

(Unofficial Translation)  
Consolidated Summary Report under Japanese GAAP  
for the Fiscal Year Ended March 31, 2013

May 15, 2013

Company Name: The Dai-ichi Life Insurance Company, Limited      Stock exchange listings: Tokyo  
Code Number: 8750      URL: <http://www.dai-ichi-life.co.jp/>  
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General meeting of shareholders: June 24, 2013      Dividend payment date: June 25, 2013

Securities report issuing date: June 24, 2013

Supplementary information for quarterly financial statements: Available

Explanatory meeting to be held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

## 1. Consolidated Financial Data for the Fiscal Year Ended March 31, 2013

### (1) Consolidated results of operations

(% represents the change from the previous fiscal year)

Fiscal Year Ended	Ordinary Revenues		Ordinary Profit		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%
March 31, 2013	5,283,989	7.1	157,294	(30.4)	32,427	59.3
March 31, 2012	4,931,781	7.9	225,920	178.2	20,357	6.4

Note: Comprehensive income for the fiscal years ended March 31, 2013 and 2012 were 670,675 million yen (145.6% increase year-on-year) and 273,100 million yen, respectively.

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Profits to Total Assets	Ratio of Ordinary Profits to Ordinary Income
Fiscal Year Ended	yen	yen	%	%	%
March 31, 2013	3,275.48	3,274.27	2.5	0.5	3.0
March 31, 2012	2,061.78	2,061.55	2.4	0.7	4.6

(Reference) Income from investment in affiliates (Equity method)    March 31, 2013: 2,652 million yen    March 31, 2012: 2,065 million yen

### (2) Consolidated financial condition

	Total Assets	Total Net Assets	Ratio of Net Assets Attributable to the Company's shareholders to Total Assets	Total Net Assets per Share
As of	millions of yen	millions of yen	%	yen
March 31, 2013	35,694,411	1,649,020	4.6	165,713.79
March 31, 2012	33,468,670	991,745	2.9	99,376.82

(Reference) Net assets attributable to the Company's shareholders as of March 31, 2013 and 2012 were 1,642,125 million yen and 982,503 million yen, respectively.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
Fiscal Year Ended	millions of yen	millions of yen	millions of yen	millions of yen
March 31, 2013	487,703	(192,153)	(17,138)	848,717
March 31, 2012	730,069	(650,831)	(16,113)	564,387

## 2. Dividends on Common Stock

	Dividends per share					Total Dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Fiscal year-end	Annual			
Fiscal Year Ended	yen	yen	yen	yen	yen	million yen	%	%
March 31, 2012	-	0.00	-	1,600.00	1,600.00	15,818	77.6	1.9
March 31, 2013	-	0.00	-	1,600.00	1,600.00	15,855	48.8	1.2
March 31, 2014 (Forecast)	-	0.00	-	2,000.00	2,000.00		53.6	

Note 1. "Total dividends (Annual)" in the above table excludes dividends of 181 million yen for the fiscal year ended March 31, 2012 and dividends of 145 million yen for the fiscal year ended March 31, 2013 to shares held by the Stock Granting Trust (J-ESOP trust) and the Trust-type Employee Shareholding Incentive Plan (E-Ship@).

Note 2. The forecasted dividends in the above table are shown irrespective of the planned share split. For details, please refer to [2. Earnings and dividend forecast after planned share split] under [\*Notes for using earnings forecast in this report and others].

### 3. Consolidated Earnings Forecasts for the Fiscal Year ending March 31, 2014

(% represents the change from the previous fiscal year)

Fiscal Year Ending	Ordinary Revenues		Ordinary Profit		Net Income		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
March 31, 2014	4,663,000	(11.8)	176,000	11.9	37,000	14.1	3,733.83

Note: "Net Income per Share" in the above table is shown irrespective of the planned share split. For details, please refer to [2. Earnings and dividend forecast after planned share split] under [\*Notes for using earnings forecast in this report and others].

### 4. Notes

(1) Changes in significant subsidiaries during the period (changes in "Specified Subsidiaries" (Tokutei Kogaisha) accompanying changes in scope of consolidation): No

(2) Changes in accounting policies, accounting estimates and correction of past errors:

(A) Changes in accounting policies due to revision of accounting standards: Yes

(B) Changes in accounting policies due to reasons other than item (A) above: No

(C) Changes in accounting estimates: Yes

(D) Correction of past errors: No

\* For details, please refer to (Changes in Accounting Policies, Which Are Almost Indistinguishable from Changes in Accounting Estimates), (5) Notes to the Consolidated Financial Statements, under [3. Consolidated Financial Statements] in page 18 of the Appendix.

(3) Number of shares outstanding (common stock)

	As of March 31, 2013	As of March 31, 2012
(A) Total shares outstanding including treasury stock:	10,000,166	10,000,000
(B) Shares of treasury stock held:	90,758	113,354
	Year ended March 31, 2013	Year ended March 31, 2012
(C) Average outstanding shares:	9,900,109	9,873,925

Notes 1. For the number of shares used as the basis for the calculation of consolidated net income per share, please refer to (Per-share information) in page 19 of the Appendix.

2. The 90,758 shares and 113,354 shares of treasury stock in the above table represent the sum of shares of common stock of the Company owned by J-ESOP and E-ship@ as of March 31, 2013 and 2012, respectively.

