

# 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 Taiyo 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 % change	Ordinary Profit				Net Income % change
		% change	Core Profit	% change	% change	
Nine months ended December 31, 2006	¥782,623 million (5.6)	¥47,919 million 45.4	¥37,734 million 44.7		¥17,170 million 348.8	
Nine months ended December 31, 2005	¥828,773 million (5.7)	¥32,949 million 79.3	¥26,081 million 9.5		¥3,825 million (34.9)	
Year Ended March 31, 2006	¥1,076,418 million (5.7)	¥46,954 million 80.2	¥38,199 million 12.9		¥6,319 million (12.0)	

	Net Income per Share
Nine months ended December 31, 2006	¥11,446.67
Nine months ended December 31, 2005	¥2,550.57
Year Ended March 31, 2006	¥4,185.08

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	¥6,532,338 million	¥411,223 million	6.3%	¥274,148.71
As of December 31, 2005	¥6,539,340 million	¥408,259 million	6.2%	¥272,172.93
As of March 31, 2006	¥6,591,994 million	¥418,573 million	6.3%	¥279,020.59

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)

Taiyo 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".

## Taiyo Life Unaudited Non-Consolidated Condensed Balance Sheet

(Millions of yen)

	As of	As of	Increase (decrease)		As of
	December 31, 2005	December 31, 2006	Amount	% change	March 31, 2006
	Amount	Amount	Amount	%	Amount
<b>Assets:</b>					
Cash and deposits	32,345	40,969	8,624	26.7	46,468
Cash	1,003	945	(58)	(5.8)	1,060
Deposit	31,341	40,023	8,682	27.7	45,407
Call loans	96,360	138,000	41,640	43.2	112,534
Monetary claims purchased	106,178	147,035	40,857	38.5	124,358
Monetary trusts	50	-	(50)	(100.0)	50
Securities	4,489,585	4,493,393	3,808	0.1	4,556,859
Government bonds	676,300	812,283	135,982	20.1	721,570
Municipal bonds	552,809	601,177	48,367	8.7	542,817
Corporate bonds	1,423,554	1,301,350	(122,204)	(8.6)	1,408,631
Domestic stocks	846,689	839,888	(6,801)	(0.8)	936,417
Foreign securities	890,691	832,944	(57,746)	(6.5)	865,375
Other securities	99,538	105,749	6,211	6.2	82,047
Loans	1,593,053	1,502,921	(90,132)	(5.7)	1,535,833
Policy loans	109,173	105,755	(3,417)	(3.1)	109,118
Commercial loans	1,483,880	1,397,165	(86,714)	(5.8)	1,426,715
Property and equipment	170,120	-	-	-	168,936
Land	101,079	-	-	-	100,866
Buildings	68,569	-	-	-	67,611
Equipment	469	-	-	-	455
Construction in progress	2	-	-	-	2
Tangible fixed assets	-	165,344	-	-	-
Land	-	99,719	-	-	-
Buildings	-	65,168	-	-	-
Other tangible fixed assets	-	455	-	-	-
Intangible fixed assets	-	9,560	-	-	-
Software	-	9,093	-	-	-
Other intangible fixed assets	-	466	-	-	-
Due from reinsurers	59	157	98	165.9	11
Other assets	50,486	36,595	(13,890)	(27.5)	48,621
Accounts receivable	3,002	3,050	47	1.6	3,468
Prepaid expenses	1,559	1,644	85	5.5	671
Accrued income	27,343	25,274	(2,069)	(7.6)	27,110
Deposit for rent	456	851	394	86.6	855
Derivatives	3,257	483	(2,773)	(85.1)	1,223
Deferred valuation losses on hedge	397	-	-	-	846
Suspense payable	1,598	2,178	580	36.4	1,708
Other assets	12,872	3,112	(9,759)	(75.8)	12,737
Deferred tax assets on land revaluation	4,121	-	(4,121)	(100.0)	-
Reserve for possible loan losses	(3,019)	(1,640)	1,379	(45.7)	(1,680)
<b>Total assets</b>	<b>6,539,340</b>	<b>6,532,338</b>	<b>(7,002)</b>	<b>(0.1)</b>	<b>6,591,994</b>

(Millions of yen)

