



## Taiyo Life Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010	Increase (decrease)
	Amount	Amount	Amount
<b>Assets:</b>			
Cash and deposits	27,001	45,264	(18,262)
Cash	654	630	23
Deposit	26,347	44,633	(18,285)
Call loans	84,600	104,000	(19,400)
Monetary claims purchased	148,957	148,085	871
Securities	3,808,490	3,832,157	(23,667)
Government bonds	1,036,798	1,007,732	29,066
Municipal bonds	369,109	381,162	(12,053)
Corporate bonds	999,495	990,574	8,920
Domestic stocks	360,696	403,487	(42,790)
Foreign securities	1,038,788	1,045,544	(6,756)
Other securities	3,602	3,656	(54)
Loans	1,410,514	1,425,539	(15,024)
Policy loans	88,311	90,401	(2,089)
Commercial loans	1,322,203	1,335,137	(12,934)
Tangible fixed assets	160,187	161,069	(881)
Land	97,510	97,461	48
Buildings	61,540	62,584	(1,043)
Lease assets	62	62	(0)
Construction in progress	695	561	134
Other tangible fixed assets	378	399	(20)
Intangible fixed assets	12,718	12,632	86
Software	12,292	12,205	86
Other intangible fixed assets	425	426	(0)
Due from reinsures	31	80	(49)
Other assets	90,459	62,422	28,036
Accounts receivable	9,784	9,599	185
Prepaid expenses	2,928	1,184	1,743
Accrued income	25,979	27,000	(1,021)
Deposit for rent	4,579	3,329	1,250
Derivatives	42,614	16,899	25,714
Suspense payable	1,361	1,200	161
Other assets	3,211	3,207	3
Deferred tax assets	52,026	52,839	(813)
Reserve for possible loan losses	(1,766)	(1,781)	15
<b>Total assets</b>	<b>5,793,220</b>	<b>5,842,309</b>	<b>(49,088)</b>

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010	Increase (decrease)
	Amount	Amount	Amount
<b>Liabilities:</b>			
Policy reserves	5,438,249	5,468,857	(30,607)
Reserve for outstanding claims	19,158	19,619	(460)
Policy reserve	5,374,425	5,403,793	(29,367)
Reserve for policyholder dividends	44,665	45,444	(779)
Due to reinsurers	75	31	43
Subordinated bonds	14,000	14,000	-
Other liabilities	60,628	73,311	(12,682)
Subordinated payable	36,000	36,000	-
Income taxes payable	34	139	(104)
Accounts payable	1,924	1,533	391
Accrued expenses	7,290	9,197	(1,907)
Unearned income	520	526	(5)
Deposit received	6,685	1,567	5,118
Guarantee deposits	5,333	5,340	(7)
Derivatives	1,517	18,093	(16,575)
Lease obligations	66	67	(0)
Suspense receipt	1,252	843	409
Other liabilities	3	3	-
Reserve for bonus to directors and corporate auditors	13	57	(43)
Reserve for employees' retirement benefits	35,407	34,687	719
Reserve for directors' and corporate auditors' retirement benefits	1,638	1,645	(7)
Reserve for price fluctuations	27,067	24,058	3,009
Deferred tax liabilities on land revaluation	10,428	10,428	-
<b>Total liabilities</b>	<b>5,587,510</b>	<b>5,627,078</b>	<b>(39,567)</b>
<b>Net assets:</b>			
Common stock	62,500	62,500	-
Capital surplus	62,500	62,500	-
Capital reserve	62,500	62,500	-
Retained earnings	68,940	70,330	(1,390)
Other retained earnings	68,940	70,330	(1,390)
Provision for advanced depreciation on real estate	564	568	(3)
General reserve	40,000	40,000	-
Unappropriated retained earnings	28,375	29,762	(1,386)
Total stockholders' equity	193,940	195,330	(1,390)
Net unrealized gains on securities	53,812	61,956	(8,143)
Gains on deferred hedge	33	20	12
Land revaluation	(42,076)	(42,076)	-
Total valuation and translation adjustments	11,769	19,900	(8,131)
<b>Total net assets</b>	<b>205,709</b>	<b>215,231</b>	<b>(9,521)</b>
<b>Total liabilities and net assets</b>	<b>5,793,220</b>	<b>5,842,309</b>	<b>(49,088)</b>

