November 14, 2012

Financial Results for the Six Months Ended September 30, 2012

The Dai-ichi Life Insurance Company, Limited (the "Company" or the "Parent Company"; President: Koichiro Watanabe) announces its financial results for the six months ended September 30, 2012.

[Contents]

For further information please contact:

Corporate Planning Dept.,
The Dai-ichi Life Insurance Company, Limited
TEL: +81 (0)50 3780 6930

Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

(1) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2012		As of September 30, 2012			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies (thousands)	% of March 31, 2012 total	Amount (billions of yen)	% of March 31, 2012 total
Individual insurance	11,372	138,597.9	11,403	100.3	135,819.9	98.0
Individual annuities	1,289	7,537.5	1,318	102.3	7,711.3	102.3
Individual insurance and annuities	12,662	146,135.4	12,721	100.5	143,531.3	98.2
Group insurance	-	50,491.5	-	-	49,225.6	97.5
Group annuities	-	6,065.9	-	-	6,048.4	99.7

Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.

New Policies

	Number of policies		Amount			
	(thousands)	% of September 30, 2011 total	(billions of yen)	New Business	Net increase by conversion	% of September 30, 2011 total
Six months ended September 30, 2011						
Individual insurance	656		3,027.0	3,016.2	10.8	
Individual annuities	22		162.6	167.5	(4.8)	
Individual insurance and annuities	678		3,189.7	3,183.7	6.0	
Group insurance	-		98.9	98.9	-	
Group annuities	-		0.4	0.4	-	
Six months ended September 30, 2012						
Individual insurance	574	87.5	3,121.7	2,887.9	233.7	103.1
Individual annuities	46	208.1	308.7	313.5	(4.8)	189.8
Individual insurance and annuities	620	91.5	3,430.4	3,201.5	228.9	107.5
Group insurance	-	-	172.6	172.6	-	174.5
Group annuities	-	-	0.0	0.0	-	5.5

Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.

(Reference) Surrenders and lapses in individual insurance and annuities

(billions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Amount of surrenders and lapses	3,545.2	3,347.9
Surrender and lapse rate (%)	2.34	2.29

Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.
2. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force contracts.

(2) Annualized Net Premiums

Policies in Force

(billions of yen except percentages)

	As of March 31, 2012	As of September 30, 2012	% of March 31, 2012 total
Individual insurance	1,682.8	1,669.5	99.2
Individual annuities	323.9	333.1	102.8
Total	2,006.8	2,002.6	99.8
Medical and survival benefits	515.0	519.0	100.8

New Policies

(billions of yen except percentages)

	Six months ended September 30, 2011	Six months ended September 30, 2012	% of September 30, 2011 total
Individual insurance	57.0	50.5	88.6
Individual annuities	5.9	10.5	177.4
Total	62.9	61.0	97.0
Medical and survival benefits	21.3	20.5	95.9

Note: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

2. Annualized net premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

3. New policies include net increase by conversion.

(3) Profit and Loss Items

(millions of yen except percentages)

	Six months ended September 30, 2011	Six months ended September 30, 2012	% of September 30, 2011 total
Premium and other income	1,600,033	1,429,909	89.4
Investment income	492,364	485,061	98.5
Benefits and Claims	1,221,242	1,171,053	95.9
Investment expenses	287,910	188,205	65.4
Ordinary profit	76,124	88,674	116.5

(4) Total assets

(millions of yen except percentages)

	As of March 31, 2012	As of September 30, 2012	% of March 31, 2012 total
Total Assets	31,461,940	31,568,514	100.3

2. Unaudited Quarterly Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (summarized)	As of September 30, 2012
(ASSETS)		
Cash and deposits	259,498	393,575
Call loans	239,800	177,800
Monetary claims bought	294,324	292,472
Money held in trust	20,672	18,517
Securities	25,333,423	25,390,606
[Government bonds]	[13,354,741]	[13,920,515]
[Local government bonds]	[311,133]	[305,709]
[Corporate bonds]	[2,187,285]	[2,141,186]
[Stocks]	[2,549,923]	[2,262,157]
[Foreign securities]	[6,614,982]	[6,462,970]
Loans	3,412,529	3,250,883
Policy loans	509,826	497,435
Ordinary loans	2,902,702	2,753,448
Tangible fixed assets	1,254,198	1,235,931
Intangible fixed assets	105,338	103,158
Reinsurance receivable	7,076	8,861
Other assets	243,177	336,982
Deferred tax assets	282,638	341,849
Customers' liabilities for acceptances and guarantees	20,074	20,678
Reserve for possible loan losses	(10,670)	(2,552)
Reserve for possible investment losses	(142)	(248)
Total assets	31,461,940	31,568,514