	As of	As of	Increase (decrease)		As of
	December 31, 2005	December 31, 2006	Amount	% change	March 31, 2006
	Amount	Amount	Amount	%	Amount
<b>Liabilities:</b>					
Policy reserves	5,877,911	5,851,960	(25,951)	(0.4)	5,899,100
Reserve for outstanding claims	21,239	20,761	(478)	(2.3)	20,477
Policy reserve	5,788,739	5,765,566	(23,172)	(0.4)	5,811,130
Reserve for policyholder dividends	67,932	65,632	(2,299)	(3.4)	67,491
Due to reinsurers	114	100	(14)	(12.4)	41
Subordinated bonds	20,000	20,000	-	-	20,000
Other liabilities	76,884	75,284	(1,599)	(2.1)	71,139
subordinated payable	35,000	35,000	-	-	35,000
Income taxes payable	159	2,518	2,359	1,483.9	716
Accounts payable	13,935	11,387	(2,548)	(18.3)	9,018
Accrued expenses	7,197	7,018	(179)	(2.5)	10,060
Unearned income	588	610	21	3.7	585
Deposit received	1,662	1,494	(167)	(10.1)	519
Guarantee deposits	6,319	6,502	182	2.9	6,268
Derivatives	9,191	9,091	(100)	(1.1)	7,446
Deferred valuation gains on hedge	1,044	-	-	-	219
Suspense receipt	1,782	1,658	(123)	(6.9)	1,301
Other liabilities	3	3	-	-	3
Reserve for bonus to directors and corporate auditors	-	30	30	-	-
Reserve for employees' retirement benefits	32,877	31,962	(915)	(2.8)	32,527
Reserve for directors' and corporate auditors' retirement benefits	1,219	1,462	243	19.9	1,250
Reserve for price fluctuations	21,988	33,577	11,589	52.7	26,059
Deferred tax liabilities	100,084	95,536	(4,547)	(4.5)	111,807
Deferred tax liabilities on land revaluation	-	11,198	11,198	-	11,494
<b>Total liabilities</b>	<b>6,131,081</b>	<b>6,121,115</b>	<b>(9,965)</b>	<b>(0.2)</b>	<b>6,173,421</b>
<b>Stockholders' equity:</b>					
Common stock	37,500	-	-	-	37,500
Capital surplus	37,500	-	-	-	37,500
Retained earnings	73,718	-	-	-	76,314
Appropriated retained earnings	40,639	-	-	-	40,639
Provision for advanced depreciation on real estate	639	-	-	-	639
General reserve	40,000	-	-	-	40,000
Unappropriated retained earnings	33,078	-	-	-	35,674
Land revaluation	(31,948)	-	-	-	(47,724)
Net unrealized gains on securities	291,489	-	-	-	314,983
<b>Total stockholders' equity</b>	<b>408,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418,573</b>
<b>Total liabilities and stockholders' equity</b>	<b>6,539,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,591,994</b>
<b>Net assets:</b>					
Common stock	-	37,500	-	-	-
Capital surplus	-	37,500	-	-	-
Retained earnings	-	88,909	-	-	-
Other retained earnings	-	88,909	-	-	-
Provision for advanced depreciation on real estate	-	625	-	-	-
General reserve	-	40,000	-	-	-
Unappropriated retained earnings	-	48,284	-	-	-
Total stockholders' equity	-	163,909	-	-	-
Net unrealized gains on securities	-	295,411	-	-	-
Gains on deferred hedge	-	(324)	-	-	-
Land revaluation	-	(47,773)	-	-	-
Total valuation and translation adjustments	-	247,313	-	-	-
<b>Total net assets</b>	<b>-</b>	<b>411,223</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>-</b>	<b>6,532,338</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Taiyo Life Unaudited Non-Consolidated Condensed Statements of Operations

