

FINANCIAL SUMMARY

(For the Three Months Ended June 30, 2010)

<under Japanese GAAP>

August 12, 2010

Name of Company: **T&D Holdings, Inc.**
 Stock Listings: Tokyo, Osaka
 Security Code No.: 8795
 Head Office: Tokyo, Japan
 URL: <http://www.td-holdings.co.jp/e/>
 Projected Filing Date of Quarterly Securities Report: August 12, 2010
 Projected Starting Date of Dividend Distribution: -
 Supplemental Information for Quarterly Financial Statements: Available
 Holding of Quarterly Financial Results Meeting: None

1. Consolidated Operating Results for the Three Months Ended June 30, 2010 (April 1, 2010 – June 30, 2010)

(1) Results of Operations

Note: Amounts of less than one million yen are omitted, and percentages have been rounded to the nearest percent. % changes are presented in comparison with the same term of the previous year.

	Ordinary Revenues	% change	Ordinary Profit	% change	Net Income	% change
Three months ended June 30, 2010	¥641,447 million	11.1	¥36,591 million	47.1	¥14,051 million	29.7
Three months ended June 30, 2009	¥577,156 million	(14.6)	¥24,872 million	(20.0)	¥10,837 million	19.1

	Net Income per Share	Net Income per Share (Fully Diluted)
Three months ended June 30, 2010	¥41.26	-
Three months ended June 30, 2009	¥39.59	-

(2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of June 30, 2010	¥12,646,802 million	¥591,777 million	4.7%	¥1,732.19
As of March 31, 2010	¥12,878,774 million	¥630,475 million	4.9%	¥1,845.79

Note: Equity: as of June 30, 2010: ¥589,913 million; as of March 31, 2010: ¥628,603 million

2. Dividends

	Dividends per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Year-End	Annual
Year Ended March 31, 2010	-	-	-	¥45.00	¥45.00
Year Ending March 31, 2011	-	-	-	-	-
Year Ending March 31, 2011 (Forecast)	-	-	-	¥45.00	¥45.00

Note: Revisions to dividend forecasts in this term: None

3. Consolidated Forecasts for the Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

Note: % changes are presented in comparison with the same term of the previous year.

	Ordinary Revenues	Ordinary Profit	Net Income	Net Income per Share
Six months ending Sep.30, 2011	¥1,040,000 million (8.7)%	¥56,000 million 19.5%	¥20,000 million 38.6%	¥58.73
Year ending March 31, 2011	¥2,030,000 million (13.6)%	¥103,000 million 27.8%	¥33,000 million 35.8%	¥96.90

Note: Revisions to financial forecasts in this term: None

4. **Others** (For more details, please see “2. Other information” on page 7 of Appendix.)

(1) Changes in Consolidated Subsidiaries: None

Note: This section shows whether or not there is a change in Specified Subsidiaries that led to the change in scope of consolidation during the current quarter.

(2) Adoption of Simple Accounting Methods and Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements: None

Note: This section shows the use of any simple accounting methods and the use of any accounting methods specific to preparation for quarterly consolidated financial statements.

(3) Changes in Accounting Principles, Procedures and Presentation Methods for Quarterly Consolidated Financial Statements:

1. Changes due to the revision of accounting standards: Applicable

2. Changes due to other factors: None

Note: This section shows changes to accounting principles, procedures, presentation methods, etc. that are described in Japanese regulations as “Alterations on significant issues that are the basis of the presentation for quarterly financial accounting statements”.

(4) Number of Outstanding Shares (Common Stock)

1. Number of outstanding shares including treasury stock at the end of the term: as of June 30, 2010: 340,740,000
as of March 31, 2010: 340,740,000

2. Number of treasury stock at the end of the term: as of June 30, 2010: 180,134
as of March 31, 2010: 179,451

3. Average number of outstanding shares during the term: for the three months ended June 30, 2010: 340,560,171
for the three months ended June 30, 2009: 273,753,405

*Information regarding the implementation of quarterly review procedure

This “FINANCIAL SUMMARY” (Quarterly “Tanshin”) including the quarterly consolidated financial statements are not subject to the quarterly review procedure by external auditors that are based on Financial Instruments and Exchange Act. T&D Holdings will receive the quarterly review report which will be attached to the quarterly securities report based on Financial Instruments and Exchange Act, today.

