment Income by Asset Categories

### a. Investment Yield

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Cash, deposits & call loans	0.01	0.01
Securities repurchased under resale agreements	-	-
Pledged money for bond borrowing transaction	-	-
Monetary claims purchased	0.76	1.20
Securities under proprietary accounts	-	-
Monetary trusts	1.85	(0.39)
Domestic bonds	1.41	1.09
Domestic stocks	2.81	7.67
Foreign securities	3.72	4.06
Loans	2.23	2.00
Policy loans	4.39	4.29
Commercial loans	2.08	1.83
Property and equipment	1.57	1.89
Total general accounts	1.89	2.33
Foreign investments and loans receivable included	3.37	3.53

Notes: 1. The yield is calculated with the average daily balance of the book value as the denominator, and the difference the between the profit on asset management and the loss on asset management in recurring earnings as the numerator.

The numerator for the yield of "Shares" and "General accounts" includes "Devaluation losses of trust securities."

2. Foreign investments and loans receivable are the total of foreign-currency-denominated assets and yen-denominated assets.

### b. Average daily balance

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
Cash, deposits & call loans	188,077	129,048
Securities repurchased under resale agreements	-	-
Pledged money for bond borrowing transaction	-	-
Monetary claims purchased	68,249	95,960
Securities under proprietary accounts	-	-
Monetary trusts	25,166	50
Domestic bonds	2,425,941	2,621,943
Domestic stocks	428,080	431,700
Foreign securities	834,924	834,229
Loans	1,823,487	1,633,877
Policy loans	116,556	110,691
Commercial loans	1,706,930	1,523,186
Property and equipment	185,276	171,974
Total general accounts	6,223,033	6,097,383
Foreign investments and loans receivable included	1,066,932	1,040,776

**(8) Securities**

(Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Government bonds	738,145	18.1	719,807	15.8
Municipal bonds	493,338	12.1	542,817	11.9
Corporate bonds	1,339,309	32.9	1,408,528	31.0
Public corporation bonds, included	1,015,381	24.9	1,104,679	24.3
Domestic Stocks	547,561	13.4	933,993	20.5
Foreign securities	840,419	20.6	863,303	19.0
Foreign bonds	681,037	16.7	619,201	13.6
Foreign stocks and other securities	159,382	3.9	244,102	5.4
Other securities	116,275	2.9	82,047	1.8
<b>Total</b>	<b>4,075,050</b>	<b>100.0</b>	<b>4,550,498</b>	<b>100.0</b>

**(9) Stock Holdings by Industry**

(Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006		
	Amount	Percentage	Amount	Percentage	
Fishery, agriculture and forestry	-	-	386	0.0	
Mining	1,116	0.2	5,020	0.5	
Construction	14,868	2.7	19,921	2.1	
Manufacturing industries	Food products	5,350	1.0	5,236	0.6
	Textiles and clothing	8,281	1.5	11,698	1.3
	Pulp and paper	5,877	1.1	5,782	0.6
	Chemicals	39,739	7.3	44,081	4.7
	Medicals	12,321	2.3	12,047	1.3
	Oil and coal products	-	-	3,626	0.4
	Rubber products	3,415	0.6	3,453	0.4
	Glass and stone products	5,269	1.0	8,361	0.9
	Steel	25,849	4.7	44,782	4.8
	Non-steel metals	7,128	1.3	13,691	1.5
	Metal products	2,046	0.4	2,983	0.3
	Machinery	72,358	13.2	171,957	18.4
	Electric appliances	47,699	8.7	75,603	8.1
	Transportation vehicles	22,260	4.1	27,302	2.9
	Precision machinery	10,032	1.8	14,696	1.6
Others	4,034	0.7	10,062	1.1	
Electric and gas utilities	19,751	3.6	17,314	1.9	
Transportation / information telecommunications	Ground transportation	50,441	9.2	70,279	7.5
	Water transportation	7,667	1.4	5,126	0.5
	Air transportation	190	0.0	206	0.0
	Warehouses / transportation	770	0.1	1,089	0.1
	Information / telecommunications	12,800	2.3	18,455	2.0
Commerce	Wholesaling	14,257	2.6	28,526	3.1
	Retailers	9,252	1.7	18,940	2.0
Financial services / insurance	Banking	52,926	9.7	119,452	12.8
	Securities and commodity futures trading	21,271	3.9	43,231	4.6
	Insurance	14,657	2.7	23,228	2.5
	Other financial services	15,147	2.8	23,237	2.5
Real estate	33,460	6.1	74,354	8.0	
Service companies	7,316	1.3	9,854	1.1	
<b>Total</b>	<b>547,561</b>	<b>100.0</b>	<b>933,993</b>	<b>100.0</b>	

**(10) Securities by Contractual Maturity Dates**

(Millions of Yen)

Category	As of March 31, 2005						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Government bonds	56,315	105,581	135,329	81,152	211,080	148,685	738,145
Municipal bonds	45,243	68,569	88,011	89,838	191,312	10,363	493,338
Corporate bonds	69,928	206,199	301,978	199,344	409,791	152,066	1,339,309
Domestic Stocks						547,561	547,561
Foreign securities	48,524	138,067	216,579	108,519	110,992	217,734	840,419
Foreign bonds	48,359	138,067	202,843	108,519	110,992	72,253	681,037
Foreign stocks and other securities	165	-	13,735	-	-	145,481	159,382
Other securities	2,556	100	4,795	-	-	108,823	116,275
<b>Total</b>	<b>222,568</b>	<b>518,518</b>	<b>746,694</b>	<b>478,855</b>	<b>923,177</b>	<b>1,185,236</b>	<b>4,075,050</b>