(Millions of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Increase (decrease)		Year ended March 31, 2006
	Amount	Amount	Amount	% change	Amount
<b>Ordinary revenues</b>	828,773	782,623	(46,150)	(5.6)	1,076,418
<b>Income from insurance premiums</b>	619,335	550,084	(69,251)	(11.2)	823,011
Insurance premiums	619,270	549,806	(69,464)	(11.2)	822,946
Ceded reinsurance recoveries	64	278	213	328.5	64
<b>Investment income</b>	143,677	165,139	21,462	14.9	198,089
Interest, dividends and income from real estate for rent	91,572	99,691	8,118	8.9	126,092
Interest income from deposits	1	84	82	5,218.2	2
Interest income and dividends from securities	59,660	66,152	6,491	10.9	83,751
Interest income from loans	25,485	22,880	(2,604)	(10.2)	33,677
Interest from real estate for rent	5,532	5,521	(10)	(0.2)	7,348
Other income from interest and dividends	892	5,052	4,159	466.1	1,311
Gains from monetary trust, net	-	0	0	-	-
Gains on sales of securities	50,888	65,087	14,198	27.9	70,593
Other investment income	128	108	(20)	(15.6)	213
Gains on separate accounts, net	1,087	252	(834)	(76.8)	1,189
<b>Other ordinary income</b>	65,760	67,399	1,638	2.5	55,318
Income related to withheld insurance claims and other payments for future annuity payments	229	614	385	168.0	363
Income due to withheld insurance payments	22,627	18,896	(3,730)	(16.5)	33,467
Reversal of reserve for outstanding claims	-	-	-	-	205
Reversal of policy reserve	40,637	45,563	4,925	12.1	18,246
Reversal of reserve for employees' retirement benefits	885	565	(319)	(36.1)	1,235
Other ordinary profit	1,380	1,759	378	27.4	1,800
<b>Ordinary expenses</b>	795,824	734,704	(61,120)	(7.7)	1,029,464
<b>Insurance claims and other payments</b>	668,727	597,141	(71,585)	(10.7)	857,053
Insurance claims	361,841	302,328	(59,513)	(16.4)	458,262
Annuity payments	90,946	100,941	9,994	11.0	115,815
Insurance benefits	76,682	74,561	(2,120)	(2.8)	106,390
Surrender payments	101,205	72,930	(28,274)	(27.9)	127,283
Other payments	37,784	46,145	8,360	22.1	49,004
Reinsurance premiums	265	233	(32)	(12.2)	295
<b>Provision for policy and other reserves</b>	625	349	(276)	(44.2)	88
Provision for reserve for outstanding claims	556	283	(273)	(49.1)	-
Interest portion of reserve for policyholder dividends	68	65	(3)	(4.4)	88
<b>Investment expenses</b>	38,265	51,288	13,023	34.0	54,893
Interest expenses	1,221	1,221	0	0.0	1,624
Losses on monetary trust, net	0	-	(0)	(100.0)	0
Losses on sales of securities	14,965	32,123	17,157	114.7	25,458
Devaluation losses on securities	176	22	(153)	(87.1)	269
Losses from derivatives, net	17,010	12,844	(4,166)	(24.5)	21,068
Foreign exchange losses, net	183	304	120	65.6	221
Provision for reserve for possible loan losses	197	-	(197)	(100.0)	-
Write-off of loans	24	10	(13)	(57.0)	-
Depreciation of real estate for rent	2,018	1,851	(166)	(8.3)	2,692
Other investment expenses	2,468	2,911	442	17.9	3,558
<b>Operating expenses</b>	62,103	59,115	(2,987)	(4.8)	82,533
<b>Other ordinary expenses</b>	26,102	26,809	706	2.7	34,895
Payments related to withheld insurance claims	16,901	17,712	810	4.8	22,764
Taxes	4,040	3,704	(335)	(8.3)	5,234
Depreciation	3,970	3,939	(31)	(0.8)	5,339
Other ordinary losses	1,190	1,452	262	22.1	1,557
<b>Ordinary profit</b>	32,949	47,919	14,969	45.4	46,954

(Millions of yen)

	Nine months ended	Nine months ended	Increase (decrease)		Year ended
	December 31, 2005	December 31, 2006	Amount	% change	March 31, 2006
	Amount	Amount	Amount		Amount
<b>Extraordinary gains</b>	68	51	(16)	(24.1)	402
Gains on sales of property and equipment	57	-	-	-	117
Gains on sales of fixed assets	-	12	-	-	-
Reversal of reserve for possible loan losses	-	39	39	-	270
Recoveries of bad debts previously written-off	11	0	(10)	(99.3)	14
<b>Extraordinary losses</b>	15,587	9,255	(6,331)	(40.6)	19,887
Losses on sales, disposal and devaluation of property and equipment	301	-	-	-	306
Losses on sales, disposal and devaluation of fixed assets	-	93	-	-	-
Impairment loss	3,099	1,373	(1,725)	(55.7)	3,322
Provision for reserve for price fluctuations	12,187	7,518	(4,669)	(38.3)	16,258
Headquarters removal costs	-	271	271	-	-
<b>Provision for reserve for policyholder dividends</b>	9,855	10,828	972	9.9	15,932
<b>Income before income taxes</b>	7,573	27,886	20,312	268.2	11,537
Current income taxes	5,857	16,042	10,185	173.9	8,934
Deferred income taxes	(2,109)	(5,326)	(3,216)	152.5	(3,716)
<b>Net income</b>	3,825	17,170	13,344	348.8	6,319
<b>Unappropriated retained earnings at beginning of period</b>	28,509	-	-	-	28,509
Transfer from land revaluation	743	-	-	-	845
<b>Unappropriated retained earnings at end of period</b>	33,078	-	-	-	35,674

