

NON-CONSOLIDATED FINANCIAL SUMMARY

(For the nine months ended December 31, 2006)

February 15, 2007

Name of Company: **T&D Holdings, Inc.** (Financial Summary for Daido 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 this fiscal year.

2. Non-Consolidated Operating Results for the Nine Months Ended December 31, 2006 (April 1, 2006 – December 31, 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	
	million	% change	million	% change	million	% change	million	% change
Nine months ended December 31, 2006	¥798,839	0.4	¥83,995	37.8	¥81,167	19.1	¥32,196	35.9
Nine months ended December 31, 2005	¥795,990	0.1	¥60,968	(12.4)	¥68,150	(8.8)	¥23,698	2.3
Year Ended March 31, 2006	¥1,062,452	0.3	¥99,445	3.8	¥96,105	(6.4)	¥39,099	17.4

	Net Income per Share
Nine months ended December 31, 2006	¥21,464.17
Nine months ended December 31, 2005	¥15,799.23
Year Ended March 31, 2006	¥26,004.80

Notes:

1. Average number of outstanding shares during the term: for the nine months ended December 31, 2006: 1,500,000; for the nine months ended December 31, 2005: 1,500,000; for the fiscal year ended March 31, 2006: 1,500,000
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 December 31, 2006	¥6,356,865 million	¥585,368 million	9.2%	¥390,245.77
As of December 31, 2005	¥6,300,877 million	¥548,178 million	8.7%	¥365,452.01
As of March 31, 2006	¥6,406,113 million	¥590,221 million	9.2%	¥393,419.43

Notes:

1. Number of outstanding shares at the end of the term: as of December 31, 2006: 1,500,000; as of December 31, 2005: 1,500,000; as of March 31, 2006: 1,500,000.
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)

Daido Life's forecast is omitted. Please refer to T&D Holdings' "Consolidated Forecasts for the Year Ending March 31, 2007" section in this material "Consolidated Financial Summary for the Nine Months Ended December 31, 2006".

Daido Life Unaudited Non-Consolidated Condensed Balance Sheet

(Millions of yen)

	As of December 31, 2005	As of December 31, 2006	Increase (decrease)		As of March 31, 2006
	Amount	Amount	Amount	% change	Amount
Assets:				%	
Cash and deposits	264,679	220,942	(43,737)	(16.5)	304,368
Cash	30	41	10	35.7	71
Deposit	264,649	220,900	(43,748)	(16.5)	304,296
Call loans	70,000	123,000	53,000	75.7	80,000
Monetary claims purchased	174,340	398,808	224,468	128.8	156,218
Monetary trusts	233,643	108,136	(125,506)	(53.7)	242,674
Securities	4,310,935	4,364,081	53,146	1.2	4,435,668
Government bonds	204,116	246,615	42,498	20.8	246,175
Municipal bonds	980,156	890,115	(90,040)	(9.2)	960,107
Corporate bonds	1,086,474	1,038,350	(48,123)	(4.4)	1,079,760
Domestic stocks	563,378	556,474	(6,904)	(1.2)	609,122
Foreign securities	640,258	742,209	101,951	15.9	673,504
Other securities	836,551	890,316	53,765	6.4	866,998
Loans	1,046,431	942,327	(104,103)	(9.9)	986,252
Policy loans	80,628	79,490	(1,137)	(1.4)	81,278
Commercial loans	965,803	862,837	(102,966)	(10.7)	904,974
Property and equipment	142,946	-	-	-	143,009
Land	81,141	-	-	-	81,141
Buildings	58,519	-	-	-	58,567
Equipment	1,177	-	-	-	1,159
Construction in progress	2,108	-	-	-	2,141
Tangible fixed assets	-	144,171	-	-	-
Land	-	80,214	-	-	-
Buildings	-	57,010	-	-	-
Construction in progress	-	5,764	-	-	-
Other tangible fixed assets	-	1,181	-	-	-
Intangible fixed assets	-	8,943	-	-	-
Software	-	7,824	-	-	-
Other intangible fixed assets	-	1,118	-	-	-
Due from agencies	1,489	1,430	(59)	(4.0)	1,548
Due from reinsurers	1,282	672	(610)	(47.6)	1,261
Other assets	56,726	45,737	(10,988)	(19.4)	56,800
Accounts receivable	15,635	18,345	2,710	17.3	15,596
Prepaid expenses	3,525	2,406	(1,118)	(31.7)	2,676
Accrued income	17,118	16,760	(357)	(2.1)	18,606
Deposit for rent	3,814	4,066	252	6.6	4,262
Margin for futures contracts	2,764	53	(2,711)	(98.1)	1,739
Derivatives	491	1,489	998	203.1	3,772
Deferred valuation losses on hedge	123	-	-	-	-
Suspense payable	3,797	938	(2,858)	(75.3)	756
Other assets	9,457	1,677	(7,779)	(82.3)	9,389
Reserve for possible loan losses	(1,598)	(1,386)	211	(13.3)	(1,687)
Total assets	6,300,877	6,356,865	55,987	0.9	6,406,113

(Millions of yen)