(Millions of Yen)

Category	As of March 31, 2006						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Government bonds	88,260	58,664	34,655	86,406	152,885	298,934	719,807
Municipal bonds	21,115	82,474	71,003	71,477	284,067	12,678	542,817
Corporate bonds	64,844	263,871	247,620	143,804	465,641	222,746	1,408,528
Domestic Stocks						933,993	933,993
Foreign securities	39,112	136,468	139,299	77,570	149,815	321,038	863,303
Foreign bonds	39,016	133,228	127,892	77,570	149,815	91,677	619,201
Foreign stocks and other securities	95	3,239	11,406	-	-	229,360	244,102
Other securities	53	5,654	4,142	-	1,109	71,087	82,047
<b>Total</b>	<b>213,385</b>	<b>547,132</b>	<b>496,721</b>	<b>379,259</b>	<b>1,053,520</b>	<b>1,860,479</b>	<b>4,550,498</b>

Note: "Due after Ten Years" includes securities with maturity dates unfixed.

**(11) Loans**

(Millions of Yen)

Category	As of March 31, 2005	As of March 31, 2006
Policy loans	113,965	109,118
Policyholders loans	111,438	106,516
Premium loans	2,527	2,601
Commercial loans	1,585,201	1,426,715
[Loans to non-residents included]	[107,566]	[104,923]
Loans to corporations	1,169,491	1,019,213
[Loans to domestic corporations included]	[1,063,897]	[916,213]
Loans to Japanese government, government-related organizations and international organizations	10,746	7,872
Loans to Japanese local governments and public entities	11,848	10,188
Mortgage loans	243,590	246,001
Consumer loans	129,350	123,787
Others	20,174	19,652
<b>Total</b>	<b>1,699,167</b>	<b>1,535,833</b>

**(12) Loans to Domestic Companies by Company Size**

(Number, Millions of Yen, %)

Category		As of March 31, 2005		As of March 31, 2006	
			Percentage		Percentage
Large-sized corporations	Number of debtors	181	73.9	178	75.4
	Amount	938,654	88.2	809,481	88.4
Medium-sized corporations	Number of debtors	7	2.9	5	2.1
	Amount	10,975	1.0	7,312	0.8
Small- and medium-sized corporations	Number of debtors	57	23.3	53	22.5
	Amount	114,268	10.7	99,419	10.9
Total	Number of debtors	245	100.0	236	100.0
	Amount	1,063,897	100.0	916,213	100.0

Notes:

## 1. Corporations are grouped as follows:

Business type	(i) All except (ii)-(iv)		(ii) Retail & restaurants		(iii) Services		(iv) Wholesalers	
Large-sized corporations	With employees more than 300, and	With a capital of 1 billion yen or more	With more than 50 employees, and	With a capital of 1 billion yen or more	With more than 100 employees, and	With a capital of 1 billion yen or more	With more than 100 employees, and	With a capital of 1 billion yen or more
Medium-sized corporations		With a capital of more than 300 million yen and less than 1 billion yen		With a capital of more than 50 million yen and less than 1 billion yen		With a capital of more than 50 million yen and less than 1 billion yen		With a capital of more than 100 million yen and less than 1 billion yen
Small- and medium-sized corporations	With a capital of 300 million yen or less, or regular employees of 300 or less		With a capital of 50 million yen or less, or regular employees of 50 or less		With a capital of 50 million yen or less, or regular employees of 100 or less		With a capital of 100 million yen or less, or regular employees of 100 or less	

2. The number of debtors represents those who have an obligation, net of loans to the Company, not the number of loan transactions.

**(13) Loans by Industry**

(Millions of Yen, %)

Category		As of March 31, 2005		As of March 31, 2006	
		Amount	Percentage	Amount	Percentage
Domestic	Manufacturing industries	171,309	10.8	139,981	9.8
	Food products	565	0.0	1,642	0.1
	Textiles and clothing	2,322	0.1	2,109	0.1
	Timber and wood products, pulp and paper	4,005	0.3	2,491	0.2
	Printing	-	-	-	-
	Chemicals	21,737	1.4	19,799	1.4
	Oil and coal	7,375	0.5	7,250	0.5
	Ceramic and stone products	2,640	0.2	2,125	0.1
	Steel	73,696	4.6	48,066	3.4
	Non-steel metals	4,292	0.3	4,355	0.3
	Metal products	-	-	-	-
	Machinery	12,222	0.8	12,369	0.9
	Electric appliances	16,709	1.1	14,706	1.0
	Transportation vehicles	23,362	1.5	22,361	1.6
	Precision machinery	2,379	0.2	2,413	0.2
	Others	-	-	290	0.0
	Agriculture, forestry and fisheries	-	-	-	-
	Mining	-	-	-	-
	Construction	12,273	0.8	7,868	0.6
	Electricity, gas heat supply and water supply	56,524	3.6	44,390	3.1
	Information and telecommunication	12,831	0.8	8,268	0.6
	Transportation	76,814	4.8	63,308	4.4
	Wholesalers	124,524	7.9	106,304	7.5
Retailers	15,033	0.9	16,431	1.2	
Financial services/insurance	420,139	26.5	363,226	25.5	
Real estate	77,289	4.9	68,580	4.8	
Service companies	115,653	7.3	110,093	7.7	
Local governments	2,126	0.1	3,898	0.3	
Mortgage and consumer and others	393,115	24.8	389,440	27.3	
Total	1,477,635	93.2	1,321,792	92.6	
Overseas	Government organizations	1,973	0.1	1,923	0.1
	Financial institutions	16,593	1.0	7,000	0.5
	Commerce and industry companies	89,000	5.6	96,000	6.7
	Total	107,566	6.8	104,923	7.4
Grand total		1,585,201	100.0	1,426,715	100.0