## **Supplementary Materials for the Nine Months Ended December 31, 2006**

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## **Business Highlights**

### **(1) Policy Amount in Force and New Policy Amount**

#### **a) 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	3,430	93.8	135,580	107.3	3,218	93.8	139,669	103.0	3,368	135,720
Individual annuities	1,383	95.2	40,688	94.4	1,323	95.7	38,635	95.0	1,368	40,194
Subtotal	4,814	94.2	176,268	104.0	4,542	94.4	178,304	101.2	4,736	175,915
Group insurance	-	-	104,746	98.4	-	-	101,110	96.5	-	104,469
Group annuities	-	-	7,381	105.5	-	-	7,942	107.6	-	7,754

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.
3. % change is presented in comparison with the same term of the previous fiscal year (hereinafter same if not mentioned otherwise).

#### **b) New Policy Amount**

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

Category	Nine Months Ended December 31, 2005						
	Number		Amount		% Change	New policies	Net increase from conversion
		% Change		% Change			
Individual insurance	248	93.4	23,757	98.9	19,515	4,242	
Individual annuities	2	82.3	(216)	-	94	(311)	
Subtotal	250	93.2	23,541	98.3	19,610	3,931	
Group insurance	-	-	441	170.8	441	-	
Group annuities	-	-	0	12.9	0	-	

Category	Nine Months Ended December 31, 2006						
	Number		Amount		% Change	New policies	Net increase from conversion
		% Change		% Change			
Individual insurance	223	90.1	18,169	76.5	13,120	5,049	
Individual annuities	10	407.7	132	-	279	(146)	
Subtotal	234	93.4	18,302	77.7	13,399	4,902	
Group insurance	-	-	389	88.3	389	-	
Group annuities	-	-	-	-	-	-	

Category	Year Ended March 31, 2006						
	Number		Amount		% Change	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)	
Subtotal	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 equal to the accumulated funds to be held at the time annuity payments are to commence.
3. The new policy amount for group annuity is equal to the initial premium payment.

## (2) Annualized Premiums

### a) Policies 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	495,997	94.3	466,068	94.0	487,367	94.2
Individual annuities	209,198	97.0	205,230	98.1	207,775	97.0
Total	705,196	95.0	671,298	95.2	695,143	95.0
3rd sector	109,168	103.1	112,354	102.9	109,472	103.2

### 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	34,322	92.4	27,895	81.3	42,386	90.9
Individual annuities	(632)	-	1,738	-	(648)	-
Total	33,690	90.9	29,634	88.0	41,737	89.9
3rd sector	11,414	102.1	10,813	94.7	14,249	101.0

Notes:

1. New policies include net increase from conversions.
2. The Japanese insurance market is legally divided into three major fields: the 1st sector, which involves conventional life insurance; the 2nd sector, which involves P&C insurance; and the 3rd sector, which involves insurance positioned between the two, including medical insurance, cancer insurance, accident insurance, and nursing care insurance.