	As of December 31,	As of December 31,	Increase (decrease)		As of March 31,
	2005	2006	Amount	% change	2006
	Amount	Amount	Amount	%	Amount
Liabilities:					
Policy reserves	5,464,973	5,451,202	(13,770)	(0.3)	5,476,012
Reserve for outstanding claims	40,304	38,763	(1,541)	(3.8)	43,721
Policy reserve	5,298,285	5,293,661	(4,623)	(0.1)	5,306,524
Reserve for policyholder dividends	126,383	118,778	(7,605)	(6.0)	125,766
Due to reinsurers	565	357	(208)	(36.9)	448
Short-term debenture	15,000	30,000	15,000	100.0	20,000
Other liabilities	46,967	49,374	2,406	5.1	76,844
Cash collateral receiving under security landing contracts	8,655	-	(8,655)	(100.0)	20,275
Income taxes payable	540	1,844	1,304	241.5	2,730
Accounts payable	13,497	15,749	2,251	16.7	23,631
Accrued expenses	5,903	6,230	326	5.5	9,382
Unearned income	3,491	3,840	349	10.0	3,527
Deposit received	1,437	1,647	210	14.6	781
Guarantee deposits	5,517	5,838	321	5.8	5,536
Derivatives	3,813	10,404	6,591	172.9	4,257
Deferred valuation gains on hedge	128	-	-	-	3,360
Suspense receipt	3,981	3,818	(163)	(4.1)	3,361
Reserve for bonus to directors and corporate auditors	-	47	47	-	-
Reserve for employees' retirement benefits	66,283	74,908	8,625	13.0	67,316
Reserve for directors' and corporate auditors retirement benefits	1,696	1,812	116	6.9	1,760
Reserve for price fluctuations	42,255	57,820	15,564	36.8	47,571
Deferred tax liabilities	114,957	105,972	(8,985)	(7.8)	125,937
Total liabilities	5,752,699	5,771,496	18,797	0.3	5,815,892
Stockholders' equity:					
Common stock	75,000	-	-	-	75,000
Capital surplus	54	-	-	-	54
Retained earnings	116,736	-	-	-	132,137
Legal reserve for future losses	7,345	-	-	-	7,345
Appropriated retained earnings	74,619	-	-	-	74,619
Provision for advanced depreciation on real estate	1,559	-	-	-	1,559
Provision for 100th anniversary project	60	-	-	-	60
General reserve	73,000	-	-	-	73,000
Unappropriated retained earnings	34,771	-	-	-	50,172
Net unrealized gains on securities	356,387	-	-	-	383,030
Total stockholders' equity	548,178	-	-	-	590,221
Total liabilities and stockholders' equity	6,300,877	-	-	-	6,406,113
Net assets:					
Common stock	-	75,000	-	-	-
Capital surplus	-	54	-	-	-
Retained earnings	-	155,275	-	-	-
Legal reserve for future losses	-	9,157	-	-	-
Other retained earnings	-	146,117	-	-	-
Provision for advanced depreciation on real estate	-	1,559	-	-	-
Provision for 100th anniversary project	-	11	-	-	-
General reserve	-	100,000	-	-	-
Unappropriated retained earnings	-	44,546	-	-	-
Total stockholders' equity	-	230,329	-	-	-
Net unrealized gains on securities	-	354,104	-	-	-
Gains on deferred hedge	-	934	-	-	-
Total valuation and translation adjustments	-	355,039	-	-	-
Total net assets	-	585,368	-	-	-
Total liabilities and net assets	-	6,356,865	-	-	-

Daido Life Unaudited Non-Consolidated Condensed Statements of Operations

(Millions of yen)