The forecasts for the year ending March 31, 2011 reflect the Company’s current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company’s businesses. Please refer to T&D Holdings’ “1. Consolidated Financial Results for the Three Months Ended June 30, 2010 (4) Forecasts for the Year Ending March 31, 2011(April 1, 2010 - March 31, 2011)” section in this material “Financial Summary for the Three Months Ended June 30, 2010” about consolidated forecasts and non-consolidated forecasts.

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*Supplementary materials for quarterly financial statements are available on T&D Holdings' website.

1. Consolidated Financial Results for the Three Months Ended June 30, 2010

(1) Consolidated Results of Operations

For the three months ended June 30, 2010, ordinary revenues increased ¥64.2 billion, or 11.1 percent from the level of the same term of the previous fiscal year, to ¥641.4 billion, which was a total of income from insurance premiums of ¥384.0 billion (down 10.7 percent), investment income of ¥102.1 billion (down 17.4 percent), other ordinary income of ¥155.2 billion (up 559.6 percent) and others.

Ordinary expenses increased ¥52.5 billion, or 9.5 percent from the level of the same term of the previous fiscal year, to ¥604.8 billion, which was a total of insurance claims and other payments of ¥465.1 billion (up 6.6 percent), investment expenses of ¥69.6 billion (up 67.6 percent), operating expenses of ¥51.3 billion (down 1.0 percent), other ordinary expenses of ¥18.5 billion (down 15.8 percent) and others.

As a result, ordinary profit increased ¥11.7 billion, or 47.1 percent from the level of the same term of the previous fiscal year, to ¥36.5 billion. Ordinary profit increased mainly due to a decrease in net gains/losses on sales of securities and net gains/losses on investment in trading securities, while net gains/losses from monetary trust and net gains/losses from derivatives increased.

Extraordinary gains decreased 86.6 percent, to ¥0.0 billion, and extraordinary losses increased 86.8 percent, to ¥7.0 billion. Extraordinary losses mainly consisted of provision for reserve for price fluctuations of ¥5.4 billion (up 53.3 percent).

After accounting for extraordinary gains and losses, the provision for reserve for policyholder dividends, and income taxes, net income increased ¥3.2 billion, or 29.7 percent from the level of the same term of the previous fiscal year, to ¥14.0 billion.

(2) Consolidated Financial Position

(i) Balance Sheets

As of June 30, 2010, total assets amounted to ¥12,646.8 billion (down 1.8 percent from March 31, 2010), mainly consisting of securities centered on public and corporate bonds amounting to ¥8,879.9 billion (down 1.7 percent), loans of ¥2,136.8 billion (down 1.8 percent), monetary claims purchased of ¥433.3 billion (up 23.7 percent), tangible fixed assets of ¥304.9 billion (down 0.3 percent) and cash and deposits of ¥226.8 billion (down 26.1 percent).

Total liabilities were ¥12,055.0 billion (down 1.6 percent), and policy reserves accounting for a substantial portion of them amounted to ¥11,657.5 billion (down 1.2 percent).

Total net assets were ¥591.7 billion (down 6.1 percent), of which net unrealized gains on securities was ¥79.5 billion (down 32.0 percent).

(ii) Cash Flows

Cash flows for the three months ended June 30, 2010, were as follows.

Net cash used in operating activities was ¥94.6 billion in expenditure, up ¥82.4 billion from the level of the same term of the previous fiscal year. This was mainly due to a decrease in income from insurance premiums and an increase in insurance claims and other payments.

Net cash used in investing activities was ¥13.7 billion in expenditure, up ¥91.1 billion from the level of the same term of the previous fiscal year. This was mainly due to expenditure of purchase

of securities exceeded revenue on sales and redemptions of securities and others.

Net cash used in financing activities was ¥20.0 billion in expenditure, up ¥9.3 billion from the level of the same term of the previous fiscal year. This was mainly due to an increase in redemption of short-term debenture.

As a result, cash and cash equivalents as of June 30, 2010, totaled ¥692.0 billion, down ¥128.6 billion from the beginning of the fiscal year.