## (3) Policy Amount by Dividend Type (Individual insurance and annuities)

### 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	73,183	41.5	64,717	36.3	71,093	40.4
Semi-participating	42,642	24.2	41,471	23.3	42,273	24.0
Non-participating	60,442	34.3	72,116	40.4	62,548	35.6
Total	176,268	100.0	178,304	100.0	175,915	100.0

### b) New Policy Amount

(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	2	0.0	2	0.0	2	0.0
Semi-participating	2,427	12.4	1,983	14.8	2,979	12.8
Non-participating	17,179	87.6	11,413	85.2	20,363	87.2
Total	19,610	100.0	13,399	100.0	23,345	100.0

Notes:

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

**(4) 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	146	93.9	11,829	119.7	129	88.1	11,031	93.3	190	15,613
Individual annuities	21	80.7	637	82.0	17	79.7	510	80.1	28	826
Total	168	91.9	12,467	116.9	146	87.0	11,541	92.6	218	16,440

**(5) 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	9.31	8.13	12.29
Individual annuities	1.50	1.27	1.94
Total	7.35	6.56	9.69

*Note: Surrender and lapse rate is not annualized.*

**(6) Reconciliation to Core Profit and 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	789,130	727,133	1,020,645
Income from insurance premiums	619,335	550,084	823,011
Insurance premiums	619,270	549,806	822,946
Ceded reinsurance recoveries	64	278	64
Investment income	92,788	100,051	127,495
Interest, dividends and income from real estate for rent	91,572	99,691	126,092
Other investment income	128	108	213
Gains on separate accounts, net	1,087	252	1,189
Other ordinary income	77,006	76,996	70,138
Income related to withheld insurance claims and other payments for future annuity payments	229	614	363
Income due to withheld insurance payments	22,627	18,896	33,467
Reversal of reserve for outstanding claims	-	-	205
Reversal of policy reserve	51,883	55,161	33,066
Reversal of reserve for employees' retirement benefits	885	565	1,235
Other ordinary profit	1,380	1,759	1,800
Other core revenues	-	0	-
Core expenses	763,049	689,399	982,446
Insurance claims and other payments	668,727	597,141	857,053
Insurance claims	361,841	302,328	458,262
Annuity payments	90,946	100,941	115,815
Insurance benefits	76,682	74,561	106,390
Surrender payments	101,205	72,930	127,283
Other payments	37,784	46,145	49,004
Reinsurance payments	265	233	295
Provision for policy and other reserves	625	349	88
Investment expenses	5,490	5,983	7,875
Interest expenses	1,221	1,221	1,624
Provision for reserve for possible loan losses	(217)	-	-
Depreciation of real estate for rent	2,018	1,851	2,692
Other investment expenses	2,468	2,911	3,558
Losses on separate accounts, net	-	-	-
Operating expenses	62,103	59,115	82,533
Other ordinary expenses	26,102	26,809	34,895
Payments related to withheld insurance claims	16,901	17,712	22,764
Taxes	4,040	3,704	5,234
Depreciation	3,970	3,939	5,339
Provision for reserve for employees' retirement benefits	-	-	-
Other ordinary losses	1,190	1,452	1,557
Other core expenses	0	-	0
Core profit	26,081	37,734	38,199

**b) Reconciliation to 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)	26,081	37,734	38,199
Capital gains	50,888	65,087	70,593
Gains from monetary trust, net	-	-	-
Gains on investments in trading securities, net	-	-	-
Gains on sale of securities	50,888	65,087	70,593
Gains from derivatives, net	-	-	-
Foreign exchange gains, net	-	-	-
Others	-	-	-
Capital losses	32,335	45,294	47,017
Losses from monetary trust, net	-	-	-
Losses on investments in trading securities, net	-	-	-
Losses on sale of securities	14,965	32,123	25,458
Devaluation losses on securities	176	22	269
Losses from derivatives, net	17,010	12,844	21,068
Foreign exchange losses, net	183	304	221
Others	-	-	-
Capital gains/losses (B)	18,553	19,793	23,575
(A+B)	44,634	57,527	61,774
Other one-time gains	-	-	-
Ceding reinsurance commissions	-	-	-
Reversal of contingency reserve	-	-	-
Others	-	-	-
Other one-time losses	11,685	9,608	14,819
Reinsurance premiums	-	-	-
Provision for contingency reserve	11,246	9,597	14,819
Provision for specific reserve for possible loan losses	414	-	-
Provision for specific reserves for loans to refinancing countries	-	-	-
Write-off of loans	24	10	-
Others	-	-	-
Other one-time gains/losses ( C )	(11,685)	(9,608)	(14,819)
Ordinary profit (A+B+C)	32,949	47,919	46,954

**(7) Average Assumed Investment Yield and Negative Spread**

(Millions of yen, %)