**(14) Loans by Contractual Maturity Dates**

(Millions of Yen)

Category	As of March 31, 2005						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Floating rates loans	100,203	82,255	56,159	59,997	40,524	62,411	401,553
Fixed rates loans	150,056	290,110	186,654	189,307	280,991	86,527	1,183,647
Total	250,260	372,366	242,814	249,305	321,516	148,939	1,585,201

(Millions of Yen)

Category	As of March 31, 2006						Total
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years*	
Floating rates loans	24,929	89,196	48,743	72,907	23,665	46,614	306,055
Fixed rates loans	152,162	229,163	213,012	287,226	157,026	82,067	1,120,659
Total	177,091	318,360	261,755	360,134	180,691	128,681	1,426,715

Note: "Due after Ten Years" includes loans with maturity dates unfixed.

## (15) Foreign Investments

### a. Investments by asset category

(i) Foreign currency denominated assets (yen amount not fixed) (Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Foreign bonds	738,813	69.2	665,534	62.7
Foreign stocks	44,453	4.2	99,334	9.4
Cash, deposits & others	13,540	1.3	28,485	2.7
Total	796,806	74.6	793,354	74.7

(ii) Foreign currency denominated assets of which the amount in yen is fixed (Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Foreign bonds	-	-	-	-
Cash, deposits & others	-	-	-	-
Total	-	-	-	-

(iii) Yen denominated assets (Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Loans to non-residents	107,566	10.1	104,923	9.9
Foreign bonds	61,737	5.8	46,787	4.4
Foreign stocks & other securities	101,443	9.5	116,406	11.0
Others	-	-	-	-
Total	270,747	25.4	268,117	25.3

(iv) Total [ (i)+(ii)+(iii) ] (Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Foreign investments and loans	1,067,553	100.0	1,061,472	100.0
(Real estate held abroad included)	-	-	-	-

Note: "Foreign currency denominated assets of which the amount in yen is fixed" are assets whose amounts in yen to be received at the settlement are fixed by making exchange contracts, and are included in the Balance Sheet.

### b. Foreign currency denominated assets by currency

(Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
US dollar	282,191	35.4	251,494	31.7
Euro	336,099	42.2	344,261	43.4
British pound	22,125	2.8	18,190	2.3
Canadian dollar	68,529	8.6	85,796	10.8
Swedish krona	74,519	9.4	56,960	7.2
Hong Kong dollar	13,340	1.7	36,651	4.6
Others	0	0.0	-	-
Total	796,806	100.0	793,354	100.0

c. Investments by region

(Millions of Yen, %)

Region	As of March 31, 2005							
	Foreign securities						Loans to non-residents	
			Foreign bonds		Foreign stocks & other securities			
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
North America	334,604	39.8	302,385	44.4	32,218	20.2	14,234	13.2
Europe	328,459	39.1	317,015	46.5	11,443	7.2	58,350	54.2
Oceania	-	-	-	-	-	-	-	-
Asia	13,545	1.6	-	-	13,545	8.5	6,009	5.6
Latin America	130,145	15.5	27,970	4.1	102,174	64.1	28,000	26.0
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organizations	33,666	4.0	33,666	4.9	-	-	973	0.9
Total	840,419	100.0	681,037	100.0	159,382	100.0	107,566	100.0

(Millions of Yen, %)

Region	As of March 31, 2006							
	Foreign securities						Loans to non-residents	
			Foreign bonds		Foreign stocks & other securities			
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
North America	333,718	38.7	271,111	43.8	62,606	25.6	9,000	8.6
Europe	341,663	39.6	322,568	52.1	19,095	7.8	64,000	61.0
Oceania	-	-	-	-	-	-	-	-
Asia	36,801	4.3	-	-	36,801	15.1	-	-
Latin America	138,448	16.0	12,849	2.1	125,599	51.5	31,000	29.5
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organizations	12,671	1.5	12,671	2.0	-	-	923	0.9
Total	863,303	100.0	619,201	100.0	244,102	100.0	104,923	100.0

## (16) Valuation Gains on Trading Securities

(Millions of Yen)

Category	As of March 31, 2005		As of March 31, 2006	
	Current Fair Value and Carrying Value	Net valuation gains/losses	Current Fair Value and Carrying Value	Net valuation gains/losses
Trading securities	-	(1,692)	-	-
Monetary trusts	-	(1,692)	-	-

Note: "Monetary trusts" is composed of securities held in monetary trust.