(3) Operations of Three Life Insurance Companies (Non-consolidated Basis)

(i) Results of Operations

Taiyo Life Insurance Company:

For the three months ended June 30, 2010, Taiyo Life's ordinary revenues decreased ¥9.2 billion, or 3.2 percent from the level of the same term of the previous fiscal year, to ¥281.9 billion, which was a total of income from insurance premiums of ¥203.9 billion (up 7.7 percent), investment income of ¥42.9 billion (down 10.0 percent) and other ordinary income of ¥35.0 billion (down 35.3 percent).

Ordinary expenses decreased ¥10.8 billion, or 3.9 percent from the level of the same term of the previous fiscal year, to ¥266.6 billion, which was a total of insurance claims and other payments of ¥227.2 billion (down 1.6 percent), investment expenses of ¥7.4 billion (down 46.0 percent), operating expenses of ¥20.8 billion (up 0.2 percent) and others.

As a result, ordinary profit increased ¥1.6 billion, or 12.4 percent from the level of the same term of the previous fiscal year, to ¥15.2 billion. Ordinary profit increased mainly due to an improvement of net investment income.

Extraordinary gains decreased 93.4 percent, to ¥0.0 billion, and extraordinary losses increased 11.9 percent, to ¥3.5 billion. Extraordinary losses mainly consisted of provision for reserve for price fluctuations of ¥3.0 billion (down 0.2 percent).

Net income increased ¥0.7 billion, or 12.1 percent from the level of the same term of the previous fiscal year, to ¥6.5 billion.

Core profit (a measure of underlying profitability from core insurance operations on a non-consolidated basis) for the three months ended June 30, 2010, recorded ¥9.2 billion, up 11.5 percent compared with the same term of the previous fiscal year, after compensating for a negative spread of ¥5.2 billion (down 23.7 percent).

Daido Life Insurance Company:

For the three months ended June 30, 2010, Daido Life's ordinary revenues increased ¥38.8 billion, or 15.9 percent from the level of the same term of the previous fiscal year, to ¥282.7 billion, which was a total of income from insurance premiums of ¥172.6 billion (down 7.3 percent), investment income of ¥39.3 billion (up 31.9 percent) and other ordinary income of ¥70.8 billion (up 153.3 percent).

Ordinary expenses increased ¥25.7 billion, or 11.0 percent from the level of the same term of the previous fiscal year, to ¥258.9 billion, which was a total of insurance claims and other payments of ¥215.9 billion (up 14.6 percent), investment expenses of ¥13.7 billion (up 13.5 percent), operating expenses of ¥26.2 billion (down 2.7 percent) and others.

As a result, ordinary profit increased ¥13.1 billion, or 123.7 percent from the level of the same term of the previous fiscal year, to ¥23.8 billion. Ordinary profit increased mainly due to an increase in net gains/losses from derivatives and income from interest and dividends.

Extraordinary gains decreased 78.4 percent, to ¥0.0 billion, and extraordinary losses increased 477.9 percent, to ¥3.3 billion. Extraordinary losses mainly consisted of provision for reserve for price fluctuations of ¥2.4 billion (up 366.8 percent).

Net income increased ¥4.6 billion, or 96.7 percent from the level of the same term of the previous fiscal year, to ¥9.5 billion.

Core profit was ¥17.8 billion, up 26.9 percent compared with the same term of the previous fiscal year, after compensating for a negative spread of ¥5.4 billion (down 49.7 percent).

T&D Financial Life Insurance Company:

For the three months ended June 30, 2010, T&D Financial Life's ordinary revenues decreased ¥33.6 billion, or 32.5 percent from the level of the same term of the previous fiscal year, to ¥70.0 billion, which was a total of income from insurance premiums of ¥7.3 billion (down 86.4 percent), investment income of ¥20.6 billion (down 56.1 percent) and other ordinary income of ¥42.0 billion.

Ordinary expenses decreased ¥29.8 billion, or 29.0 percent from the level of the same term of the previous fiscal year, to ¥73.0 billion, which was a total of insurance claims and other payments of ¥21.9 billion (up 28.3 percent), investment expenses of ¥48.4 billion (up 216.4 percent), operating expenses of ¥2.1 billion (down 38.6 percent) and others.