Category	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year Ended March 31, 2006
Amount of negative spread	31,816	21,921	38,525
Investment yield on core profit (annualized)	2.05%	2.22%	2.10%
Average assumed investment yield (annualized)	2.80%	2.74%	2.78%
Individual insurance and annuities, included	3.02%	2.98%	3.01%
Policy reserves in general accounts	5,686,818	5,653,698	5,676,724

## Notes:

- Method of calculating negative spread: (Investment yield on core profit [1.66%] - Average assumed investment yield [2.05%]) x Policy reserve in general accounts [5,653.6 billion yen]
- While investment yield on core profit and average assumed investment yield as in 1 above are not annualized as in the notes 3 and 4 hereunder.
- "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.
- Average assumed investment yield is calculated by dividing numerator as assumed interest (general accounts only) by denominator as policy reserve in general accounts.
- Policy reserve in general accounts represents the earned policy reserve calculated for policy reserve in general accounts less contingency reserve by Hardy method as follows:  
Hardy method: (Policy reserve at beginning of fiscal year + Policy reserve at end of fiscal year - Assumed interest) x (1/2)

**(8) 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)	799,623	846,349	844,762
Net assets (less certain items)	113,300	159,453	98,966
Reserve for price fluctuations	21,988	33,577	26,059
Contingency reserve	67,671	80,842	71,244
Reserve for possible loan losses	1,534	1,437	1,482
Net unrealized gains on available-for-sale securities (before tax) (x 90 per cent., if gains; x 100 per cent., if losses)	410,548	416,072	443,638
Net unrealized gains (losses) on real estate (x 85 per cent., if gains; x 100 per cent., if losses)	(9,562)	(40,352)	(4,644)
Excess of amount of policy surrender payment	75,555	63,579	72,383
Unallotted portion of reserve for policyholder dividends	22,165	22,688	22,295
Future profits	5,856	6,339	6,339
Deferred tax assets	35,565	47,711	51,996
Subordinated debt	55,000	55,000	55,000
Deductible items	-	-	-
Total risk			
$\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	147,541	163,160	161,631
Insurance risk R1	36,757	37,077	36,831
Assumed investment yield risk R2	24,469	23,857	24,255
Investment risk R3	114,763	131,071	129,193
Business risk R4	3,520	3,840	3,805
Minimum guarantee risk R7	18	16	19
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,083.9%	1,037.4%	1,045.2%

**Notes:**

- 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, using the calculation methods based on the above provisions and considered appropriate by the Company.
- "Net assets (less certain items)" as of December 31, 2006 represents net assets on the balance sheet less total valuation and translation adjustments, 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, and estimated appropriation paid in cash.
- 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 December 31, 2005	As of December 31, 2006	As of March 31, 2006
Adjusted net assets	757,320	764,524	757,580

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

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

(Millions of yen, %)

Category	As of December 31, 2005		As of December 31, 2006		As of March 31, 2006	
	Amount	%	Amount	%	Amount	%
Cash and deposits, call loans	128,411	2.0	178,717	2.7	158,706	2.4
Securities repurchased under resale agreements	-	-	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-	-	-
Monetary claims purchased	106,178	1.6	147,035	2.3	124,358	1.9
Securities under proprietary accounts	-	-	-	-	-	-
Monetary trusts	50	0.0	-	-	50	0.0
Securities	4,483,293	68.6	4,486,843	68.8	4,550,498	69.1
Domestic bonds	2,650,918	40.6	2,712,882	41.6	2,671,153	40.6
Domestic stocks	844,174	12.9	837,529	12.8	933,993	14.2
Foreign securities	888,662	13.6	830,680	12.7	863,303	13.1
Bonds	661,656	10.1	531,848	8.2	619,201	9.4
Stock, etc.	227,005	3.5	298,832	4.6	244,102	3.7
Other securities	99,538	1.5	105,749	1.6	82,047	1.2
Loans	1,593,053	24.4	1,502,921	23.0	1,535,833	23.3
Policy loans	109,173	1.7	105,755	1.6	109,118	1.7
Commercial loans	1,483,880	22.7	1,397,165	21.4	1,426,715	21.7
Property and equipment	169,651	2.6	164,888	2.5	168,480	2.6
Deferred tax assets	-	-	-	-	-	-
Deferred tax assets concerning revaluation	4,121	0.1	-	-	-	-
Other assets	50,994	0.8	46,744	0.7	49,049	0.7
Reserve for possible loan losses	(3,019)	(0.0)	(1,640)	(0.0)	(1,680)	(0.0)
<b>Total</b>	<b>6,532,735</b>	<b>100.0</b>	<b>6,525,511</b>	<b>100.0</b>	<b>6,585,297</b>	<b>100.0</b>
Foreign currency denominated assets included	836,454	12.8	733,101	11.2	793,354	12.0