	Nine months ended	Nine months ended	Increase (decrease)		Year ended March
	December 31, 2005	December 31, 2006			31, 2006
	Amount	Amount	Amount	% change	Amount
Ordinary revenues	795,990	798,839	2,849	0.4	1,062,452
Income from insurance premiums	647,333	646,325	(1,008)	(0.2)	871,153
Insurance premiums	646,528	645,541	(986)	(0.2)	870,134
Ceded reinsurance recoveries	805	784	(21)	(2.7)	1,018
Investment income	127,643	131,923	4,280	3.4	180,674
Interest, dividends and income from real estate for rent	75,332	91,454	16,121	21.4	106,987
Interest income from deposits	3,952	5,189	1,237	31.3	5,343
Interest income and dividends from securities	51,654	65,178	13,524	26.2	75,571
Interest income from loans	14,743	14,389	(354)	(2.4)	19,304
Interest from real estate for rent	4,772	4,756	(15)	(0.3)	6,352
Other income from interest and dividends	210	1,940	1,730	822.5	415
Gains from monetary trust, net	1,356	7,645	6,289	463.8	3,664
Gains on investment in trading securities, net	15,067	10,253	(4,814)	(32.0)	22,157
Gains on sales of securities	8,770	15,203	6,432	73.3	16,449
Gains on redemption of securities	467	-	(467)	(100.0)	467
Other investment income	1,944	2,004	59	3.1	2,595
Gains on separate accounts, net	24,703	5,363	(19,340)	(78.3)	28,352
Other ordinary income	21,012	20,590	(422)	(2.0)	10,624
Income related to withheld insurance claims and other payments for future annuity payments	242	110	(131)	(54.3)	297
Income due to withheld insurance payments	2,194	1,797	(397)	(18.1)	3,177
Reversal of reserve for outstanding claims	7,316	4,957	(2,359)	(32.2)	3,900
Reversal of policy reserve	10,427	12,862	2,435	23.4	2,188
Other ordinary income	831	861	30	3.7	1,060
Ordinary expenses	735,021	714,843	(20,177)	(2.7)	963,007
Insurance claims and other payments	606,099	576,309	(29,789)	(4.9)	791,872
Insurance claims	235,217	206,250	(28,966)	(12.3)	308,591
Annuity payments	20,858	21,203	344	1.7	27,259
Insurance benefits	131,653	127,958	(3,695)	(2.8)	175,698
Surrender payments	153,813	191,400	37,587	24.4	203,007
Other payments	63,749	28,723	(35,025)	(54.9)	76,220
Reinsurance premiums	806	772	(33)	(4.2)	1,093
Provision for policy and other reserves	687	648	(38)	(5.6)	906
Interest portion of reserve for policyholder dividends	687	648	(38)	(5.6)	906
Investment expenses	36,653	36,657	4	0.0	46,696
Interest expenses	19	108	88	443.0	25
Losses on sales of securities	949	5,737	4,787	504.2	1,045
Devaluation losses on securities	358	390	31	8.7	547
Losses from derivatives, net	26,405	18,461	(7,944)	(30.1)	31,227
Foreign exchange losses, net	3,660	4,371	710	19.4	4,924
Depreciation of real estate for rent	2,033	1,859	(173)	(8.5)	2,698
Other investment expenses	3,224	5,729	2,504	77.7	6,227
Operating expenses	81,833	83,650	1,816	2.2	109,262
Other ordinary expenses	9,747	17,577	7,829	80.3	14,268
Payments related to withheld insurance claims	1,323	1,665	342	25.9	1,914
Taxes	4,855	4,892	36	0.8	6,572
Depreciation	3,031	3,088	56	1.9	4,075
Provision for reserve for employees' retirement benefits	346	7,592	7,246	2,093.0	1,379
Other ordinary expenses	190	338	147	77.5	326
Ordinary profit	60,968	83,995	23,027	37.8	99,445

(Millions of yen)

	Nine months ended	Nine months ended	Increase (decrease)		Year ended March
	December 31, 2005	December 31, 2006	Amount	% change	31, 2006
	Amount	Amount	Amount		Amount
Extraordinary gains	1,046	460	(585)	(56.0)	961
Gains on sales of property and equipment	790	-	-	-	791
Gains on sales of fixed assets	-	6	-	-	-
Reversal of reserve for possible loan losses	234	301	66	28.5	139
Recoveries of bad debts previously written-off	20	22	2	10.3	30
Gains on sales of stocks of affiliated companies	-	128	128	-	-
Extraordinary losses	11,080	11,944	863	7.8	16,563
Losses on sales, disposal and devaluation of property and equipment	1,091	-	-	-	1,257
Losses on sales, disposal and devaluation of fixed assets	-	771	-	-	-
Impairment loss	270	525	254	94.1	270
Provision for reserve for price fluctuations	9,671	10,248	577	6.0	14,987
Provision for 100th anniversary project	47	48	0	0.6	47
Headquarters removal costs	-	350	350	-	-
Provision for reserve for policyholder dividends	18,452	20,160	1,707	9.3	27,310
Income before income taxes	32,481	52,351	19,870	61.2	56,532
Current income taxes	14,537	24,299	9,762	67.2	27,266
Deferred income taxes	(5,754)	(4,144)	1,610	(28.0)	(9,833)
Net income	23,698	32,196	8,497	35.9	39,099
Unappropriated retained earnings at beginning of period	11,024	-	-	-	11,024
Transfer from provision for 100th anniversary project	47	-	-	-	47
Unappropriated retained earnings at end of period	34,771	-	-	-	50,172

Supplementary Materials for the Nine Months Ended December 31, 2006

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Business Highlights (Non-Consolidated)

(1) Total Policy Amount in Force

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

Category	As of December 31, 2005				As of December 31, 2006				As of March 31, 2006	
	Number		Amount		Number		Amount		Number	Amount
		Change (%)		Change (%)		Change (%)		Change (%)		
Individual insurance	2,008	100.3	388,212	100.9	1,981	98.6	386,705	99.6	1,998	387,711
Individual term life insurance	1,456	101.9	359,401	101.4	1,462	100.4	359,647	100.1	1,457	359,336
Individual annuities	148	103.8	12,286	102.8	153	103.1	12,437	101.2	150	12,369
Subtotal	2,156	100.6	400,498	100.9	2,134	99.0	399,143	99.7	2,149	400,080
Group insurance	-	-	122,245	100.4	-	-	119,393	97.7	-	120,196
Group annuities	-	-	20,424	94.0	-	-	19,721	96.6	-	20,279

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	Nine Months Ended December 31, 2005					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	183	101.4	33,422	98.3	33,388	33
Individual term life insurance	148	97.7	32,589	98.8	32,555	33
Individual annuities	8	103.9	745	107.8	745	0
Subtotal	191	101.5	34,168	98.4	34,134	33
Group insurance	-	-	160	94.5	160	
Group annuities	-	-	0	17.3	0	