As a result, ordinary profit decreased ¥3.8 billion from the level of the same term of the previous fiscal year, to a loss of ¥3.0 billion, compared with a profit of ¥0.8 billion recorded in the same term of the previous fiscal year.

Net income decreased ¥2.7 billion, from the same term of the previous fiscal year, to a loss of ¥2.1 billion, compared with a profit of ¥0.5 billion recorded in the same term of the previous fiscal year.

T&D Financial Life marked a loss of ¥19.1 billion in its core profit for the three months ended June 30, 2010, compared with a profit of ¥15.6 billion recorded in the same term of the previous fiscal year. A negative spread was ¥0.7 billion (down 15.8 percent).

(ii) Financial Position

Taiyo Life Insurance Company:

As of June 30, 2010, total assets amounted to ¥5,793.2 billion (down 0.8 percent from March 31, 2010), mainly consisting of securities centered on public and corporate bonds amounting to ¥3,808.4 billion (down 0.6 percent), loans of ¥1,410.5 billion (down 1.1 percent) and tangible fixed assets of ¥160.1 billion (down 0.5 percent).

Total liabilities were ¥5,587.5 billion (down 0.7 percent), and policy reserves accounting for a substantial portion of them amounted to ¥5,438.2 billion (down 0.6 percent).

Total net assets were ¥205.7 billion (down 4.4 percent) of which net unrealized gains on securities was ¥53.8 billion (down 13.1 percent).

Taiyo Life's solvency margin ratio (a measure of insurance companies' financial soundness) was 1,012.6 percent (1,023.8 percent at the end of the previous fiscal year). Furthermore, the value of

adjusted net assets (adjusted assets at fair value less liabilities, excluding quasi-equity liabilities) amounted to ¥496.1 billion (¥433.7 billion posted at the previous fiscal year-end).

Daido Life Insurance Company:

As of June 30, 2010, total assets amounted to ¥5,327.7 billion (down 2.6 percent from March 31, 2010), mainly consisting of securities centered on public and corporate bonds amounting to ¥3,792.7 billion (down 1.9 percent), loans of ¥737.0 billion (down 3.2 percent), monetary claims purchased of ¥284.4 billion (up 40.7 percent) and tangible fixed assets of ¥139.2 billion (up 0.3 percent).

Total liabilities were ¥5,014.4 billion (down 2.2 percent), and policy reserves accounting for a substantial portion of them amounted to ¥4,836.9 billion (down 1.5 percent).

Total net assets were ¥313.2 billion (down 8.2 percent) of which net unrealized gains on securities was ¥26.0 billion (down 53.0 percent).

Daido Life's solvency margin ratio was 1,101.6 percent (1,120.6 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets amounted to ¥576.7 billion (¥610.4 billion posted at the previous fiscal year-end).

T&D Financial Life Insurance Company:

As of June 30, 2010, total assets amounted to ¥1,426.4 billion (down 2.9 percent from March 31, 2010), mainly consisting of securities of ¥1,281.1 billion (down 4.0 percent) and monetary trust of ¥66.9 billion (up 44.3 percent).

Total liabilities were ¥1,391.1 billion (down 2.9 percent), and policy reserves accounting for a substantial portion of them amounted to ¥1,381.7 billion (down 2.7 percent).

Total net assets were ¥35.2 billion (down 5.6 percent), of which net unrealized gains on securities was a loss of ¥0.4 billion (down 13.0 percent).

T&D Financial Life's solvency margin ratio was 632.2 percent (643.4 percent at the end of the previous fiscal year). Furthermore, the value of adjusted net assets amounted to ¥94.7 billion (¥90.5 billion posted at the previous fiscal year-end).

(Reference) Sales Results

Taiyo Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the three months ended June 30, 2010, increased 21.5 percent compared with the same term of the previous fiscal year, to ¥1,039.7 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 5.7 percent compared with the same term of the previous fiscal year, to ¥280.4 billion.

As a result, the total policy amount in force of individual insurance and annuities as of June 30, 2010, increased 5.6 percent from the level of the same term of the previous fiscal year, or increased 3.3 percent from the previous fiscal year-end, to ¥18,722.1 billion.