**(11) Fair Value Information on Securities and Others (General Account Assets)**

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

(Millions of yen)

Category	As of December 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	322,539	323,343	803	2,619	1,815
Domestic bonds	229,467	230,190	722	2,328	1,605
Monetary claims purchased	88,072	88,153	80	290	209
Certificates of deposit	5,000	4,999	(0)	-	0
Policy reserve matching bonds	1,732,297	1,738,062	5,764	13,608	7,844
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	1,959,156	2,415,287	456,130	463,830	7,700
Domestic bonds	678,620	689,152	10,532	13,575	3,042
Domestic stocks	432,197	825,795	393,598	394,475	877
Foreign securities	751,019	782,694	31,675	35,236	3,560
Bonds	638,328	661,656	23,328	25,207	1,879
Stock, etc.	112,691	121,037	8,346	10,028	1,681
Other securities	79,130	99,538	20,407	20,511	103
Money claims purchased	18,189	18,105	(83)	32	116
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,013,994	4,476,693	462,698	480,058	17,360
Domestic bonds	2,640,385	2,657,405	17,019	29,512	12,492
Domestic stocks	432,197	825,795	393,598	394,475	877
Foreign securities	751,019	782,694	31,675	35,236	3,560
Bonds	638,328	661,656	23,328	25,207	1,879
Stock, etc.	112,691	121,037	8,346	10,028	1,681
Other securities	79,130	99,538	20,407	20,511	103
Monetary claims purchased	106,262	106,259	(2)	322	325
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 December 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	117,986
Unlisted domestic stocks	12,003
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	105,983
Total	124,362

(Millions of yen)

Category	As of December 31, 2006				
	Carrying value before mark-to-market	Current fair value	Net unrealized gains/losses	Net unrealized	
				Gains	Losses
Held-to-maturity securities	361,256	356,814	(4,442)	1,337	5,779
Domestic bonds	230,474	227,103	(3,370)	967	4,338
Monetary claims purchased	125,782	124,710	(1,071)	369	1,440
Certificates of deposit	5,000	4,999	(0)	-	0
Policy reserve matching bonds	1,729,428	1,723,371	(6,056)	7,730	13,786
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	1,950,101	2,412,408	462,307	476,547	14,240
Domestic bonds	750,148	752,980	2,831	6,481	3,649
Domestic stocks	424,852	815,797	390,944	398,498	7,553
Foreign securities	659,064	716,627	57,563	59,942	2,379
Bonds	512,699	531,848	19,148	20,603	1,455
Stock, etc.	146,364	184,779	38,414	39,338	924
Other securities	94,386	105,749	11,363	11,605	242
Money claims purchased	21,649	21,253	(396)	19	415
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,040,786	4,492,594	451,808	485,614	33,806
Domestic bonds	2,710,050	2,703,455	(6,595)	15,179	21,774
Domestic stocks	424,852	815,797	390,944	398,498	7,553
Foreign securities	659,064	716,627	57,563	59,942	2,379
Bonds	512,699	531,848	19,148	20,603	1,455
Stock, etc.	146,364	184,779	38,414	39,338	924
Other securities	94,386	105,749	11,363	11,605	242
Monetary claims purchased	147,432	145,964	(1,467)	388	1,856
Certificates of deposit	5,000	4,999	(0)	-	0
Others	-	-	-	-	-

Notes: 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.