## (17) Fair Value Information on Securities (those with current fair value out of securities excluding trading securities)

(Millions of Yen)

Category	As of March 31, 2005				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Held-to-maturity securities	277,845	280,401	2,555	3,831	1,275
Domestic bonds	207,943	209,924	1,981	3,255	1,274
Monetary claims purchased	64,901	65,476	574	575	0
Certificates of deposit	5,000	4,999	(0)	-	0
Policy reserve matching bonds	1,603,661	1,623,123	19,462	25,691	6,228
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,007,608	2,172,643	165,035	181,475	16,439
Domestic bonds	743,779	759,188	15,409	18,744	3,335
Domestic stocks	406,799	529,165	122,365	127,984	5,618
Foreign securities	726,573	749,573	22,999	29,862	6,863
Foreign bonds	658,266	681,037	22,771	27,552	4,781
Foreign stocks and other securities	68,307	68,535	228	2,310	2,081
Other securities	112,080	116,275	4,195	4,771	576
Money claims purchased	18,375	18,440	65	111	46
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,889,115	4,076,168	187,053	210,997	23,944
Domestic bonds	2,555,384	2,592,237	36,853	47,691	10,838
Domestic stocks	406,799	529,165	122,365	127,984	5,618
Foreign securities	726,573	749,573	22,999	29,862	6,863
Foreign bonds	658,266	681,037	22,771	27,552	4,781
Foreign stock and other securities	68,307	68,535	228	2,310	2,081
Other securities	112,080	116,275	4,195	4,771	576
Monetary claims purchased	83,277	83,917	639	687	47
Certificates of deposit	5,000	4,999	(0)	-	0
Others	-	-	-	-	-

Notes: 1. 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. Monetary trusts do not include other than trading securities.

\*The carrying value before mark-to-market of securities without any current fair value is as follows:

(Millions of Yen)

Category	As of March 31, 2005
Held-to-maturity securities	-
Unlisted foreign bonds	-
Others	-
Policy reserve matching bonds	-
Stock of subsidiaries and affiliated companies	6,375
Available-for-sale securities	102,984
Unlisted domestic stocks (except OTC-traded stocks)	12,020
Unlisted foreign stocks (except OTC-traded stocks)	90,000
Unlisted foreign bonds	-
Others	963
Total	109,360

( Millions of Yen )

Category	As of March 31, 2006				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Held-to-maturity securities	340,401	336,474	(3,926)	1,342	5,268
Domestic bonds	229,004	227,019	(1,984)	1,305	3,290
Monetary claims purchased	106,397	104,454	(1,942)	36	1,978
Certificates of deposit	5,000	5,000	0	0	-
Policy reserve matching bonds	1,773,298	1,750,945	(22,353)	2,700	25,053
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	1,949,006	2,441,908	492,902	508,904	16,002
Domestic bonds	667,801	668,850	1,049	7,442	6,393
Domestic stocks	466,882	915,698	448,816	449,644	827
Foreign securities	732,794	757,349	24,554	32,807	8,252
Foreign bonds	609,075	619,201	10,125	16,301	6,176
Foreign stocks and other securities	123,719	138,148	14,429	16,505	2,076
Other securities	63,045	82,047	19,001	19,004	2
Money claims purchased	18,482	17,961	(520)	4	525
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,062,706	4,529,328	466,622	512,946	46,324
Domestic bonds	2,670,104	2,646,815	(23,288)	11,448	34,737
Domestic stocks	466,882	915,698	448,816	449,644	827
Foreign securities	732,794	757,349	24,554	32,807	8,252
Foreign bonds	609,075	619,201	10,125	16,301	6,176
Foreign stock and other securities	123,719	138,148	14,429	16,505	2,076
Other securities	63,045	82,047	19,001	19,004	2
Monetary claims purchased	124,879	122,416	(2,463)	41	2,504
Certificates of deposit	5,000	5,000	0	0	-
Others	-	-	-	-	-

Notes: 1. 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. Monetary trusts do not include other than trading securities.

\*The carrying value before mark-to-market of securities without any current fair value is as follows:

( Millions of Yen )

Category	As of March 31, 2006
Held-to-maturity securities	-
Unlisted foreign bonds	-
Others	-
Policy reserve matching bonds	-
Stock of subsidiaries and affiliated companies	6,375
Available-for-sale securities	117,893
Unlisted domestic stocks (except OTC-traded stocks)	11,919
Unlisted foreign stocks (except OTC-traded stocks)	-
Unlisted foreign bonds	-
Others	105,974
Total	124,268

\*The followings are unrealized profits and losses on the carrying value for the yen-translated foreign securities out of securities without current fair value, and the securities with current fair value.

(Millions of Yen)

Category	As of March 31, 2005				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Held-to-maturity securities	277,845	280,401	2,555	3,831	1,275
Domestic bonds	207,943	209,924	1,981	3,255	1,274
Monetary claims purchased	64,901	65,476	574	575	0
Certificates of deposit	5,000	4,999	(0)	-	0
Policy reserve matching bonds	1,603,661	1,623,123	19,462	25,691	6,228
Stocks of subsidiaries and affiliated companies	6,375	6,375	-	-	-
Available-for-sale securities	2,110,593	2,275,560	164,967	181,475	16,507
Domestic bonds	743,779	759,188	15,409	18,744	3,335
Domestic stocks	418,820	541,186	122,365	127,984	5,618
Foreign securities	817,487	840,419	22,932	29,862	6,930
Foreign bonds	658,266	681,037	22,771	27,552	4,781
Foreign stocks and other securities	159,220	159,382	161	2,310	2,148
Other securities	112,080	116,275	4,195	4,771	576
Money claims purchased	18,375	18,440	65	111	46
Certificates of deposit	-	-	-	-	-
Others	50	50	-	-	-
Total	3,998,475	4,185,461	186,986	210,997	24,011
Domestic bonds	2,555,384	2,592,237	36,853	47,691	10,838
Domestic stocks	425,196	547,561	122,365	127,984	5,618
Foreign securities	817,487	840,419	22,932	29,862	6,930
Foreign bonds	658,266	681,037	22,771	27,552	4,781
Foreign stock and other securities	159,220	159,382	161	2,310	2,148
Other securities	112,080	116,275	4,195	4,771	576
Monetary claims purchased	83,277	83,917	639	687	47
Certificates of deposit	5,000	4,999	(0)	-	0
Others	50	50	-	-	-