Daido Life Insurance Company:

The new policy amount of individual insurance and annuities (including the net increase from conversions) for the three months ended June 30, 2010, increased 6.5 percent compared with the

same term of the previous fiscal year, to ¥852.0 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 20.9 percent compared with the same term of the previous fiscal year, to ¥829.2 billion.

As a result, the total policy amount in force of individual insurance and annuities as of June 30, 2010, decreased 2.7 percent from the level of the same term-end of the previous fiscal year, or decreased 0.5 percent from the previous fiscal year-end, to ¥37,102.6 billion.

T&D Financial Life Insurance Company:

The new policy amount of individual insurance and annuities (not including the net increase from conversions) for the three months ended June 30, 2010, decreased 93.6 percent compared with the same term of the previous fiscal year, to ¥3.0 billion.

On the other hand, the amount of surrender and lapse of individual insurance and annuities decreased 4.1 percent compared with the same term of the previous fiscal year, to ¥27.4 billion.

As a result, the total policy amount in force of individual insurance and annuities as of June 30, 2010, increased 1.5 percent from the level of the same term of the previous fiscal year, or decreased 4.2 percent from the previous fiscal year-end, to ¥2,194.4 billion.

(4) Forecasts for the Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

The forecasts for the fiscal year ending March 31, 2011 have not been changed from those announced on May 19, 2010.

The consolidated forecasts for the year ending March 31, 2011, are as follows:

(Billions of yen)

	Ordinary revenues	Ordinary profit	Net income
Second quarter-end	1,040	56	20
Change	(8.7%)	19.5%	38.6%
Year-end	2,030	103	33
Change	(13.6%)	27.8%	35.8%

Note: "Change" is presented in comparison with the same term of the previous year.

Reference: Forecasts for the Year Ending March 31, 2011, of Three Life Insurance Companies (Non-consolidated Basis)

(Billions of yen)

	Taiyo Life	Daido Life	T&D Financial Life
Ordinary revenues	860	1,040	330
Change	(7.0%)	(11.7%)	(22.5%)
Ordinary profit (loss)	49	53	(3)
Change	9.3%	7.8%	(79.0%)
Core profit (loss)	55	59	11
Change	7.9%	0.6%	(48.7%)
Net income (loss)	15	18	(2)
Change	3.3%	(11.3%)	(80.7%)

Note: "Change" represents the amount change from the year ended March 31, 2010. The decreased amount shown in "loss" means an improvement in its loss.

2. Other Information

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation)

None

(2) Adoption of Simple Accounting Methods and Accounting Methods Specific to Preparation for Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Principles and Procedures and Presentation Methods for Quarterly Consolidated Financial Statements

(i) Changes in Accounting Principles

Adoption of “Accounting Standard for Asset Retirement Obligations”

Effective from the first quarter ended June 30, 2010, the Company has adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18 issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21 issued on March 31, 2008).

Following the implementation stated above, tangible fixed assets increased ¥707 million and asset retirement obligations of ¥1,699 million were posted in other liabilities. In addition, ordinary profits and income before income taxes decreased ¥40 million, and ¥1,049 million, respectively.

(ii) Changes in Presentation Methods

Quarterly Consolidated Statements of Operations

As a result of adoption of “Cabinet Office Ordinance for Amendments to the Regulations on the Terminology, Format, and Preparation of Financial Statements” (Cabinet Office Ordinance No.5 issued on March 24, 2009) as per “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 issued on December 26, 2008), “Income before minority interests” was shown in the statement of operations for the first quarter ended June 30, 2010.

“State subsidy” was separately presented due to its increased materiality for the first quarter ended June 30, 2010. “State subsidy” in the amount of ¥0 million was included in “Other extraordinary gains” under extraordinary gains.