Category	Nine Months Ended December 31, 2006					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	176	95.9	34,484	103.2	34,546	(61)
Individual term life insurance	147	99.0	33,774	103.6	33,836	(62)
Individual annuities	7	96.2	650	87.2	649	1
Subtotal	183	95.9	35,134	102.8	35,195	(60)
Group insurance	-	-	594	370.7	594	
Group annuities	-	-	1	438.6	1	

Category	Year Ended March 31, 2006					
	Number		Amount		New policies	Increase from conversion
		Change (%)		Change (%)		
Individual insurance	234	98.6	41,929	98.4	41,888	40
Individual term life insurance	187	97.9	40,807	98.9	40,767	40
Individual annuities	11	107.2	998	106.6	998	0
Subtotal	245	99.0	42,927	98.6	42,886	40
Group insurance	-	-	543	187.0	543	
Group annuities	-	-	0	6.9	0	

Notes:

1. The number of new policies includes increase from conversion.
2. The new policy amount including increase from conversion for individual annuities is funds to be held at the time annuity payments are to commence for an annuity.
3. The new policy amount for group annuity is equal to the initial premium payment.

(3) Annualized Premiums**a. Policy amount in force**

(Millions of yen, %)

Category	As of December 31, 2005		As of December 31, 2006		As of March 31, 2006	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	638,643	102.6	645,889	101.1	639,101	102.1
Individual annuities	45,730	103.4	46,381	101.4	45,645	101.1
Total	684,374	102.6	692,271	101.2	684,746	102.1
3rd Sector	60,960	98.5	59,066	96.9	60,631	98.3

b. New policies

(Millions of yen, %)

Category	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Year ended March 31, 2006	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Individual insurance	62,272	102.1	63,469	101.9	79,131	99.9
Individual annuities	2,143	101.9	2,659	124.1	3,758	133.4
Total	64,416	102.1	66,129	102.7	82,889	101.1
3rd Sector	3,116	112.0	3,087	99.1	3,916	103.4

Notes:

1. New policies include net increase from conversions.

2. The Japanese insurance market is legally divided into three major fields: the First Sector, which involves conventional life insurance; the Second Sector, which involves P&C insurance; and the Third Sector, which involves insurance positioned between the two, including medical insurance, cancer insurance, accident insurance, and nursing care insurance.

3. The amounts are calculated by multiplying monthly premiums by 12, and dividing lump-sum payments by the insurance period.

(4) Term Life Insurance Policy Amount by Dividend Type**a. Policy amount in force**

(100 Millions of yen, %)

Category	As of December 31, 2005		As of December 31, 2006		As of March 31, 2006	
	Amount	%	Amount	%	Amount	%
Participating	202,995	56.5	185,992	51.7	200,392	55.8
Semi-participating	81,964	22.8	78,477	21.8	82,378	22.9
Non-participating	74,441	20.7	95,177	26.5	76,565	21.3
Total	359,401	100.0	359,647	100.0	359,336	100.0

b. New policies

(100 Millions of yen, %)

Category	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Year Ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
Participating	8,640	26.6	5,737	16.9	10,877	26.7
Semi-participating	8,379	25.7	1,780	5.3	10,362	25.4
Non-participating	15,535	47.7	26,318	77.8	19,527	47.9
Total	32,555	100.0	33,836	100.0	40,767	100.0

Notes:

1. Semi-participating policies only pay dividends related to investment every five years.

2. New policy amount do not include net increase from conversion.

(5) Surrender and Lapse Amount

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

Category	Nine months ended December 31, 2005				Nine months ended December 31, 2006				Year Ended March 31, 2006	
	Number	Change (%)	Amount	Change (%)	Number	Change (%)	Amount	Change (%)	Number	Amount
Individual insurance	139	98.0	23,017	98.5	154	111.1	28,001	121.7	181	29,873
Individual annuities	3	107.9	402	116.1	4	116.1	415	103.1	5	526
Total	143	98.3	23,420	98.7	159	111.2	28,416	121.3	187	30,400

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

(%)

Category	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year Ended March 31, 2006
Individual insurance	5.98	7.22	7.76
Individual annuities	3.34	3.36	4.36
Total	5.90	7.10	7.66

Note: Surrender and lapse rate is not annualized.

(7) Reconciliation to Core Profit and Non-Consolidated Ordinary Profit

a. Reconciliation to core profit

(Millions of yen)