### (Reference) Non-consolidated financial data

#### 1. Non-consolidated Financial Data for the Fiscal Year Ended March 31, 2013

(1) Non-consolidated results of operations

(% represents the change from the previous fiscal year)

Fiscal Year Ended	Ordinary Revenues		Ordinary Profit		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%
March 31, 2013	4,315,957	(1.9)	173,806	(28.7)	51,465	192.0
March 31, 2012	4,398,207	2.1	243,765	208.9	17,624	4.1

Fiscal Year Ended	Net Income per Share	Diluted Net Income per Share
	yen	yen
March 31, 2013	5,198.47	5,196.55
March 31, 2012	1,784.96	1,784.76

## (2) Non-consolidated financial condition

	Total Assets	Total Net Assets	Ratio of Net Assets Attributable to the Company's shareholders to Total Assets	Total Net Assets per Share
As of	millions of yen	millions of yen	%	yen
March 31, 2013	33,072,490	1,677,691	5.1	169,264.55
March 31, 2012	31,461,940	1,028,379	3.3	104,001.86

(Reference) Net assets attributable to the Company's shareholders as of March 31, 2013 and 2012 were 1,677,311 million yen and 1,028,229 million yen, respectively.

## 2. Non-consolidated Earnings Forecasts for the Fiscal Year ending March 31, 2014

(% represents the change from the previous fiscal year)

	Ordinary Revenues		Ordinary Profit		Net Income		Net Income per Share
Fiscal Year Ending	millions of yen	%	millions of yen	%	millions of yen	%	yen
March 31, 2014	3,854,000	(10.7)	175,000	0.7	40,000	(22.3)	4,036.57

Note: "Net Income per Share" in the above table is shown irrespective of the planned share split. For details, please refer to [2. Earnings and dividend forecast after planned share split] under [\*Notes for using earnings forecast in this report and others].

### \*Notes for status on audits:

This report is exempt from the audits stipulated in the Financial Instruments and Exchange Act. Therefore, the audit stipulated in the act has not been completed with respect to the Company's consolidated financial statements as of and for the fiscal year ended March 31, 2013 as of the time of this report.

### \*Notes for using earnings forecast in this report and others:

#### 1. Earnings forecast

This report contains forward-looking statements, such as earnings forecasts, regarding the intent, beliefs and current expectations of the Company and its management with respect to the expected financial condition and results of operations of the Company. These statements necessarily depend upon information currently available to the Company and its management and on assumptions that the Company and its management believe are appropriate. Forward-looking statements are not guarantees of future performance and actual results may differ materially from any future results expressed or implied by forward-looking statements. Forward-looking statements are subject to various risks and uncertainties, such as fluctuations in market conditions, including changes in the value of equity securities and changes in interest rates and forward exchange rates, the occurrence of illegal acts, operational and system risks, risks associated with general economic conditions in Japan and other factors. Important factors which may affect the Company's financial condition, results of operations and business performance are not limited to the factors described above. In light of the risks and uncertainties relating to forward-looking statements, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this release.

#### 2. Earnings and dividend forecast after planned share split

To help improve convenience and liquidity in securities markets in accordance with the "Action Plan for the Consolidation of Trading Units" announced by all the stock exchanges in Japan in November 2007, the board of directors of the Company passed a resolution to split 1 share of its ordinary share into 100 shares and, accordingly, amend the number of shares constituting one unit of the Company's ordinary shares from 1 share to 100 shares effective on October 1, 2013. The share split and the amendment to the number of shares constituting one unit are subject to the approval of the proposal at the Annual General Meeting of Shareholders for the 3rd Fiscal Year of the Company scheduled to be held on June 24, 2013. For details please refer to our separate news release on May 15, 2013, titled "Notice of Share Split, Amendment to the Number of Shares to Constitute One Unit and Partial Amendment to the Articles of Incorporation". If the Company had split shares at the beginning of the fiscal year ending March 31, 2014, its earnings forecast should have been disclosed as follows:

- (1) Consolidated earnings forecast for the fiscal year ending March 31, 2014  
Net income per share: 37.34 yen
- (2) Non-consolidated earnings forecast for the fiscal year ending March 31, 2014  
Net income per share: 40.37 yen
- (3) Dividend forecast for the fiscal year ending March 31, 2014  
Dividend per share: 20.00 yen

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The Company plans to hold a conference call for institutional investors and analysts regarding its financial results for the fiscal year ended March 31, 2013 at 18:30 on May 15, 2013. The material for the conference call will be posted on TDnet and the Company's website.