3. Unaudited Consolidated Financial Statements

(1) Unaudited Consolidated Balance Sheets

(Millions of yen)		
	As of June 30, 2010	As of March 31, 2010
	Amount	Amount
Assets:		
Cash and deposits	226,837	307,042
Call loans	194,302	266,800
Monetary claims purchased	433,395	350,247
Monetary trust	92,171	71,002
Securities	8,879,980	9,028,991
Loans	2,136,857	2,175,526
Tangible fixed assets	304,940	305,796
Intangible fixed assets	22,034	22,276
Due from agencies	1,082	1,142
Due from reinsurers	11,597	13,224
Other assets	185,469	184,101
Deferred tax assets	168,895	163,169
Reserve for possible loan losses	(10,762)	(10,548)
Total assets	12,646,802	12,878,774
Liabilities:		
Policy reserves	11,657,501	11,798,449
Reserve for outstanding claims	65,214	72,742
Policy reserve	11,458,311	11,587,800
Reserve for policyholder dividends	133,975	137,906
Due to agencies	58	1,556
Due to reinsurers	327	319
Short-term debenture	22,995	29,994
Subordinated bonds	14,000	14,000
Other liabilities	153,290	202,605
Reserve for bonus to directors and corporate auditors	63	250
Reserve for employees' retirement benefits	118,240	117,734
Reserve for directors' and corporate auditors' retirement benefits	4,355	4,633
Reserve for price fluctuations	73,752	68,319
Deferred tax liabilities	12	5
Deferred tax liabilities on land revaluation	10,428	10,428
Total liabilities	12,055,025	12,248,299
Net assets:		
Common stock		
Authorized - 966,000,000 shares		
Issued - 340,740,000 shares	207,111	207,111
Capital surplus	194,619	194,619
Retained earnings	151,596	152,871
Treasury stock	(935)	(934)
Total stockholders' equity	552,392	553,668
Net unrealized gains (losses) on securities	79,583	116,968
Deferred gains on hedging instruments	112	147
Land revaluation	(42,076)	(42,076)
Foreign currency translation adjustments	(98)	(104)
Total valuation and translation adjustments	37,520	74,935
Minority interests	1,864	1,871
Total net assets	591,777	630,475
Total liabilities and net assets	12,646,802	12,878,774

(2) Unaudited Consolidated Statements of Operations

(Millions of yen)

	Three months ended	Three months ended
	June 30, 2009	June 30, 2010
	Amount	Amount
Ordinary revenues	577,156	641,447
Income from insurance premiums	429,930	384,084
Investment income	123,690	102,159
Interest, dividends and income from real estate for rent	50,972	55,060
Gains from monetary trust, net	-	19,675
Gains on investment in trading securities, net	2,128	-
Gains on sales of securities	20,397	9,544
Gains from derivatives, net	-	16,946
Other investment income	603	932
Gains on separate accounts, net	49,589	-
Other ordinary income	23,529	155,201
Reversal of policy reserve	4,862	129,489
Other ordinary income	18,666	25,712
Equity in net income of affiliated companies	6	0
Ordinary expenses	552,284	604,855
Insurance claims and other payments	436,347	465,172
Insurance claims	169,016	168,873
Annuity payments	55,182	57,569
Insurance benefits	77,912	70,154
Surrender payments	106,510	99,440
Other payments	27,726	69,135
Provision for policy and other reserves	488	183
Provision for reserve for outstanding claims	275	-
Interest portion of reserve for policyholder dividends	212	183
Investment expenses	41,540	69,606
Interest expenses	754	294
Losses from monetary trust, net	15,244	-
Losses on investment in trading securities, net	-	4,733
Losses on sales of securities	5,026	5,349
Devaluation losses on securities	1,910	2,148
Losses from derivatives, net	13,006	-
Foreign exchange losses, net	708	961
Provision for reserve for possible loan losses	-	216
Write-off of loans	18	11
Depreciation of real estate for rent	1,338	1,315
Other investment expenses	3,532	3,181
Losses on separate accounts, net	-	51,394
Operating expenses	51,835	51,300
Other ordinary expenses	22,072	18,591
Ordinary profit	24,872	36,591

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
	Amount	Amount
Extraordinary gains	460	61
Gains on disposal of fixed assets	343	-
Reversal of reserve for possible loan losses	95	-
Recoveries of bad debts previously written-off	8	19
State subsidy	-	42
Other extraordinary gains	13	-
Extraordinary losses	3,751	7,008
Losses on disposal of fixed assets	76	524
Impairment loss	130	-
Provision for reserve for price fluctuations	3,543	5,432
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	1,009
Other extraordinary losses	0	42
Provision for reserve for policyholder dividends	4,793	6,639
Income before income taxes	16,788	23,006
Income taxes:		
Current	221	248
Deferred	5,683	8,660
Total income taxes	5,905	8,909
Income before minority interests	-	14,096
Minority interests	45	45
Net income	10,837	14,051