Category	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year Ended March 31, 2006
Core revenues	771,797	767,087	1,021,367
Income from insurance premiums	647,333	646,325	871,153
Insurance premiums	646,528	645,541	870,134
Ceded reinsurance recoveries	805	784	1,018
Investment income	102,448	98,821	138,403
Interest, dividends and income from real estate for rent	75,332	91,454	106,987
Gains on redemption of securities	467	-	467
Other investment income	1,944	2,004	2,595
Gains on separate accounts, net	24,703	5,363	28,352
Other ordinary income	22,014	21,373	11,810
Income related to withheld insurance claims and other payments for future annuity payments	242	110	297
Income due to withheld insurance payments	2,194	1,797	3,177
Reversal of reserve for outstanding claims	7,316	4,957	3,900
Reversal of policy reserves (except contingency reserve)	11,429	13,645	3,374
Reversal of reserve for employees' retirement benefits	-	-	-
Other ordinary income	831	861	1,060
Other core revenues	-	566	-
Core Expenses	703,646	685,919	925,261
Insurance claims and other payments	606,099	576,309	791,872
Insurance claims	235,217	206,250	308,591
Annuity payments	20,858	21,203	27,259
Insurance benefits	131,653	127,958	175,698
Surrender payments	153,813	191,400	203,007
Other payments	63,749	28,723	76,220
Reinsurance payments	806	772	1,093
Provision for policy and other reserves	687	648	906
Investment expenses	5,278	7,697	8,950
Interest expense	19	108	25
Losses from redemption of securities	-	-	-
Provision for reserve for possible loan losses	-	-	-
Depreciation of real estate for rent	2,033	1,859	2,698
Other investment expenses	3,224	5,729	6,227
Losses on separate accounts, net	-	-	-
Operating expenses	81,833	83,650	109,262
Other ordinary expenses	9,747	17,577	14,268
Payments related to withheld insurance claims	1,323	1,665	1,914
Taxes	4,855	4,892	6,572
Depreciation	3,031	3,088	4,075
Provision for reserve for employees' retirement benefits	346	7,592	1,379
Other ordinary expenses	190	338	326
Other core expenses	-	35	-
Core profit	68,150	81,167	96,105

b. Reconciliation to non-consolidated ordinary profit

(Millions of yen)

Category	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year Ended March 31, 2006
Core profit (A)	68,150	81,167	96,105
Capital gains	25,194	32,534	42,270
Gains from monetary trusts, net	1,356	7,645	3,664
Gains on investments in trading securities, net	15,067	10,253	22,157
Gains on sales of securities	8,770	15,203	16,449
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	-	-	-
Others	-	(566)	-
Capital losses	31,374	28,924	37,745
Losses from monetary trusts, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sales of securities	949	5,737	1,045
Devaluation losses on securities	358	390	547
Losses from derivatives, net	26,405	18,461	31,227
Foreign exchange losses, net	3,660	4,371	4,924
Others	-	(35)	-
Capital gains/losses (B)	(6,180)	3,610	4,525
(A+B)	61,970	84,778	100,630
Other one-time gains	(1,001)	(782)	(1,185)
Ceding reinsurance commissions	-	-	-
Reversal of contingency reserve	(1,001)	(782)	(1,185)
Others	-	-	-
Other one-time losses	-	-	-
Reinsurance premiums	-	-	-
Provision for contingency reserve	-	-	-
Provision for specific reserve for possible loan losses	-	-	-
Provision for specific reserves for loans to refinancing countries	-	-	-
Write-off of loans	-	-	-
Others	-	-	-
Other one-time gains/losses (C)	(1,001)	(782)	(1,185)
Ordinary profit (A+B+C)	60,968	83,995	99,445

Note: Core profit for the nine months ended December 31, 2006 includes 566 million yen of income gains from monetary trusts as other core revenues instead of capital gains, and 35 million yen of income losses from derivatives as other core expenses, instead of capital losses.

(8) Negative Spread

(Millions of yen, %)

Category	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year Ended March 31, 2006
Negative spread	26,170	10,022	29,390
Investment yield on core profit	1.90%	2.27%	1.99%
Average assumed investment yield	2.59%	2.53%	2.58%
Policy reserves in general accounts	5,037,754	5,035,139	5,028,258

Notes:

1. Method of calculating negative spread:

For nine months ended December 31, 2005 and 2006:

$(\text{Investment yield on core profit} - \text{Average assumed investment yield}) \times \text{Policy reserve in general accounts} \times 3/4$

For the year ended March 31, 2006:

$(\text{Investment yield on core profit} - \text{Average assumed investment yield}) \times \text{Policy reserve in general accounts}$

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 accounts only) by denominator as policy reserve in general accounts.

4. Investment yield on core profit and average assumed investment yield are annualized.

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: $(\text{Policy reserve at beginning of fiscal year} + \text{Policy reserve at end of fiscal year} - \text{Assumed interest}) \times (1/2)$

(9) Solvency Margin Ratio

(Millions of yen)

Items	As of December 31, 2005	As of December 31, 2006	As of March 31, 2006
Total solvency margin (A)	996,272	1,078,901	1,068,289
Net assets (less certain items)	183,441	221,217	196,573
Reserve for price fluctuations	42,255	57,820	47,571
Contingency reserve	78,895	79,862	79,079
Reserve for possible loan losses	204	178	188
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent., if gains; x 100 per cent., if losses)	502,033	498,817	539,564
Net unrealized gains (losses) on real estate (x 85 per cent., if gains; x 100 per cent., if losses)	(10,049)	(3,384)	(4,973)
Excess of amount of policy surrender payment	123,373	126,779	124,207
Unallotted portion of reserve for policyholder dividends	7,474	7,590	8,916
Future profits	12,301	13,440	13,655
Deferred tax assets	56,340	76,580	63,505
Subordinated debt	-	-	-
Deductible items	-	-	-
Total risk $\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	159,046	173,320	170,317
Insurance risk R_1	34,392	33,925	34,182
Assumed investment yield risk R_2	20,694	19,468	20,493
Investment risk R_3	130,088	145,637	141,649
Business risk R_4	3,717	3,996	3,940
Minimum guarantee risk R_7	690	784	684
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,252.8%	1,244.9%	1,254.4%

Notes:

1. Figures as of March 31, 2006 were calculated on the basis of the provisions of Articles 86 and 87 of the Enforcement Ordinance of Insurance Business Law as well as Notification No. 50 of 1996 by the Ministry of Finance. Figures as of December 31, 2005 and 2006 were calculated based on the above provisions and considered appropriate by the Company.