1. Consolidated Results of Operations and Financial Condition

(1) Results of Operations

(i) Results of Operations for the Fiscal Year Ended March 31, 2013

- Ordinary revenues of the Dai-ichi Life Insurance Company, Limited (hereinafter the “Company”, “the Parent Company”, or “DL”) and its consolidated subsidiaries (collectively, the “Group” or “Daiichi Group”) for the fiscal year ended March 31, 2013 increased by 352.2 billion yen, or 7.1%, to 5,283.9 billion yen, consisting of (1) 3,646.8 billion yen (3.0% increase) of premium and other income, (2) 1,335.1 billion yen (28.9% increase) of investment income, and (3) 302.0 billion yen (15.3% decrease) of other ordinary revenues, compared to the prior fiscal year. The increase in premium and other income was mainly attributable to favorable sales of The Dai-ichi Frontier Life Insurance Co., Ltd. (hereinafter “Dai-ichi Frontier” or “DFL”) and TAL Group (TAL Dai-ichi Life Australia Pty Ltd and its subsidiaries). The increase in investment income was mainly attributable to an increase in gains on investments in separate accounts as a result of recovery in the financial markets.
- Meanwhile, the Company’s ordinary expenses for the fiscal year ended March 31, 2013 increased by 420.8 billion yen, or 8.9%, to 5,126.6 billion yen, consisting of (1) 2,795.3 billion yen (4.0% increase) of benefits and claims, (2) 1,191.9 billion yen (65.9% increase) of provision for policy reserves and others, (3) 221.7 billion yen (41.7% decrease) of investment expenses, (4) 486.4 billion yen (3.3% increase) of operating expenses, and (5) 431.2 billion yen (3.6% decrease) of other ordinary expenses, compared to the prior fiscal year. The increase in provision for policy reserves and others was attributable to an increase in gains on investments in separate accounts and favorable sales of DFL.
- Consequently, the Company’s ordinary profit for the fiscal year ended March 31, 2013, compared to the prior fiscal year, decreased by 68.6 billion yen, or 30.4%, to 157.2 billion yen. In the prior fiscal year, the Company recognized reversal of contingency reserve as an item under ordinary revenue to deal with fluctuations in the financial markets and a write-down of deferred tax assets resulted from a change in the statutory corporate income tax rate, which negatively affected the year-on-year comparison. Its net income for the fiscal year, which is ordinary profit after extraordinary gains and losses, provision for reserve for policyholder dividends, corporate income taxes, and minority interest in loss of subsidiaries, increased by 12.0 billion yen, or 59.3%, to 32.4 billion yen. The increase was mainly attributable to (1) steady progress on our growth areas and (2) an increase in net investment income as a result of recovery in the financial markets.

(ii) Earnings forecasts for the fiscal year ending March 31, 2014

- The Company forecasts ordinary revenues, ordinary profit and net income to be 4,663.0 billion yen, 176.0 billion yen and 37.0 billion yen, respectively.
- The above forecasts are based on the Company’s unique expectations, taking into account factors such as the information currently available and past experience, and assume that interest rates, forward exchange rates and stock prices do not substantially vary from those as of March 31, 2013. Therefore, actual results may substantially differ from the forecasts.

(2) Financial Condition

(i) Condition of assets, liabilities, and net assets

- The Company's total assets as of March 31, 2013, compared to March 31, 2012, increased by 6.7%, to 35,694.4 billion yen, mainly consisting of 29,390.9 billion yen (8.7% increase) of securities, 3,140.9 billion yen (8.0% decrease) of loans, 1,236.2 billion yen (1.5% decrease) of tangible fixed assets and 457.5 billion yen (45.2% increase) of cash and deposits. The balance of securities increased due to increased unrealized gains on securities as a result of the decline in interest rates, depreciation of the yen, and rise in stock prices.
- The Company's total liabilities as of March 31, 2013 increased by 4.8% to 34,045.3 billion yen, mainly consisting of 31,703.8 billion yen (4.0% increase) of policy reserves and others, compared to March 31, 2012.
- The Company's total net assets as of March 31, 2013 increased by 66.3% to 1,649.0 billion yen. Net unrealized gains on securities, net of tax, as of March 31, 2013, which are included in the Company's total net assets, increased by 127.4% to 1,099.3 billion yen, mainly attributable to the increase in unrealized gains on securities as a result of the decline in interest rates, depreciation of the yen, and rise in stock prices.

(ii) Cash flows

● Cash Flows from Operating Activities

The Company's net cash flows provided by operating activities for the fiscal year ended March 31, 2013 decreased by 242.3 billion yen to 487.7 billion yen, compared to the prior fiscal year.

● Cash Flows from Investing Activities

The Company's net cash flows used in investing activities for the fiscal year ended March 31, 2013 decreased by 458.6 billion yen to 192.1 billion yen, compared to the prior fiscal year.

● Cash Flows from Financing Activities

The Company's net cash flows used in financing activities for the fiscal year ended March 31, 2013 increased by 1.0 billion yen to 17.1 billion yen, compared to the prior fiscal year.

● Cash and Cash Equivalents at the End of the Year

As a result, the Company's cash and cash equivalents as of March 31, 2013 increased by 284.3 billion yen to 848.7 billion yen from 564.3 billion yen at the end of the prior fiscal year.

(3) Basic Policy on Profit Distribution and Dividends

- Our fundamental policy is to enhance our corporate value by balancing payments of policyholder dividends to holders of participating policies and by making appropriate distributions of profits to shareholders with consideration paid to our cost of capital, all while securing our retained earnings, which are necessary for ensuring financial security in order for us to be able to respond to future changes in the economic environment and to maintain our growth strategy.
- Our basic profit distribution method will be the stable payment of dividends. We seek to achieve a total payout ratio (Note 1) of around 30% over the medium term based on consolidated adjusted net income (Note 2), while seeking to increase profit distribution through profit growth. We intend to decide yearly dividends by taking into account factors including our consolidated and non-consolidated financial results, the market environment

and any regulatory changes. We intend to examine whether to repurchase stocks by taking into account factors including our financial results and capital position.