# Taiyo Life Unaudited Non-Consolidated Statements of Operations

(Millions of yen)

	Three months ended	Three months ended	Increase
	June 30, 2009	June 30, 2010	(decrease)
	Amount	Amount	Amount
<b>Ordinary revenues</b>	291,181	281,971	(9,210)
<b>Income from insurance premiums</b>	189,308	203,979	14,670
Insurance premiums	189,287	203,956	14,668
Ceded reinsurance recoveries	21	23	1
<b>Investment income</b>	47,765	42,966	(4,799)
Interest, dividends and income from real estate for rent	29,580	31,120	1,539
Interest income from deposits	0	8	8
Interest income and dividends from securities	19,078	21,028	1,949
Interest income from loans	7,793	7,369	(424)
Interest from real estate for rent	1,892	1,660	(232)
Other income from interest and dividends	815	1,053	237
Gains on sales of securities	17,742	9,157	(8,584)
Gains from derivatives, net	-	2,572	2,572
Other investment income	51	115	64
Gains on separate account, net	391	-	(391)
<b>Other ordinary income</b>	54,107	35,025	(19,081)
Income related to withheld insurance claims and other payments for future annuity payments	76	51	(24)
Income due to withheld insurance payments	7,624	4,697	(2,926)
Reversal of reserve for outstanding claims	251	460	209
Reversal of policy reserve	45,707	29,367	(16,339)
Reversal of reserve for employees' retirement benefits	6	-	(6)
Other ordinary income	441	447	5
<b>Ordinary expenses</b>	277,596	266,697	(10,898)
<b>Insurance claims and other payments</b>	230,878	227,263	(3,615)
Insurance claims	113,344	116,229	2,884
Annuity payments	45,957	48,191	2,233
Insurance benefits	28,508	27,442	(1,066)
Surrender payments	26,023	19,486	(6,537)
Other payments	16,968	15,846	(1,122)
Reinsurance premiums	74	67	(7)
<b>Provision for policy and other reserves</b>	24	14	(10)
Interest portion of reserve for policyholder dividends	24	14	(10)
<b>Investment expenses</b>	13,767	7,430	(6,336)
Interest expenses	359	264	(94)
Losses on sales of securities	4,520	5,220	699
Devaluation losses on securities	384	196	(187)
Losses from derivatives, net	6,880	-	(6,880)
Foreign exchange losses, net	376	116	(259)
Write-off of loans	5	4	(0)
Depreciation of real estate for rent	565	559	(6)
Other investment expenses	675	637	(37)
Losses on separate account, net	-	430	430
<b>Operating expenses</b>	20,789	20,835	45
<b>Other ordinary expenses</b>	12,135	11,153	(981)
Payments related to withheld insurance claims	8,918	7,247	(1,671)
Taxes	1,290	1,334	44
Depreciation	1,332	1,409	76
Provision for reserve for employees' retirement benefits	-	719	719
Other ordinary losses	594	443	(150)
<b>Ordinary profit</b>	13,585	15,273	1,687

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (decrease)
	Amount	Amount	Amount
<b>Extraordinary gains</b>	453	29	(423)
Gains on disposal of fixed assets	343	-	(343)
Reversal of reserve for possible loan losses	108	15	(92)
Recoveries of bad debts previously written-off	2	14	12
<b>Extraordinary losses</b>	3,156	3,533	376
Losses on disposal of fixed assets	8	507	498
Impairment loss	130	-	(130)
Provision for reserve for price fluctuations	3,017	3,009	(7)
Other extraordinary losses	-	16	16
<b>Provision for reserve for policyholder dividends</b>	1,629	3,643	2,013
<b>Income before income taxes</b>	9,253	8,126	(1,126)
<b>Current income taxes</b>	1,331	(719)	(2,050)
<b>Deferred income taxes</b>	2,074	2,291	216
<b>Total income taxes</b>	3,405	1,571	(1,833)
<b>Net income</b>	5,847	6,554	706