2. "Net assets (less certain items)" as of December 31, 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 of December 31, 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 depreciation on real estate and (estimated) appropriation paid in cash.

3. Net unrealized gains(losses) on real estates are basically calculated by the method of appraised price, whereas as for less important real estates, they are calculated by the method of posted price.

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

(10) Adjusted Net Assets

(Millions of yen)

Item	As of December 31, 2005	As of December 31, 2006	As of March 31, 2006
Adjusted net assets	1,018,165	1,054,065	1,062,325

Note: Adjusted net assets are calculated based on the regulatory standard.

(11) Asset Composition (General Account Assets)

(Millions of yen, %)

Category	As of December 31, 2005		As of December 31, 2006		As of March 31, 2006	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits, call loans	331,505	5.4	342,496	5.5	382,562	6.1
Monetary claims purchased	174,340	2.8	398,808	6.4	156,218	2.5
Monetary trusts	233,643	3.8	108,136	1.7	242,674	3.9
Securities	4,157,612	67.7	4,211,671	67.9	4,289,684	68.6
Domestic bonds	2,217,159	36.1	2,122,642	34.2	2,236,251	35.7
Domestic stocks	503,854	8.2	499,700	8.1	553,898	8.9
Foreign securities	600,047	9.8	701,392	11.3	632,535	10.1
Foreign bonds	265,673	4.3	287,817	4.6	271,801	4.3
Foreign stocks and other securities	334,373	5.4	413,574	6.7	360,734	5.8
Other securities	836,551	13.6	887,935	14.3	866,998	13.9
Loans	1,046,431	17.0	942,327	15.2	986,252	15.8
Policy loans	80,628	1.3	79,490	1.3	81,278	1.3
Commercial loans	965,803	15.7	862,837	13.9	904,974	14.5
Property and equipment	141,768	2.3	142,989	2.3	141,849	2.3
Other assets	60,137	1.0	57,503	0.9	57,912	0.9
Reserve for possible loan losses	(1,598)	(0.0)	(1,386)	(0.0)	(1,687)	(0.0)
Total	6,143,842	100.0	6,202,548	100.0	6,255,467	100.0
Foreign currency denominated assets	365,900	6.0	470,969	7.6	396,855	6.3

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

(Millions of yen)

Category	As of December 31, 2005				
	Cost / Carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	1,360,135	1,386,744	26,609	32,863	6,254
Domestic bonds	1,277,918	1,303,669	25,751	31,810	6,059
Foreign bonds	57,373	58,253	880	1,002	122
Monetary claims purchased	24,843	24,821	(22)	50	72
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,342,050	2,890,678	548,628	551,785	3,157
Domestic bonds	913,139	939,241	26,102	26,866	764
Domestic stocks	210,024	482,536	272,511	272,800	288
Foreign securities	267,526	279,551	12,025	12,862	837
Bonds	199,647	208,300	8,652	9,094	442
Stocks, etc.	67,878	71,251	3,372	3,767	395
Other securities	617,545	818,497	200,952	201,583	631
Monetary claims purchased	149,496	149,496	-	-	-
Certificates of deposit	22,000	22,000	-	-	-
Monetary trusts	162,317	199,354	37,037	37,672	634
Total	3,702,185	4,277,422	575,237	584,649	9,412
Domestic bonds	2,191,057	2,242,910	51,853	58,676	6,823
Domestic stocks	210,024	482,536	272,511	272,800	288
Foreign securities	324,899	337,804	12,905	13,865	960
Bonds	257,021	266,553	9,532	10,097	565
Stocks, etc.	67,878	71,251	3,372	3,767	395
Other securities	617,545	818,497	200,952	201,583	631
Monetary claims purchased	174,340	174,318	(22)	50	72
Certificates of deposit	22,000	22,000	-	-	-
Monetary trusts	162,317	199,354	37,037	37,672	634

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.

b. Securities without fair value (Carrying Value)

(Millions of yen)

Category	As of December 31, 2005
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	3,690
Available-for-sale securities	156,920
Unlisted domestic stocks	17,627
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	139,293
Total	160,611

Note: Securities included in jointly operated designated monetary trusts are not included herein.

a. Securities with fair value

(Millions of yen)

Category	As of December 31, 2006				
	Cost / Carrying value before mark-to-market	Current fair value	Net unrealized gains (losses)		
				Gains	Losses
Held-to-maturity securities	5,224	5,117	(107)	-	107
Domestic bonds	5,224	5,117	(107)	-	107
Foreign bonds	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	3,791,536	4,328,206	536,669	555,378	18,709
Domestic bonds	2,102,054	2,117,417	15,363	25,484	10,120
Domestic stocks	224,550	476,113	251,563	256,062	4,499
Foreign securities	340,272	352,164	11,891	12,934	1,043
Bonds	280,889	287,817	6,927	7,657	729
Stocks, etc.	59,383	64,346	4,963	5,277	314
Other securities	627,743	857,212	229,469	231,486	2,017
Monetary claims purchased	397,331	397,256	(74)	851	925
Certificates of deposit	54,500	54,500	-	-	-
Monetary trusts	45,084	73,540	28,456	28,558	102
Total	3,796,761	4,333,323	536,562	555,378	18,816
Domestic bonds	2,107,278	2,122,535	15,256	25,484	10,227
Domestic stocks	224,550	476,113	251,563	256,062	4,499
Foreign securities	340,272	352,164	11,891	12,934	1,043
Bonds	280,889	287,817	6,927	7,657	729
Stocks, etc.	59,383	64,346	4,963	5,277	314
Other securities	627,743	857,212	229,469	231,486	2,017
Monetary claims purchased	397,331	397,256	(74)	851	925
Certificates of deposit	54,500	54,500	-	-	-
Monetary trusts	45,084	73,540	28,456	28,558	102