- The Company intends to propose a payment of 1,600 yen per share of common stock of the Company as a year-end cash dividend for the fiscal year ended March 31, 2013. However, the Company expects to pay 2,000 yen per share (Note 3) for the fiscal year ending March 31, 2014, an increase of 400 yen, taking into account (1) the favorable progress on its initiative to strengthen its financial soundness and (2) profit projection under its new three-year medium-term management plan, titled “Action D”.
- We intend to make a dividend payment annually after approval by our general meeting of shareholders with a record date as of March 31, taking such factors as consolidated financial results into account, although semi-annual interim dividend payment as provided in Article 454-5 of the Japanese Company Law might possibly be made by the resolution of the Board of Directors according to the Articles of Incorporation.

Note 1. Total payout ratio = (dividends + stock repurchases) / (consolidated adjusted net income)

2. Consolidated adjusted net income is an indicator which represents the Company's real profitability, and is calculated by adding items such as provision of contingency reserve to consolidated net income (after-tax).
3. The Company decided to split 1 share of its ordinary shares into 100 shares and, accordingly, amend the number of shares constituting one unit of the Company's ordinary shares from 1 share to 100 shares effective on October 1, 2013, subject to the approval of the proposal at the Annual General Meeting of Shareholders for the 3rd Fiscal Year of the Company scheduled to be held on June 24, 2013. For details please refer to our separate news release on May 15, 2013, titled “Notice of Share Split, Amendment to the Number of Shares to Constitute One Unit and Partial Amendment to the Articles of Incorporation”. After taking into account the share split, dividends per share for the fiscal year ending March 31, 2014 is forecasted to be 20 yen.

## 2. Management Policy

### (1) Our Principal Management Policy

Since its foundation, the Company has maintained the management philosophy of “Customer First.” We continue to abide by this philosophy and continue being our policyholders’ life-long partner. Under this management philosophy we have four basic management policies, which are (1) maximizing customer satisfaction, (2) creating sustainable corporate value, (3) securing social trust and (4) fostering employee potential.

To clarify our mid- to long-term philosophy and basic management policies described above, the Group has promulgated our group vision of “Thinking People First.” “Thinking People First” enhances our management philosophy and dictates to us that we consider our policyholders, shareholders, employees, and all the stakeholders.

To realize this vision, the Company set the goal of our medium- to long-term strategy “Perform quality assurance, continue to be the choice of customers, and achieve sustainable growth”.

As a roadmap for the strategies, the Company formulated its medium-term management plan “Action D” covering the three fiscal years ending March 31, 2016.

By pursuing the management philosophy and the group vision, and by continuing to offer the best products and services based on our “Declaration of Quality Assurance,” we will strive to become the most trusted life insurance company.

- Our Management Philosophy:

“Customer First – to Become a Life-Long Partner for Customers”

- Our Basic Management Policy:

- Maximizing customer satisfaction,
- Creating sustainable corporate value,
- Securing social trust, and
- Fostering employee potential

- Our Group Vision:

“Thinking People first”

- Our Medium- to Long-Term Management Strategies:

“Perform quality assurance, continue to be the choice of customers, and achieve sustainable growth”

### (2) Our Management Goals

To create sustainable corporate value, the Group will strive to (i) substantially improve productivity in each of its existing business domains, (ii) accelerate the allocation of corporate resources to growing areas, and (iii) pursue external growth, as necessary.

With these action plans, the Group aims to achieve steady growth in Embedded Value (“EV”), one of the indicators of economic value based on the corporate value of a life insurer.

(Note) EV (Embedded Value) is the sum of "adjusted net worth", which is calculated by making necessary adjustments to total net assets on the balance sheet, and "value of in-force business", which is calculated as the present value of future after-tax profits on in-force business less the present value of cost of capital. EV



is one of the indicators that represent corporate value for shareholders.

Under current statutory accounting practices applicable to life insurance companies in Japan, there is a time lag between the sale of policies and recognition of profits. The use of EV allows the contribution of future profit from new business to be recognized at the time of sale. We believe it therefore serves as a valuable supplement to statutory financial information.

### (3) The Mid- to Long-term Business Plan and the Challenges We Face

The Japanese economy is expected to recover, due to the program entailing monetary, fiscal, and growth policies taken by the Japanese government and the Bank of Japan. However, the Japanese economy may slow down due to the risks associated with overseas economies, such as the European sovereign debt crisis reigniting or a slowdown in the Chinese economy. Moreover, in the domestic life insurance market, the Company expects the competition within the industry to intensify due to a decrease in the labor population and diversification of customer needs. In addition, most players in the industry changed pricing assumptions in April 2013, which may negatively affect insurance sales of the Group.

Under such circumstances, the Company formulated its medium-term management plan “Action D” covering the three fiscal years from April 1, 2013 to March 31, 2016. In accordance with the four pillars of “Action D”, the group will remain committed to challenge for further growth and strive to create corporate value.