(Millions of Yen)

Category	As of March 31, 2006				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized gains/losses	
				Gains	Losses
Held-to-maturity securities	340,401	336,474	(3,926)	1,342	5,268
Domestic bonds	229,004	227,019	(1,984)	1,305	3,290
Monetary claims purchased	106,397	104,454	(1,942)	36	1,978
Certificates of deposit	5,000	5,000	0	0	-
Policy reserve matching bonds	1,773,298	1,750,945	(22,353)	2,700	25,053
Stocks of subsidiaries and affiliated companies	6,375	6,375	-	-	-
Available-for-sale securities	2,066,899	2,559,831	492,931	508,934	16,003
Domestic bonds	667,801	668,850	1,049	7,442	6,393
Domestic stocks	478,801	927,617	448,816	449,644	827
Foreign securities	838,719	863,303	24,584	32,837	8,253
Foreign bonds	609,075	619,201	10,125	16,301	6,176
Foreign stocks and other securities	229,643	244,102	14,458	16,535	2,077
Other securities	63,045	82,047	19,001	19,004	2
Money claims purchased	18,482	17,961	(520)	4	525
Certificates of deposit	-	-	-	-	-
Others	50	50	-	-	-
Total	4,186,975	4,653,627	466,651	512,977	46,325
Domestic bonds	2,670,104	2,646,815	(23,288)	11,448	34,737
Domestic stocks	485,176	933,993	448,816	449,644	827
Foreign securities	838,719	863,303	24,584	32,837	8,253
Foreign bonds	609,075	619,201	10,125	16,301	6,176
Foreign stock and other securities	229,643	244,102	14,458	16,535	2,077
Other securities	63,045	82,047	19,001	19,004	2
Monetary claims purchased	124,879	122,416	(2,463)	41	2,504
Certificates of deposit	5,000	5,000	0	0	-
Others	50	50	-	-	-

Notes: 1. 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. Monetary trusts include securities other than trading securities and their carrying value and the current fair value were 50 million yen as of March 31, 2006 and 2005 (There were no unrealized gains/losses).

### (18) Fair Value Information on Monetary Trusts

(Millions of Yen)

Category	As of March 31, 2005					As of March 31, 2006				
	Carrying value	Current fair value	Net unrealized gains/losses		Carrying value	Current fair value	Net unrealized gains/losses			
			Gains	Losses			Gains	Losses		
Monetary trusts	50	50	-	-	-	50	50	-	-	-

\* Monetary trusts for investment

(Millions of Yen)

Category	As of March 31, 2005		As of March 31, 2006	
	Carrying value	Net valuation gains/losses	Carrying value	Net valuation gains/losses
Monetary trusts for investment	-	(1,560)	-	-

\* Monetary trusts for held-to-maturity securities, policy reserve matching bonds and available-for-sale securities

(Millions of Yen)

Category	As of March 31, 2005					As of March 31, 2006				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses		Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses			
			Gains	Losses			Gains	Losses		
Held-to-maturity securities	-	-	-	-	-	-	-	-	-	
Policy reserve matching bonds	-	-	-	-	-	-	-	-	-	
Available-for-sale securities	50	50	-	-	50	50	-	-	-	
Jointly operated and designed monetary trusts	50	50	-	-	50	50	-	-	-	
<b>Total</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### (19) Fair Value Information on Real Estate (balance of land, unrealized gains/losses, etc.)

(Millions of Yen)

Category	As of March 31, 2005					As of March 31, 2006				
	Carrying value	Current fair value	Net unrealized gains/losses		Carrying value	Current fair value	Net unrealized gains/losses			
			Gains	Losses			Gains	Losses		
Land	103,597	91,751	(11,846)	3,425	15,271	100,866	96,268	(4,597)	8,099	12,697
Leasehold	156	114	(41)	10	52	156	109	(46)	11	58
<b>Total</b>	<b>103,753</b>	<b>91,866</b>	<b>(11,887)</b>	<b>3,436</b>	<b>15,324</b>	<b>101,023</b>	<b>96,378</b>	<b>(4,644)</b>	<b>8,111</b>	<b>12,755</b>

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

## (20) Fair Value Information on Derivative Transactions

(total transactions to which hedge accounting is or is not applied)

### (i) Breakdown of net gains/losses (breakdown of transactions hedge accounting applied and not applied)

(Millions of Yen)

	As of March 31, 2005					
	Interest-rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	3,664	(13,975)	-	-	-	(10,310)
Hedge accounting not applied	131	(103)	(1,607)	-	-	(1,579)
<b>Total</b>	<b>3,795</b>	<b>(14,079)</b>	<b>(1,607)</b>	<b>-</b>	<b>-</b>	<b>(11,890)</b>

(Millions of Yen)

	As of March 31, 2006					
	Interest-rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(2,083)	(5,577)	-	-	-	(7,660)
Hedge accounting not applied	-	(322)	(986)	-	-	(1,309)
<b>Total</b>	<b>(2,083)</b>	<b>(5,900)</b>	<b>(986)</b>	<b>-</b>	<b>-</b>	<b>(8,969)</b>

Note: Accrued interest of interest-rate-related net gains/losses applied hedge accounting. [415 million yen: as of March 31,2005; 94 million yen: as of March 31,2006], currency-related net gains/losses with fair value hedge accounting [(13,975) million yen: as of March 31,2005; (5,577) million yen: as of March 31,2006], and net gains/losses not applied hedge accounting are recorded on the statement of operations.