(LIABILITIES)		
Policy reserves and others	28,529,906	28,712,708
Reserves for outstanding claims	130,386	127,914
Policy reserves	28,011,648	28,203,024
Reserve for policyholder dividends	387,871	381,769
Reinsurance payable	458	495
Subordinated bonds	148,652	146,358
Other liabilities	1,128,862	1,118,623
Corporate income tax payable	6,222	12,350
Lease liabilities	1,664	8,381
Asset retirement obligations	3,551	3,545
Other liabilities	1,117,424	1,094,346
Reserve for employees' retirement benefits	432,022	439,830
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,521	2,429
Reserve for possible reimbursement of prescribed claims	1,000	880
Reserve for price fluctuations	74,453	88,453
Deferred tax liabilities for land revaluation	95,608	94,950
Acceptances and guarantees	20,074	20,678
Total liabilities	30,433,560	30,625,408
(NET ASSETS)		
Capital stock	210,200	210,207
Capital surplus	210,200	210,207
Legal capital surplus	210,200	210,207
Retained earnings	206,703	196,474
Legal retained earnings	5,600	5,600
Other retained earnings	201,103	190,874
Fund for risk allowance	43,120	43,120
Fund for price fluctuation allowance	65,000	65,000
Reserve for tax basis adjustments of real estate	19,352	19,283
Retained earnings brought forward	73,630	63,471
Treasury stock	(16,703)	(14,760)
Total shareholders' equity	610,399	602,128
Net unrealized gains (losses) on securities, net of tax	479,490	379,524
Deferred hedge gains (losses)	(44)	(880)
Reserve for land revaluation	(61,616)	(38,046)
Total of valuation and translation adjustments	417,829	340,597
Subscription rights to shares	150	379
Total net assets	1,028,379	943,106
Total liabilities and net assets	31,461,940	31,568,514

3. Unaudited Non-Consolidated Statements of Earnings

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
ORDINARY REVENUES	2,248,357	2,037,349
Premium and other income	1,600,033	1,429,909
[Premium income]	[1,599,675]	[1,429,554]
Investment income	492,364	485,061
[Interest and dividends]	[342,871]	[336,055]
[Gains on sale of securities]	[146,379]	[125,557]
[Derivative transaction gains]	[215]	[-]
Other ordinary revenues	155,960	122,377
[Reversal of reserves for outstanding claims]	[35,341]	[2,471]
ORDINARY EXPENSES	2,172,233	1,948,675
Benefits and claims	1,221,242	1,171,053
[Claims]	[368,547]	[391,554]
[Annuities]	[230,021]	[241,826]
[Benefits]	[240,995]	[247,791]
[Surrender values]	[317,712]	[243,212]
[Other refunds]	[63,518]	[45,982]
Provision for policy reserves and others	238,567	196,004
Provision for policy reserves	233,765	191,375
Provision for interest on policyholder dividends	4,801	4,628
Investment expenses	287,910	188,205
[Interest expenses]	[9,310]	[9,310]
[Losses on money held in trust]	[1,666]	[1,939]
[Losses on sale of securities]	[56,949]	[31,497]
[Losses on valuation of securities]	[85,101]	[65,173]
[Derivative transaction losses]	[-]	[514]
[Losses on investments in separate accounts]	[89,623]	[45,802]
Operating expenses	203,521	198,701
Other ordinary expenses	220,990	194,710
ORDINARY PROFIT	76,124	88,674
EXTRAORDINARY GAINS	456	4,523
Gains on disposal of fixed assets	456	4,523
EXTRAORDINARY LOSSES	29,646	20,525
Losses on disposal of fixed assets	534	3,731
Impairment losses on fixed assets	29,112	2,793
Provision for reserve for price fluctuations	-	14,000
Provision for reserve for policyholder dividends	34,796	38,958
Income before income taxes	12,138	33,714
Corporate income taxes-current	470	19,100
Corporate income taxes-deferred	5,508	(15,413)
Total of corporate income taxes	5,979	3,687
Net income for the period	6,159	30,026