#### (i) Dynamic and Flexible Decision Making to Achieve Growth Meeting Stakeholders’ Expectations (represented by “Dynamism”)

- To adjust to the changing market and customer needs, we will implement following initiatives:

##### a) Expand share in the domestic life insurance market

The Company aims to differentiate and reform its core life insurance business model through sales representative channels by providing customers with uniformly high quality services and strengthening its customer support system. In addition, we allocate our management resources to growth areas, such as third sector and individual savings type products. Moreover, we will develop products and sales channels to capture the market uncovered by the Group.

##### b) Accelerate expansion of our overseas life insurance businesses for larger profit contribution

We position our overseas businesses as our main growth contributor. We will keep improving the corporate values of our existing overseas life insurance businesses and also strive to enter new countries. In entering new markets, we will consider regions other than Asia-Pacific to diversify regional risk and to enhance the profit contribution from our overseas life insurance businesses as a whole.

##### c) Expand profit contribution of asset management business

We will pursue profit growth in the asset management business. Also, we will improve our investment returns by leveraging expertise on investment and financial intermediation services.

#### (ii) Disciplined Decision Making through ERM for Attaining a Capital Level on Par with Leading Global Life Insurers, and an Increase in Capital Efficiency and Corporate Value (represented by “Discipline”)

- To provide peace of mind to every policyholder throughout his/her policy term, we will secure financial soundness while competing with other global life insurance groups. Also, we will improve our embedded value and profit by investing in businesses with higher profitability and improving capital efficiency of businesses with lower profitability.

(iii) Dimensions Added by Evolutions of the Group Management Framework to Support Growth (represented by “Dimension”)

- To accelerate growth of the Group and to create synergy within the Group companies and organizations, we will further sophisticate and upgrade the group management framework under the “Group Management Headquarters”, the structure the Company established in May 2012 to manage Group operations virtually with the functions of a holding company. Moreover, the Group established three taskforces in FY2013: “Dai-ichi's Social Responsibility Promotion Task Force”, “Cost Innovation Task Force”, and “Marketing Action Task Force”. Under the initiatives of the three taskforces, we will strive to improve the management quality, pursue efficiency, and strengthen productivity.

(iv) Diversified Human Capital to Compete Effectively in the Global Market (represented by “Diversity”)

- To complete the strategies and initiatives mentioned above, we will keep developing human resources to provide customers with uniformly high quality services and will unite all employees with diversity, as represented by the Group’s initiative titled “Diversity and Inclusion”. In addition, we will keep accumulating human capital to stand out in the global completion.

Under the group vision of “Thinking People First”, the Group is united in its aspiration to become a company that offers the highest quality products and services, the highest productivity and the highest growth potential with the most energetic employees.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

	(millions of yen)	
	As of March 31, 2012	As of March 31, 2013
<b>ASSETS</b>		
Cash and deposits	315,187	457,517
Call loans	249,200	391,200
Monetary claims bought	294,324	285,082
Money held in trust	48,266	56,251
Securities	27,038,793	29,390,963
Loans	3,413,620	3,140,990
Tangible fixed assets	1,254,685	1,236,270
Land	809,048	794,387
Buildings	430,318	429,573
Leased assets	1,681	7,600
Construction in progress	9,747	524
Other tangible fixed assets	3,889	4,183
Intangible fixed assets	211,055	215,457
Software	71,036	67,479
Goodwill	63,654	69,103
Other intangible fixed assets	76,364	78,874
Reinsurance receivable	41,751	32,861
Other assets	307,973	390,844
Deferred tax assets	284,562	67,636
Customers' liabilities for acceptances and guarantees	20,074	33,446
Reserve for possible loan losses	(10,684)	(4,110)
Reserve for possible investment losses	(142)	-
Total assets	<u>33,468,670</u>	<u>35,694,411</u>

	(millions of yen)	
	As of March 31, 2012	As of March 31, 2013
<b>LIABILITIES</b>		
Policy reserves and others	30,489,920	31,703,858
Reserves for outstanding claims	239,320	298,557
Policy reserves	29,862,729	31,012,539
Reserve for policyholder dividends	387,871	392,761
Reinsurance payable	12,681	16,541
Subordinated bonds	148,652	154,584
Other liabilities	1,188,105	1,496,592
Reserve for employees' retirement benefits	433,791	439,734
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,538	2,350
Reserve for possible reimbursement of prescribed claims	1,000	700
Reserves under the special laws	74,831	89,228
Reserve for price fluctuations	74,831	89,228
Deferred tax liabilities	9,719	13,511
Deferred tax liabilities for land revaluation	95,608	94,842
Acceptances and guarantees	20,074	33,446
<b>Total liabilities</b>	<b>32,476,924</b>	<b>34,045,391</b>
<b>NET ASSETS</b>		
Capital stock	210,200	210,207
Capital surplus	210,200	210,207
Retained earnings	165,557	156,357
Treasury stock	(16,703)	(13,431)
<b>Total shareholders' equity</b>	<b>569,253</b>	<b>563,340</b>
Net unrealized gains (losses) on securities, net of tax	483,446	1,099,351
Deferred hedge gains (losses)	(44)	(1,801)
Reserve for land revaluation	(61,616)	(36,995)
Foreign currency translation adjustments	(8,535)	18,229
<b>Total accumulated other comprehensive income</b>	<b>413,249</b>	<b>1,078,784</b>
Subscription rights to shares	150	379
Minority interests	9,091	6,514
<b>Total net assets</b>	<b>991,745</b>	<b>1,649,020</b>
<b>Total liabilities and net assets</b>	<b>33,468,670</b>	<b>35,694,411</b>