### (ii) Interest-rate-related derivative transactions

(Millions of Yen)

Category	Type	As of March 31, 2005			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)
			Over 1 year				Over 1 year		
OTC	Interest rate swaps								
	Receipts fixed, payments floating	214,923	117,288	3,795	3,795	138,286	123,240	(2,083)	(2,083)
	Payments fixed, receipts floating	-	-	-	-	-	-	-	-
	Receipts floating, payments floating	-	-	-	-	-	-	-	-
	<b>Total</b>				3,795				(2,083)

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

### (Reference) Balance of notional principal of interest rate swapping by term to maturity

(Millions of Yen)

	As of March 31,2005						
	1 year or shorter	1 year to 3 years	3 years to 5 years	5 years to 7 years	7 years to 10 years	Over 10 years	Total
Receipts fixed, payments floating	97,635	46,742	39,245	18,100	13,200	-	214,923
(Average rate received)	3.12%	1.24%	1.50%	1.82%	1.44%	-	2.20%
(Average rate paid)	0.27%	0.45%	0.57%	0.65%	0.69%	-	0.42%

(Millions of Yen)

	As of March 31,2006						
	1 year or shorter	1 year to 3 years	3 years to 5 years	5 years to 7 years	7 years to 10 years	Over 10 years	Total
Receipts fixed, payments floating	15,046	53,413	27,496	34,000	8,330	-	138,286
(Average rate received)	1.59%	1.18%	1.38%	1.58%	1.63%	-	1.39%
(Average rate paid)	0.87%	0.38%	0.60%	0.65%	0.28%	-	0.54%

## (iii) Currency-related derivative transactions

(Millions of Yen)

Category	Type	As of March 31, 2005			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)		
								Over 1 year	Over 1 year
OTC	Exchange contracts								
	Sold	570,338	-	584,418	(14,079)	422,754	-	428,654	(5,900)
	US dollar	191,221	-	197,302	(6,081)	84,888	-	86,555	(1,667)
	Euro	259,914	-	265,529	(5,614)	239,526	-	243,893	(4,366)
	British pound	8,967	-	9,046	(79)	-	-	-	-
	Canadian dollar	56,961	-	58,770	(1,808)	65,459	-	65,005	453
	Swedish krona	53,274	-	53,769	(495)	32,879	-	33,199	(320)
	Total				(14,079)				(5,900)

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

2. 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.

3. Valuation gains/losses indicates the difference between the contracted amount and the current market or fair value.

## (iv) Stock-related derivative transactions

(Millions of Yen)

Category	Type	As of March 31, 2005			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)		
								Over 1 year	Over 1 year
OTC	Stock index options								
	Bought								
	Put	79,993	-	1,561	(1,607)	19,996	-	340	(986)
		[3,168]				[1,326]			(986)
	Total				(1,607)				(986)

Notes: 1. Figures in parentheses indicates option premiums in the balance sheet.

2. Valuation gains/losses indicates the difference between the contracted amount and the current market or fair value.

## (v) Bond-related derivative transactions

The Company did not have any balances of bond-related derivative transactions as of March 31, 2006 and 2005.

## (vi) Others

The Company did not have any balances of other derivative transactions as of March 31, 2006 and 2005.

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

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

(Millions of Yen)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount		Amount	
Individual variable insurance	5,626		6,700	
Individual variable annuities	-		-	
Group annuities	-		-	
Total of separate account	5,626		6,700	

##### **(2) Status of Individual Variable Insurance (Separate Accounts)**

###### **a. Total number of policies and total policy amount in force**

(Number, Millions of Yen)

Category	As of March 31, 2005		As of March 31, 2006	
	Number	Amount	Number	Amount
Variable insurance (term-life)	341	373	316	349
Variable insurance (whole-life)	546	1,924	541	1,720
Total	887	2,298	857	2,069

###### **b. Asset composition**

(Millions of Yen, %)

Category	As of March 31, 2005		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	139	2.5	295	4.4
Securities	5,453	96.9	6,361	94.9
Domestic bonds	1,807	32.1	1,865	27.8
Domestic stocks	1,844	32.8	2,423	36.2
Foreign securities	1,802	32.0	2,072	30.9
Foreign bonds	622	11.1	724	10.8
Foreign stock and other securities	1,180	21.0	1,347	20.1
Other securities	-	-	-	-
Loans	-	-	-	-
Others	32	0.6	43	0.6
Reserve for possible loan losses	-	-	-	-
Total	5,626	100.0	6,700	100.0

**c. Net investment gains/losses**

(Millions of Yen)

Category	Year Ended March 31, 2005	Year Ended March 31, 2006
	Amount	Amount
Interests, dividends and income from real estate for rent	101	106
Gains on sale of securities	183	282
Gains on redemption of securities	-	-
Valuation gains on securities	645	1,471
Foreign exchange gains, net	1	0
Gains from derivatives, net	-	-
Other investment income	0	0
Losses on sale of securities	97	170
Amortization of securities	-	-
Devaluation losses on securities	633	499
Foreign exchange losses, net	1	2
Losses from derivatives, net	-	-
Other investment expenses	0	0
Net investment gains/losses	199	1,189

**d. Valuation gains/losses on trading securities**

(Millions of Yen)

Category	As of March 31, 2005		As of March 31, 2006	
	Current Fair Value and Carrying Value	Net valuation gains/losses	Current Fair Value and Carrying Value	Net valuation gains/losses
Trading securities	5,453	12	6,361	972

**e. Fair value information on monetary trusts**

The Company did not have any balances of monetary trusts as of March 31, 2005 and 2004.