4. Unaudited Non-Consolidated Statement of Changes in Net Assets

（millions of yen）

	Six months ended September 30, 2011	Six months ended September 30, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of the year	210,200	210,200
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	7
Total changes for the period	-	7
Balance at the end of the period	210,200	210,207
Capital surplus		
Legal capital surplus		
Balance at the beginning of the year	210,200	210,200
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	7
Total changes for the period	-	7
Balance at the end of the period	210,200	210,207
Other capital surplus		
Balance at the beginning of the year	-	-
Changes for the period		
Disposal of treasury stock	(451)	(777)
Transfer from retained earnings to capital surplus	451	777
Total changes for the period	-	-
Balance at the end of the period	-	-
Total capital surplus		
Balance at the beginning of the year	210,200	210,200
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	7
Disposal of treasury stock	(451)	(777)
Transfer from retained earnings to capital surplus	451	777
Total changes for the period	-	7
Balance at the end of the period	210,200	210,207
Retained earnings		
Legal retained earnings		
Balance at the beginning of the year	5,600	5,600
Changes for the period		
Total changes for the period	-	-
Balance at the end of the period	5,600	5,600
Other retained earnings		
Fund for risk allowance		
Balance at the beginning of the year	43,120	43,120
Changes for the period		
Total changes for the period	-	-
Balance at the end of the period	43,120	43,120
Fund for price fluctuation allowance		
Balance at the beginning of the year	65,000	65,000
Changes for the period		
Total changes for the period	-	-
Balance at the end of the period	65,000	65,000
Reserve for tax basis adjustments of real estate		
Balance at the beginning of the year	17,962	19,352
Changes for the period		
Transfer to reserve for tax basis adjustments of real estate	79	-
Transfer from reserve for tax basis adjustments of real estate	(66)	(69)
Total changes for the period	13	(69)
Balance at the end of the period	17,975	19,283
Retained earnings brought forward		
Balance at the beginning of the year	61,205	73,630
Changes for the period		
Dividends	(15,776)	(15,818)
Net income for the period	6,159	30,026
Transfer from retained earnings to capital surplus	(451)	(777)
Transfer to reserve for tax basis adjustments of real estate	(79)	-
Transfer from reserve for tax basis adjustments of real estate	66	69
Transfer from reserve for land revaluation	16,439	(23,658)
Total changes for the period	6,357	(10,159)
Balance at the end of the period	67,562	63,471
Total retained earnings		
Balance at the beginning of the year	192,887	206,703
Changes for the period		
Dividends	(15,776)	(15,818)
Net income for the period	6,159	30,026
Transfer from retained earnings to capital surplus	(451)	(777)
Transfer from reserve for land revaluation	16,439	(23,658)
Total changes for the period	6,370	(10,228)
Balance at the end of the period	199,258	196,474

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Treasury stock		
Balance at the beginning of the year	(20,479)	(16,703)
Changes for the period		
Disposal of treasury stock	1,740	1,943
Total changes for the period	1,740	1,943
Balance at the end of the period	(18,738)	(14,760)
Total shareholders' equity		
Balance at the beginning of the year	592,808	610,399
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	14
Dividends	(15,776)	(15,818)
Net income for the period	6,159	30,026
Disposal of treasury stock	1,289	1,165
Transfer from reserve for land revaluation	16,439	(23,658)
Total changes for the period	8,111	(8,270)
Balance at the end of the period	600,919	602,128
Valuation and translation adjustments		
Net unrealized gains (losses) on securities, net of tax		
Balance at the beginning of the year	237,580	479,490
Changes for the period		
Net changes of items other than shareholders' equity	(42,579)	(99,965)
Total changes for the period	(42,579)	(99,965)
Balance at the end of the period	195,001	379,524
Deferred hedge gains (losses)		
Balance at the beginning of the year	1,243	(44)
Changes for the period		
Net changes of items other than shareholders' equity	(1,484)	(836)
Total changes for the period	(1,484)	(836)
Balance at the end of the period	(241)	(880)
Reserve for land revaluation		
Balance at the beginning of the year	(65,194)	(61,616)
Changes for the period		
Net changes of items other than shareholders' equity	(16,473)	23,570
Total changes for the period	(16,473)	23,570
Balance at the end of the period	(81,667)	(38,046)
Total of valuation and translation adjustments		
Balance at the beginning of the year	173,629	417,829
Changes for the period		
Net changes of items other than shareholders' equity	(60,537)	(77,232)
Total changes for the period	(60,537)	(77,232)
Balance at the end of the period	113,091	340,597
Subscription rights to shares		
Balance at the beginning of the year	-	150
Changes for the period		
Net changes of items other than shareholders' equity	150	229
Total changes for the period	150	229
Balance at the end of the period	150	379
Total net assets		
Balance at the beginning of the year	766,437	1,028,379
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	14
Dividends	(15,776)	(15,818)
Net income for the period	6,159	30,026
Disposal of treasury stock	1,289	1,165
Transfer from reserve for land revaluation	16,439	(23,658)
Net changes of items other than shareholders' equity	(60,387)	(77,002)
Total changes for the period	(52,276)	(85,273)
Balance at the end of the period	714,161	943,106

I. NOTES TO THE UNAUDITED NON-CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2012

1. Valuation Methods of Securities

Securities held by the Company including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts are calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds

Policy-reserve-matching bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA)) are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

i. Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value as of September 30, 2012 (for domestic stocks, the average value during September), with cost determined by the moving average method.

ii. Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

a. Government/Corporate Bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

b. All others are valued at cost using the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statements of earnings.