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.
3. For the nine months ended December 31, 2006, a part of domestic bonds classified as 'held-to-maturity securities' was changed its category to 'available-for-sale securities'.

b. Securities without fair value (Carrying value)

(Millions of yen)

Category	As of December 31, 2006
Held-to-maturity securities	-
Unlisted foreign bonds	-
Other securities	-
Policy reserve matching bonds	-
Stocks of subsidiaries and affiliated companies	2,980
Available-for-sale securities	209,365
Unlisted domestic stocks	20,607
Unlisted foreign stocks	0
Unlisted foreign bonds	-
Others	188,758
Total	212,346

Note: Securities included in jointly operated designated monetary trusts are not included herein.

a. Securities with fair 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	1,354,389	1,355,206	816	17,243	16,426
Domestic bonds	1,263,514	1,265,230	1,715	16,693	14,978
Foreign bonds	50,748	50,930	182	549	366
Monetary claims purchased	40,126	39,045	(1,080)	-	1,080
Policy reserve matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	2,413,092	3,000,075	586,982	594,812	7,829
Domestic bonds	960,948	972,737	11,788	15,392	3,604
Domestic stocks	233,305	531,455	298,149	298,303	153
Foreign securities	284,036	292,372	8,336	10,007	1,671
Bonds	216,061	221,053	4,991	6,266	1,274
Stocks, etc.	67,974	71,318	3,344	3,741	396
Other securities	616,979	847,946	230,967	232,605	1,637
Monetary claims purchased	116,091	116,091	-	-	-
Certificates of deposit	45,000	45,000	-	-	-
Monetary trusts	156,731	194,471	37,740	38,503	763
Total	3,767,481	4,355,281	587,799	612,055	24,256
Domestic bonds	2,224,462	2,237,967	13,504	32,086	18,582
Domestic stocks	233,305	531,455	298,149	298,303	153
Foreign securities	334,784	343,302	8,518	10,556	2,038
Bonds	266,809	271,983	5,173	6,815	1,641
Stocks, etc.	67,974	71,318	3,344	3,741	396
Other securities	616,979	847,946	230,967	232,605	1,637
Monetary claims purchased	156,218	155,137	(1,080)	-	1,080
Certificates of deposit	45,000	45,000	-	-	-
Monetary trusts	156,731	194,471	37,740	38,503	763

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.

b. Securities without fair 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	3,690
Available-for-sale securities	166,080
Unlisted domestic stocks	18,752
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	147,328
Total	169,771

Note: Securities included in jointly operated designated monetary trusts are not included herein.

2) Fair value information on monetary trusts

(Millions of yen)

Category	As of December 31, 2005				
	Carrying value before mark-to-market	Current fair value		Net unrealized gains (losses)	
				Gains	Losses
Monetary trusts	233,643	233,643	-	-	-

Category	As of December 31, 2006				
	Carrying value before mark-to-market	Current fair value		Net unrealized gains (losses)	
				Gains	Losses
Monetary trusts	108,136	108,136	-	-	-

Category	As of March 31, 2006				
	Carrying value before mark-to-market	Current fair value		Net unrealized gains (losses)	
				Gains	Losses
Monetary trusts	242,674	242,674	-	-	-

a. Monetary trusts for investment

The Company held no monetary trusts for investment as of December 31, 2005 and 2006, and March 31, 2006.

b. Monetary trusts for held-to-maturity, policy reserve matching securities, and others

(Millions of yen)

Category	As of December 31, 2005				
	Carrying Value before mark-to-market	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts for held-to-maturity	-	-	-	-	-
Monetary trusts for policy reserve matching	-	-	-	-	-
Other monetary trusts	196,606	233,643	37,037	37,672	634
Investment type focused on domestic bonds	111,416	111,213	(202)	81	283
Investment type focused on domestic stocks	61,890	99,130	37,239	37,590	351
Investment type focused on foreign securities	-	-	-	-	-
Balance-type	-	-	-	-	-
Investment type focused on collateral short-term money trusts	-	-	-	-	-
Jointly operated and designated monetary trusts	23,300	23,300	-	-	-
Total	196,606	233,643	37,037	37,672	634

Category	As of December 31, 2006				
	Carrying Value before mark-to-market	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts for held-to-maturity	-	-	-	-	-
Monetary trusts for policy reserve matching	-	-	-	-	-
Other monetary trusts	79,680	108,136	28,456	28,558	102
Investment type focused on domestic bonds	-	-	-	-	-
Investment type focused on domestic stocks	51,880	80,336	28,456	28,558	102
Investment type focused on foreign securities	-	-	-	-	-
Balance-type	-	-	-	-	-
Investment type focused on collateral short-term money trust	-	-	-	-	-
Jointly operated and designated monetary trusts	27,800	27,800	-	-	-
Total	79,680	108,136	28,456	28,558	102