**f. Fair value information on derivative transactions**

Interest-rate-related derivative transactions  
 Currency-related derivative transactions  
 Stock-related derivative transactions  
 Bond-related derivative transactions  
 Others

} The Company did not have any balances of these transactions as of March 31, 2006 and 2005.

**(3) Status of Individual Variable Annuities (Separate Accounts)**

The Company did not have any balances of individual variable annuities separate accounts as of March 31, 2006 and 2005.

## 5. Reconciliation to Core Profit and Ordinary Profit

### (1) Reconciliation to Core Profit

(Millions of Yen)

Category	Year ended March 31, 2005	Year ended March 31, 2006
Core Revenues	1,097,863	1,020,645
Income from Insurance Premiums	788,174	823,011
Insurance premiums	788,108	822,946
Ceded reinsurance recoveries	66	64
Investment Income	131,935	127,495
Interest, dividends and income from real estate for rent	131,012	126,092
Other investment income	686	213
Gains on separate accounts, net	235	1,189
Other Ordinary Income	176,507	70,138
Income related to withheld insurance claims and other payments for future annuity payments	489	363
Income due to withheld insurance payments	37,108	33,467
Reversal of reserve for outstanding claims	141	205
Reversal of policy reserves (except contingency reserve)	137,179	33,066
Reversal of reserve for employees' retirement benefits	-	1,235
Other ordinary profit	1,588	1,800
Other Core Revenues	1,246	-
Core Expenses	1,064,039	982,446
Insurance Claims and Other Payments	931,372	857,053
Insurance claims	500,665	458,262
Annuity payments	105,123	115,815
Insurance benefits	115,448	106,390
Surrender payments	150,011	127,283
Other payments	59,864	49,004
Reinsurance payments	259	295
Provision for Policy and Other Reserves	102	88
Investment Expenses	8,228	7,875
Interest expense	1,601	1,624
Depreciation of real estate for rent	2,978	2,692
Other investment expenses	3,647	3,558
Operating Expenses	82,745	82,533
Other Ordinary Expenses	41,591	34,895
Payments related to withheld insurance claims	27,076	22,764
Taxes	5,445	5,234
Depreciation	5,322	5,339
Provision for reserve for employees' retirement benefits	2,261	-
Other ordinary losses	1,484	1,557
Other Core Expenses	-	0
Core Profit	33,823	38,199

**(2) Reconciliation to Ordinary Profit**

(Millions of Yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Core profit (A)	33,823	38,199
Capital gains	45,383	70,593
Gains from monetary trusts, net	-	-
Gains on investments in trading securities, net	-	-
Gains on sale of securities	45,284	70,593
Gains from derivatives, net	-	-
Foreign exchange gains, net	98	-
Others	-	-
Capital losses	52,537	47,017
Losses from monetary trusts, net	780	-
Losses on investments in trading securities, net	-	-
Losses on sale of securities	24,669	25,458
Devaluation losses on securities	2,297	269
Losses from derivatives, net	24,790	21,068
Foreign exchange losses, net	-	221
Others	-	-
Total capital gains/losses (B)	(7,154)	23,575
Core profit reflecting capital gains/losses (A) + (B)	26,669	61,774
Other one-time gains	-	-
Ceding reinsurance recoveries	-	-
Reversal of contingency reserve	-	-
Others	-	-
Other one-time losses	616	14,819
Reinsurance premiums	-	-
Provision for contingency reserve	609	14,819
Provision for specific reserve for possible loans loss	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-off of loans	7	-
Others	-	-
Other one-time gains/losses (C)	(616)	(14,819)
Ordinary profit (A) + (B) + (C)	26,053	46,954

Notes: 1. As regards year ended March 31, 2005, income gains of 1,246 million yen on gains from monetary trusts are included in other core revenues of core profit instead of gains from monetary trusts, net.  
2. As regards year ended March 31, 2006, income losses of (0) million yen on losses from monetary trusts are included in other core expenses of core profit instead of losses from monetary trusts, net.

## 6. Disclosed Claims under the Insurance Business Law

(Millions of Yen)

Category		As of March 31, 2005	As of March 31, 2006
Claims against bankrupt and quasi-bankrupt obligors	a	539	632
Claims with collection risk	b	1,081	0
Claims for special attention	c	6,148	4,748
Sub total	a + b + c	7,770	5,381
% of Total		0.46%	0.35%
Claims against normal obligors	d	1,697,371	1,535,628
Total	a + b + c + d	1,705,141	1,541,010

- Notes:
1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
  2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
  3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in Notes 1 or 2 above.
  4. Claims against normal obligors are all other loans.

## 7. Risk Monitored Loans (Under the Insurance Business Law)

(Millions of Yen)

Category		As of March 31, 2005	As of March 31, 2006
Loans to bankrupt companies	a	174	193
Past due loans	b	1,446	439
Loans overdue for three months or more	c	5,316	4,698
Restructured loans	d	832	49
Total	a + b + c + d	7,770	5,381
% of total loans	= e	0.46%	0.35%
Specific reserve for possible loan losses	f	1,076	193
General reserve for possible loan losses	g	1,752	1,482
Amount covered by collateral and guarantees	h	5,846	5,015
Sub total	e - f - g - h	(904)	(1,310)
Coverage ratio A	[ f + g ] / e	36.4%	31.2%
Coverage ratio B	[ f + g + h ] / e	111.6%	124.4%