(3) Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended	Three months ended
	June 30, 2009	June 30, 2010
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes	16,788	23,006
Depreciation of real estate for rent	1,338	1,315
Other depreciation and amortization	3,053	3,067
Impairment loss	130	-
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	1,009
Increase (decrease) in reserve for outstanding claims	275	(7,527)
Decrease in policy reserve	(4,862)	(129,489)
Increase in interest portion of reserve for policyholder dividends	212	183
Increase in provision for reserve for policyholder dividends	4,793	6,639
Increase (decrease) in reserve for possible loan losses	(132)	213
Decrease in reserve for bonus to directors and corporate auditors	(97)	(187)
Increase (decrease) in reserve for employees' retirement benefits	(396)	505
Increase (decrease) in reserve for directors' and corporate auditors' retirement benefits	174	(278)
Increase in reserve for price fluctuations	3,543	5,432
Interest, dividends and income from real estate for rent	(50,972)	(55,060)
(Gains) losses on investment securities	(65,177)	54,081
Interest expense	754	294
Exchange losses	769	825
(Gains) losses on disposal of tangible fixed assets	(337)	162
Equity in net income of affiliated companies	(6)	(0)
Decrease in amount due from agencies	71	60
(Increase) decrease in amount due from reinsurers	(116)	1,627
(Increase) decrease in other assets (excluding investment activities-related and financing activities-related)	13,418	(3,532)
Decrease in amount due to agencies	(32)	(1,497)
Increase (decrease) in amount due to reinsurers	(124)	7
Decrease in other liabilities (excluding investment activities-related and financing activities-related)	(1,613)	(2,690)
Others, net	31,231	(34,322)
Subtotal	(47,312)	(136,154)
Interest, dividends and income from real estate for rent received	51,111	57,861
Interest paid	(1,079)	(357)
Policyholder dividends	(10,393)	(10,762)
Others, net	(715)	(359)
Income taxes paid	(3,774)	(4,873)
Net cash used in operating activities	(12,165)	(94,645)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
	Amount	Amount
Cash flows from investing activities:		
Net (increase) decrease in short-term investments	200	(100)
Investments in monetary claims purchased	(997)	(4,000)
Proceeds from sale and redemption of monetary claims purchased	4,244	5,549
Investments in monetary trusts	(2,500)	(1,930)
Proceeds from monetary trusts	4,050	-
Purchase of securities	(849,376)	(582,535)
Sale and redemption of securities	972,587	507,375
Investments in loans	(120,658)	(93,549)
Collection of loans	128,976	132,934
Others, net	(58,932)	23,659
Subtotal	77,593	(12,595)
Total of net cash provided by (used in) operating activities and investment transactions as above	65,428	(107,240)
Purchase of tangible fixed assets	(769)	(1,207)
Proceeds from disposal of tangible fixed assets	536	22
Net cash provided by investing activities	77,360	(13,779)
Cash flows from financing activities:		
Income from issuance of short-term debenture	0	-
Redemption of short-term debenture	-	(7,001)
Proceeds from debt	1,800	3,300
Repayments of debt	(2,022)	(2,529)
Payment of lease obligations	(16)	(130)
Purchase of treasury stock	(6)	(1)
Sale of treasury stock	1	0
Dividends paid	(10,322)	(13,605)
Dividends paid to minority interests	(58)	(51)
Net cash used in financing activities	(10,625)	(20,019)
Effect of exchange rate changes on cash and cash equivalents	(147)	(253)
Net increase (decrease) in cash and cash equivalents	54,422	(128,698)
Cash and cash equivalents at the beginning of the year	1,320,251	820,722
Cash and cash equivalents at the end of the period	1,374,674	692,023

(4) Notes on Going-Concern Assumption

Not applicable.

(5) Notes for Material Changes in Shareholders' Equity

Not applicable.