Category	As of March 31, 2006				
	Carrying Value before mark-to-market	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Monetary trusts for held-to-maturity	-	-	-	-	-
Monetary trusts for policy reserve matching	-	-	-	-	-
Other monetary trusts	204,934	242,674	37,740	38,503	763
Investment type focused on domestic bonds	96,258	96,043	(214)	37	252
Investment type focused on domestic stocks	64,375	102,330	37,955	38,466	510
Investment type focused on foreign securities	-	-	-	-	-
Balance-type	-	-	-	-	-
Investment type focused on collateral short-term money trust	-	-	-	-	-
Jointly operated and designated monetary trusts	44,300	44,300	-	-	-
Total	204,934	242,674	37,740	38,503	763

Note: The above figures show all of the fair value information on monetary trusts including securities, cash and call loans, and others.

3) Fair value information on real estate

(Millions of yen)

Category	As of December 31, 2005				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Land	81,141	71,482	(9,658)	22,302	31,960
Leasehold	913	521	(391)	232	623
Total	82,054	72,004	(10,049)	22,534	32,583

Category	As of December 31, 2006				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Land	80,214	77,224	(2,990)	26,640	29,630
Leasehold	913	518	(394)	217	611
Total	81,127	77,742	(3,384)	26,857	30,242

Category	As of March 31, 2006				
	Carrying value	Current fair value	Net unrealized gains (losses)		
			Gains	Losses	
Land	81,141	76,562	(4,579)	25,764	30,343
Leasehold	913	518	(394)	217	611
Total	82,054	77,080	(4,973)	25,982	30,955

Note: Fair values are basically calculated based on the appraisal price. Less important property is calculated based on the posted price.

4) Fair value information on derivative transactions

i. Gains (losses) on derivatives with and without hedge accounting

(Millions of yen)

Category	As of December 31, 2006					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	1,463	(3,733)	-	-	-	(2,270)
Hedge accounting not applied	(19)	(6,593)	(21)	(10)	-	(6,644)
Total	1,443	(10,326)	(21)	(10)	-	(8,915)

Notes:

1. Gains (losses) on derivatives which are applied to fair value hedge method (currency-related transactions as of December 31, 2006: a loss of 3,733 million yen) and gains (losses) on derivatives which are not applied to hedge accounting are recorded in the income statements.

2. Assets and liabilities denominated in foreign currencies, which have fixed settlement amounts in yen under forward exchange contracts and have been disclosed in yen amounts in the balance sheets, are not subject to disclose.

ii. Interest-related transactions

(Millions of yen)

Type	As of December 31, 2005				As of December 31, 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			
Over-the-counter transactions												
Interest rate swaps: Receipts floating, payments fixed	142,382	139,782	(90)	(90)	139,782	138,382	1,443	1,443	142,382	139,782	3,309	3,309
Total				(90)				1,443				3,309

iii. Currency-related transactions

(Millions of yen)

Category	As of December 31, 2005				As of December 31, 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			
Over-the-counter transactions												
Foreign exchange contracts:												
Sold:	244,052	-	245,387	(1,334)	385,242	-	395,569	(10,327)	261,814	-	263,841	(2,026)
U.S. dollar	154,894	-	154,932	(37)	286,356	-	291,663	(5,307)	178,450	-	178,877	(426)
Euro	76,601	-	77,648	(1,047)	81,152	-	85,310	(4,158)	71,705	-	73,176	(1,471)
British pound	10,691	-	10,853	(161)	15,017	-	15,905	(887)	9,766	-	9,845	(78)
Canadian dollar	1,865	-	1,953	(87)	2,716	-	2,690	25	1,891	-	1,941	(50)
Bought:	149	-	150	0	141	-	142	0	156	-	156	(0)
U.S. dollar	50	-	50	0	86	-	86	0	156	-	156	(0)
Euro	99	-	99	0	55	-	55	0	-	-	-	-
Total				(1,334)				(10,326)				(2,027)

Notes:

1. Forward exchange rates are used as the year-term end exchange rates.

2. Assets and liabilities denominated in foreign currencies, which have fixed settlement amounts in yen under forward exchange contracts and have been disclosed in yen amounts in the balance sheets, are not subject to disclose.

iv. Stock-related transactions

(Millions of yen)

Category	As of December 31, 2005				As of December 31, 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		
Exchange-traded transactions												
Stock index futures:												
Sold	65,060	-	66,841	(1,780)	6,304	-	6,326	(21)	26,375	-	28,417	(2,041)
Bought	-	-	-	-	-	-	-	-	-	-	-	-
Total				(1,780)				(21)				(2,041)

v. Bond-related transactions

(Millions of yen)

Category	As of December 31, 2005				As of December 31, 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		
Exchange-traded transactions												
Bond futures contracts:												
Sold	29,001	-	29,118	(116)	23,448	-	23,458	(10)	27,233	-	26,958	274
Bought	-	-	-	-	-	-	-	-	-	-	-	-
Total				(116)				(10)				274

vi. Others

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