- Notes:
1. Certain Past due loans and loans to bankrupt companies were written off and charged to the reserve for possible loan losses. Past due loans decreased due to write-offs in the amounts of 17 million yen and 871 million yen as of March 31, 2005 and March 31, 2006, respectively.
  2. Loans to bankrupt companies are loans to obligors that are subject to bankruptcy, corporate reorganization, or rehabilitation or other similar proceedings on which a company has stopped accruing interest after determining that collection or repayment of principal or interest is impossible due to a significant delay in payment of principal or interest or for some other reason.
  3. Past due loans are loans (other than the loans described in Note 2 above and the loans for which due dates for interest payments have been rescheduled for purposes of restructuring or supporting the obligor) on which a company has stopped accruing interest based on self-assessment.
  4. Loans overdue for three months or more are loans, other than the loans described in Note 2 or 3 above, on which principal and/or interest are in arrears for three months or more.
  5. Restructured loans are loans, other than the loans described in Note 2, 3, or 4 above, for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims, and/or other terms in favor of the obligor for purposes of restructuring or supporting the obligor.

## (Reference) Reserve for Possible Loan Losses

### (1) Reserve for Possible Loan Losses

(Millions of Yen)

Category	As of March 31, 2005	As of March 31, 2006
General reserve for possible loan losses	1,752	1,482
Specific reserve for possible loan losses	1,076	197
Specific reserve for loans to refinancing countries	-	-
Total	2,828	1,680

### (2) Specific Reserve for Possible Loan Losses

(Millions of Yen)

Category	As of March 31, 2005	As of March 31, 2006
Transfer	1,076	197
Reversal	1,683	199
Net transfer	(606)	(1)

Note: The amount of reversal indicated above does not include the amount of reversal made for any specific purpose.

### (3) Specific Reserve for Loans to Refinancing Countries

#### a. Specific reserve for loans to refinancing countries

The Company held no specific reserve for loans to refinancing countries as of March 31, 2005 and 2006.

#### b. Loan outstanding by country

The Company held no loan outstanding by country as of March 31, 2005 and 2006.

### (4) Write-off of Loans

(Millions of Yen)

Category	As of March 31, 2005	As of March 31, 2006
Write-off of loans	7	-

Note: The amounts of loan write-offs are those representing the portions of the relevant collateralized or guaranteed credits to Bankrupt Debtors and Effectively Bankrupt Debtors that remain unrecoverable, after deduction of the amounts equivalent to those deemed recoverable by way of valuation of collateral or execution of guarantee, and are reduced directly from the relevant aggregate credits.

## (Reference) Self-Assessment of Loans

Self-assessment of assets means individually reviewing each asset, and categorizing it according to risks in collection or deterioration of the value as an asset, which should provide the basis for adequate write-offs or reservation, and creation of reliable financial statements.

According to their risks in collection or deterioration of the value as an asset, assets are categorized into four classes from Class I - IV. Class I is composed of assets with no problem.

Taiyo Life has established the internal criteria for self-assessment, and write-offs and reservation, and is carrying out strict self-assessment, and write-offs and reserve.

In the results of self-assessment as of March 31, 2006, the Company deducted all assets categorized Class IV as uncollectible, and calculated the expected losses on each asset in Class III, and added the adequate reserve. Thus, the Company is making efforts to keep soundness of its assets.

### Self-Assessment of Loans

(Millions of Yen)

Classifications	As of March 31, 2005		As of March 31, 2006	
	Before write-offs / reservation	After write-offs / reservation	Before write-offs / reservation	After write-offs / reservation
Class I	1,673,985	1,675,061	1,518,782	1,518,976
Class II	30,058	30,058	22,033	22,033
Class III	1,098	22	193	0
Class IV	7	-	871	-
Total exposures	1,705,149	1,705,141	1,541,881	1,541,010

*Note: The total exposures include securities lent, guarantee endorsements, interest payable and suspense payments in addition to loans. The interest payable and suspense payments included here are limited to those related to loans and securities lent.*

## 8. Solvency Margin Ratio

(Millions of Yen)

Items	As of March 31, 2005	As of March 31, 2006
Total solvency margin (A)	522,259	844,762
Equity (less certain items)	112,111	98,966
Reserve for price fluctuations	9,801	26,059
Contingency reserve	56,424	71,244
Reserve for possible loan losses	1,752	1,482
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent, if gains; x 100 per cent, if losses)	148,471	443,638
Net unrealized gains (losses) on real estate (x 85 per cent, if gains; x 100 per cent, if losses)	(11,887)	(4,644)
Excess of amount of policy surrender payment	86,653	72,383
Unallotted portion of reserve for policyholder dividends	21,880	22,295
Future profits	5,856	6,339
Deferred tax assets	36,196	51,996
Subordinated debt	55,000	55,000
Deductible items	-	-
Total risk $\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	120,655	161,632
Insurance risk $R_1$	36,098	36,834
Assumed investment yield risk $R_2$	25,249	24,255
Investment risk $R_3$	86,770	129,193
Business risk $R_4$	2,962	3,806
Minimum guarantee risk $R_7$	-	19
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	865.7%	1,045.2%

- Notes: 1. The above 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.
2. "Equity (less certain items)" above represents equity on the balance sheet less net unrealized gains on available-for-sale securities and estimated appropriation paid in cash.
3. The figures of "minimum guarantee risk" were calculated on the basis of the regulatory standard.

## 9. Adjusted Net Assets

(Millions of Yen)

Item	As of March 31, 2005	As of March 31, 2006
Adjusted net assets	464,232	757,580

Note: The above figures 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.