(2) Consolidated Statements of Earnings and Comprehensive Income  
[Consolidated Statements of Earnings]

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
ORDINARY REVENUES	4,931,781	5,283,989
Premium and other income	3,539,579	3,646,831
Investment income	1,035,662	1,335,120
Interest and dividends	698,627	709,592
Gains on investments in trading securities	822	19,492
Gains on sale of securities	259,619	226,587
Gains on redemption of securities	686	3,887
Foreign exchange gains	-	18,704
Reversal of reserve for possible loan losses	2,174	912
Other investment income	2,582	20,649
Gains on investments in separate accounts	71,149	335,295
Other ordinary revenues	356,539	302,037
ORDINARY EXPENSES	4,705,860	5,126,695
Benefits and claims	2,688,419	2,795,355
Claims	784,632	798,773
Annuities	541,770	556,474
Benefits	498,299	540,349
Surrender values	630,846	652,870
Other refunds	232,871	246,886
Provision for policy reserves and others	718,673	1,191,953
Provision for reserves for outstanding claims	-	53,489
Provision for policy reserves	709,161	1,129,293
Provision for interest on policyholder dividends	9,512	9,170
Investment expenses	380,315	221,738
Interest expenses	20,034	20,046
Losses on money held in trust	14,342	14,009
Losses on sale of securities	180,717	66,203
Losses on valuation of securities	44,713	3,210
Losses on redemption of securities	3,355	1,637
Derivative transaction losses	36,543	63,369
Foreign exchange losses	29,084	-
Provision for reserve for possible investment losses	17	-
Write-down of loans	58	429
Depreciation of real estate for rent and others	15,078	14,606
Other investment expenses	36,370	38,224
Operating expenses	471,061	486,419
Other ordinary expenses	447,390	431,227
Ordinary profit	225,920	157,294

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
<b>EXTRAORDINARY GAINS</b>	30,477	8,882
Gains on disposal of fixed assets	1,595	8,880
Reversal of reserve for price fluctuations	5,765	-
Gain on step acquisition	23,116	-
Other extraordinary gains	0	2
<b>EXTRAORDINARY LOSSES</b>	36,348	24,054
Losses on disposal of fixed assets	2,631	6,350
Impairment losses on fixed assets	33,602	3,128
Provision for reserve for price fluctuations	-	14,397
Other extraordinary losses	114	179
Provision for reserve for policyholder dividends	69,000	86,000
Income before income taxes and minority interests	151,048	56,122
Corporate income taxes-current	29,597	80,625
Corporate income taxes-deferred	104,024	(54,086)
Total of corporate income taxes	133,621	26,538
Income before minority interests	17,427	29,583
Minority interests in gain (loss) of subsidiaries	(2,930)	(2,843)
Net income for the year	20,357	32,427

## [Consolidated Statements of Comprehensive Income]

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
Income before minority interests	17,427	29,583
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	244,910	615,900
Deferred hedge gains (losses)	(1,287)	(1,757)
Reserve for land revaluation	16,861	(97)
Foreign currency translation adjustments	(4,207)	23,904
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(604)	3,141
Total other comprehensive income	255,673	641,091
Comprehensive income	273,100	670,675
(Details)		
Attributable to shareholders of the parent company	275,722	673,243
Attributable to minority interests	(2,622)	(2,568)

## (3) Consolidated Statements of Changes in Net Assets

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Issuance of new shares - exercise of subscription rights to shares	-	7
Total changes for the year	-	7
Balance at the end of the year	210,200	210,207
<b>Capital surplus</b>		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Issuance of new shares - exercise of subscription rights to shares	-	7
Disposal of treasury stock	(1,315)	(1,090)
Transfer from retained earnings to capital surplus	1,315	1,090
Total changes for the year	-	7
Balance at the end of the year	210,200	210,207
<b>Retained earnings</b>		
Balance at the beginning of the year	149,007	165,557
Changes for the year		
Dividends	(15,776)	(15,818)
Net income for the year	20,357	32,427
Transfer from retained earnings to capital surplus	(1,315)	(1,090)
Transfer from reserve for land revaluation	13,284	(24,718)
Others	0	0
Total changes for the year	16,549	(9,199)
Balance at the end of the year	165,557	156,357
<b>Treasury stock</b>		
Balance at the beginning of the year	(20,479)	(16,703)
Changes for the year		
Disposal of treasury stock	3,775	3,272
Total changes for the year	3,775	3,272
Balance at the end of the year	(16,703)	(13,431)
<b>Total shareholders' equity</b>		
Balance at the beginning of the year	548,928	569,253
Changes for the year		
Issuance of new shares - exercise of subscription rights to shares	-	14
Dividends	(15,776)	(15,818)
Net income for the year	20,357	32,427
Disposal of treasury stock	2,459	2,182
Transfer from retained earnings to capital surplus	-	-
Transfer from reserve for land revaluation	13,284	(24,718)
Others	0	0
Total changes for the year	20,325	(5,912)
Balance at the end of the year	569,253	563,340