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

(Millions of yen)

Category	As of December 31, 2006
Held-to-maturity securities	-
Unlisted foreign bonds	-
Others	-
Policy reserve matching bonds	-
Stock of subsidiaries and affiliated companies	6,993
Available-for-sale securities	128,797
Unlisted domestic stocks	14,739
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	114,058
Total	135,790

(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
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
Bonds	609,075	619,201	10,125	16,301	6,176
Stock, etc.	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
Bonds	609,075	619,201	10,125	16,301	6,176
Stock, etc.	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	11,919
Unlisted foreign stocks	-
Unlisted foreign bonds	-
Others	105,974
Total	124,268

**b) Fair Value Information on Monetary Trusts**

(Millions of Yen)

Category	As of December 31, 2005					As of December 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	-	-	-	-	-	-		

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

## \* Monetary trusts for investment

(Millions of Yen)

Category	As of December 31, 2005		As of December 31, 2006		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	Current Fair Value and Carrying Value	Net valuation gains/losses
Monetary trusts for investment	-	-	-	-	-	-

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

(Millions of Yen)

Category	As of December 31, 2005					As of December 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		
Monetary trusts for held-to-maturity	-	-	-	-	-	-	-	-		
Monetary trusts for policy reserve matching	-	-	-	-	-	-	-	-		
Other monetary trusts	50	50	-	-	-	-	-	-		
Jointly operated and designed monetary trusts	50	50	-	-	-	-	-	-		
Total	50	50	-	-	-	-	-	-		

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	50	50	-	-	
Jointly operated and designed monetary trusts	50	50	-	-	
Total	50	50	-	-	

**c) Fair Value Information on Real Estate**

(Millions of Yen)

Category	As of December 31, 2005					As of December 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	101,079	91,562	(9,516)	3,498	13,014	99,719	95,991	(3,728)	8,150	11,878
Leasehold	156	110	(46)	10	57	156	106	(49)	11	61
Total	101,235	91,673	(9,562)	3,508	13,071	99,876	96,098	(3,778)	8,161	11,940

Category	As of March 31, 2006				
	Carrying value	Current fair value	Net unrealized gains/losses		
			Gains	Losses	
Land	100,866	96,268	(4,597)	8,099	12,697
Leasehold	156	109	(46)	11	58
Total	101,023	96,378	(4,644)	8,111	12,755

Note: Current fair value are calculated based on the appraisal prices and posted prices.

**d) Fair Value Information on Derivative Transactions**  
(total transactions which hedge accounting applied and not applied)

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

(Millions of yen)

Category	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(951)	(7,804)	-	-	-	(8,756)
Hedge accounting not applied	-	(282)	-	-	-	(282)
<b>Total</b>	<b>(951)</b>	<b>(8,087)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,038)</b>

Note: Accrued interest of interest-related net gains/losses applied hedge accounting [106 million yen], currency-related net gains/losses with fair value hedge accounting [(7,804) million yen], and net gains/losses not applied hedge accounting are recorded on the statement of operations.

(ii) Interest-related derivative transactions

(Millions of yen)

Category	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
OTC	Interest rate swaps Receipts fixed, payments floating	184,753	127,036	1,180	141,566	112,060	(951)	(951)	138,286	123,240	(2,083)	(2,083)
<b>Total</b>		-	-	1,180	-	-	(951)	(951)	-	-	-	(2,083)

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

(iii) Currency-related derivative transactions

(Millions of yen)

Category	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
OTC	Exchange contract												
	Sold	482,112	-	488,990	(6,878)	327,873	-	335,961	(8,087)	422,754	-	428,654	(5,900)
	US dollar	99,426	-	101,736	(2,310)	54,038	-	54,941	(902)	84,888	-	86,555	(1,667)
	Euro	271,370	-	274,701	(3,330)	196,245	-	202,721	(6,476)	239,526	-	243,893	(4,366)
	British pound	-	-	-	-	-	-	-	-	-	-	-	-
	Canadian dollar	70,598	-	71,464	(866)	39,328	-	38,927	401	65,459	-	65,005	453
	Swedish krona	40,718	-	41,088	(370)	38,261	-	39,371	(1,109)	32,879	-	33,199	(320)
<b>Total</b>		-	-	-	(6,878)	-	-	-	(8,087)	-	-	-	(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 fair value in futures transaction and forward agreements.

## (iv) Stock-related derivative transactions

(Millions of yen)

Category	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			
			Over 1 year				Over 1 year				Over 1 year		
OTC	Stock index futures												
	Bought												
	Put	89,979	-	346	(2,574)	-	-	-	-	19,996	-	340	(986)
		[2,920]	[-]			[-]	[-]			[1,326]	[-]		
	Total	-	-	-	(2,574)	-	-	-	-	-	-	-	(986)

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

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

## (v) Bond-related derivative transactions

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

## (vi) Others

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