	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on securities, net of tax		
Balance at the beginning of the year	238,886	483,446
Changes for the year		
Net changes of items other than shareholders' equity	244,560	615,905
Total changes for the year	244,560	615,905
Balance at the end of the year	483,446	1,099,351
Deferred hedge gains (losses)		
Balance at the beginning of the year	1,243	(44)
Changes for the year		
Net changes of items other than shareholders' equity	(1,287)	(1,757)
Total changes for the year	(1,287)	(1,757)
Balance at the end of the year	(44)	(1,801)
Reserve for land revaluation		
Balance at the beginning of the year	(65,194)	(61,616)
Changes for the year		
Net changes of items other than shareholders' equity	3,577	24,621
Total changes for the year	3,577	24,621
Balance at the end of the year	(61,616)	(36,995)
Foreign currency translation adjustments		
Balance at the beginning of the year	(3,765)	(8,535)
Changes for the year		
Net changes of items other than shareholders' equity	(4,769)	26,765
Total changes for the year	(4,769)	26,765
Balance at the end of the year	(8,535)	18,229
Total accumulated other comprehensive income		
Balance at the beginning of the year	171,169	413,249
Changes for the year		
Net changes of items other than shareholders' equity	242,080	665,534
Total changes for the year	242,080	665,534
Balance at the end of the year	413,249	1,078,784
Subscription rights to shares		
Balance at the beginning of the year	-	150
Changes for the year		
Net changes of items other than shareholders' equity	150	229
Total changes for the year	150	229
Balance at the end of the year	150	379
Minority interests		
Balance at the beginning of the year	11,737	9,091
Changes for the year		
Net changes of items other than shareholders' equity	(2,646)	(2,577)
Total changes for the year	(2,646)	(2,577)
Balance at the end of the year	9,091	6,514

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
<b>Total net assets</b>		
Balance at the beginning of the year	731,835	991,745
<b>Changes for the year</b>		
Issuance of new shares - exercise of subscription rights to shares	-	14
Dividends	(15,776)	(15,818)
Net income for the year	20,357	32,427
Disposal of treasury stock	2,459	2,182
Transfer from retained earnings to capital surplus	-	-
Transfer from reserve for land revaluation	13,284	(24,718)
Others	0	0
Net changes of items other than shareholders' equity	239,584	663,187
Total changes for the year	259,909	657,274
Balance at the end of the year	991,745	1,649,020

## (4) Consolidated Statements of Cash Flows

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes and minority interests	151,048	56,122
Depreciation of real estate for rent and others	15,078	14,606
Depreciation	38,555	39,992
Impairment losses on fixed assets	33,602	3,128
Amortization of goodwill	3,352	3,839
Increase (decrease) in reserves for outstanding claims	(45,804)	43,517
Increase (decrease) in policy reserves	706,755	1,134,919
Provision for interest on policyholder dividends	9,512	9,170
Provision for (reversal of) reserve for policyholder dividends	69,000	86,000
Increase (decrease) in reserve for possible loan losses	(2,244)	(1,469)
Increase (decrease) in reserve for possible investment losses	(80)	(142)
Write-down of loans	58	429
Increase (decrease) in reserve for employees' retirement benefits	13,725	5,941
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(628)	(188)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(100)	(300)
Increase (decrease) in reserve for price fluctuations	(5,765)	14,397
Interest and dividends	(698,627)	(709,592)
Securities related losses (gains)	(103,492)	(514,210)
Interest expenses	20,034	20,046
Foreign exchange losses (gains)	29,084	(18,704)
Losses (gains) on disposal of fixed assets	1,036	(2,530)
Equity in losses (income) of affiliates	(2,065)	(2,652)
Loss (gain) on step acquisitions	(23,116)	-
Decrease (increase) in reinsurance receivable	5,858	10,016
Decrease (increase) in other assets unrelated to investing and financing activities	5,773	(16,705)
Increase (decrease) in reinsurance payable	602	2,184
Increase (decrease) in other liabilities unrelated to investing and financing activities	3,046	27,947
Others, net	84,712	96,361
Subtotal	308,914	302,125
Interest and dividends received	744,172	738,053
Interest paid	(18,599)	(19,846)
Policyholder dividends paid	(94,311)	(90,280)
Others, net	(174,455)	(408,429)
Corporate income taxes paid	(35,650)	(33,918)
Net cash flows provided by (used in) operating activities	730,069	487,703

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of monetary claims bought	(30,900)	(20,800)
Proceeds from sale and redemption of monetary claims bought	36,014	28,701
Purchases of money held in trust	(9,100)	(23,500)
Proceeds from decrease in money held in trust	9,300	1,477
Purchases of securities	(9,839,307)	(8,441,421)
Proceeds from sale and redemption of securities	9,131,880	7,837,464
Origination of loans	(419,187)	(402,048)
Proceeds from collection of loans	633,334	687,176
Others, net	(33,626)	162,616
<b>Total of net cash provided by (used in) investment transactions</b>	<b>(521,592)</b>	<b>(170,335)</b>
<b>Total of net cash provided by (used in) operating activities and investment transactions</b>	<b>208,476</b>	<b>317,368</b>
<b>Acquisition of tangible fixed assets</b>	<b>(25,817)</b>	<b>(34,178)</b>
Proceeds from sale of tangible fixed assets	4,792	32,592
<b>Acquisition of intangible fixed assets</b>	<b>(21,652)</b>	<b>(20,322)</b>
Proceeds from sale of intangible fixed assets	0	89
<b>Purchase of investments in subsidiaries resulting in change in scope of consolidation</b>	<b>(86,217)</b>	<b>-</b>
Payments for execution of assets retirement obligations	(343)	-
<b>Net cash flows provided by (used in) investing activities</b>	<b>(650,831)</b>	<b>(192,153)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(2,377)	(2,210)
Repayment of financial lease obligations	(474)	(1,338)
Proceeds from disposal of treasury stock	2,456	2,165
Cash dividends paid	(15,693)	(15,746)
Others, net	(24)	(8)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(16,113)</b>	<b>(17,138)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(642)</b>	<b>5,919</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>62,482</b>	<b>284,330</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>501,904</b>	<b>564,387</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>564,387</b>	<b>848,717</b>

(5) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

None

(Changes in Accounting Policies, Which Are Almost Indistinguishable from Changes in Accounting Estimates)

Effective the fiscal year ended March 31, 2013, the Company and its domestic consolidated subsidiaries changed their depreciation method for tangible fixed assets acquired on or after April 1, 2012 in accordance with the revision of the Corporation Tax Act.

As a result, consolidated ordinary profit and income before income taxes and minority interests of the Company for the fiscal year ended March 31, 2013 were each ¥357 million higher than they would have been if calculated using the previous depreciation method.

(Segment Information and Others)

<Segment Information>

For the year ended March 31, 2013

- Overview of the reported segments

The overview of the reported segments has been omitted as the Group's operations consist of only one segment.

<Other Related Information>

For the year ended March 31, 2013

1. Product and/or Service Segment Information

- The product and/or service segment information is omitted as the Group's operations consist of only one product (service) segment.

2. Geographic Segment Information

- The geographic segment information has been omitted as more than 90% of the Group's total ordinary revenues for the year ended March 31, 2013, and tangible fixed assets as of March 31, 2013, derive from its business unit in Japan.

3. Major Customer Information

- Major customer information has been omitted as no single customer accounts for more than 10% of the Group's ordinary revenues.

< Impairment Losses on Fixed Assets by Reported Segment >

For the year ended March 31, 2013

- The information on impairment losses on fixed assets by reported segment has been omitted as the Group's operations consist of only one segment.

<Amortization of Goodwill and Unamortized Amount of Goodwill by Reported Segment >

For the year ended March 31, 2013

- The information on the amortization of goodwill and unamortized amount of goodwill by reported segment has

been omitted as the Group's operations consist of only one segment.

<Gains on Negative Goodwill (Bargain Purchase) >

For the year ended March 31, 2013

- None

(Per-share Information)

Net assets per share as of March 31, 2013:	¥ 165,713.79
Net income per share for the year ended March 31, 2013:	¥ 3,275.48
Diluted net income per share for the year ended March 31, 2013:	¥ 3,274.27

Notes 1. Reconciliation of the net income per share and the diluted net income per share was as follows:

<u>Year ended March 31, 2013</u>	<u>(millions of yen)</u>
Net income per share	
Net income .....	¥ 32,427
Net income attributable to other than shareholders of common stocks .....	-
Net income attributable to shareholders of common stocks .....	¥ 32,427
Average number of common shares outstanding: 9,900 thousand (*)	
Diluted net income per share	
Adjustments in net income.....	¥ -
Increase in the number of common shares: 3 thousand (Increase in the number of common shares attributable to subscription rights to shares: 3 thousand)	
The number of shares not counted in the basis of calculation of diluted net income per share as considered not dilutive: none	
(*) "Average number of common shares outstanding" in the above table excludes shares held by the Stock Granting Trust (J-ESOP) or the Trust-type Employee Shareholding Incentive Plan (E-Ship®).	

2. Reconciliation of the net assets per share was as follows:

<u>As of March 31, 2013</u>	<u>(millions of yen)</u>
Net assets.....	¥ 1,649,020
Adjustments .....	¥ 6,894
Subscription rights to shares .....	¥ 379
Minority interests .....	¥ 6,514
Net assets attributable to common stocks.....	¥ 1,642,125
Shares of common stock outstanding: 9,909 thousand (*)	

(\*) "Shares of common stock outstanding" in the above table excludes shares held by J-ESOP or E-Ship®.

## (Subsequent Events)

- To help improve convenience and liquidity in securities markets in accordance with the “Action Plan for the Consolidation of Trading Units” announced by all the stock exchanges in Japan on November 27, 2007, the board of directors of the Company held on May 15, 2013 passed a resolution to split 1 share of its ordinary shares into 100 shares and, accordingly, amend the number of shares constituting one unit of the Company’s ordinary shares from 1 share to 100 shares effective on October 1, 2013. The share split and the amendment to the number of shares constituting one unit are subject to the approval of the proposal at the Annual General Meeting of Shareholders for the 3rd Fiscal Year of the Company scheduled to be held on June 24, 2013. If the Company had split shares at the beginning of the fiscal year ended March 31, 2013, its earnings forecast should have been disclosed as follows:

	As of March 31, 2013	
Net assets per share	¥	1,657.14

	Year ended March 31, 2013	
Net income per share	¥	32.75
Diluted net income per share	¥	32.74