2. Policy-reserve-matching Bonds

(1) Book Value and Market Value

The book value of policy-reserve-matching bonds as of September 30, 2012 amounted to ¥9,451,315 million. The market value of these bonds as of September 30, 2012 was ¥10,075,753 million.

(2) Risk Management Policy

The Company categorizes its insurance products into sub-groups according to the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, it periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products are:

i. individual life insurance and annuities,
ii. non-participating single premium whole life insurance (without the duty of medical disclosure),
iii. financial insurance and annuities, and
iv. group annuities,

with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), the Company revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land
  The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Enforcement Ordinance of the Law for Revaluation of Land.
- The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of September 30, 2012 was ¥60,501 million.

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method) and is computed by proportionally allocating the estimated depreciation for the fiscal year.

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Tangible fixed assets other than land, buildings and leased assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that are acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years following the fiscal year end when such assets were depreciated to their final depreciable limit.

Effective the six months ended September 30, 2012, the Company has changed its depreciation method for its tangible fixed assets acquired on or after April 1, 2012 in accordance with the revision of the Corporation Tax Act. As a result, its ordinary profit and income before income taxes for the six months ended September 30, 2012 were each ¥96 million higher than they would have been if calculated using the previous depreciation method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses the straight-line method for amortization of intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of five years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value.

Finance leases, which commenced on or before March 31, 2008, are accounted for in the same manner applicable to ordinary operating leases.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2012 was ¥622,151 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translated foreign currency-denominated assets and liabilities (excluding stock of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates as of September 30, 2012. Stock of non-consolidated subsidiaries and affiliated companies is translated into yen at the exchange rates on the respective dates of acquisition.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to and claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral or guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the six months ended September 30, 2012 was ¥110 million.

8. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount calculated in accordance with the accounting standards for retirement benefits ("Statement on Establishing Accounting Standards for Retirement Benefits" issued on June 16, 1998 by the Business Accounting Council), supposed to be incurred as of September 30, 2012, is provided based on the projected benefit obligations and pension assets as of March 31, 2013.

Actuarial differences are amortized under the straight-line method through a certain period (seven years) within the employees' average remaining service period, starting from the following year.

9. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

10. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of the Company, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of the Company and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of the Company are provided.

11. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, the Company provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is computed by proportionally allocating the amount equivalent to the annual required amount for the six months ended September 30, 2012 in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” (Accounting Standards Board of Japan (ASBJ) Statement No. 10 issued on March 10, 2008). Primarily, (1) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (2) the currency allotment method and deferral hedge method by foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (3) the fair value hedge method by currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; and (4) the deferral hedge method and fair value hedge method by equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps ……………………………	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps ……………………...	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts ………….	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transaction)
Currency options ……………………………..	Foreign currency-denominated bonds
Equity options ………………………………..	Domestic stocks, foreign currency-denominated stocks (forecasted transaction)
Equity forward contracts ……………………..	Domestic stocks

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged items to those of the hedging instruments.

14. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserve

Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of the Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).

(2) Reserves for other policies are established based on the net level premium method.

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired on or before March 31, 1996 for which premium payments were already completed (including lump-sum payment), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, the amount of the additional provision for policy reserves for the six months ended September 30, 2012 was ¥67,438 million.

16. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheets. The total balance of securities lent as of September 30, 2012 was ¥567,771 million.

17. Problem Loans

As of September 30, 2012, the total amount of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which was included in loans, was ¥11,016 million. The amount of credits to bankrupt borrowers was ¥4,688 million, the amount of delinquent loans was ¥5,175 million, the Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥1,151 million.

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write off of loans described in Note 7 above, credits to bankrupt borrowers and delinquent loans decreased by ¥40 million and ¥69 million, respectively.

18. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act was ¥1,028,976 million. Separate account liabilities were the same amount as separate account assets.

19. Leased Computers

In addition to leased assets included in the non-consolidated balance sheets, the Company has computers as significant leased tangible fixed assets. The Company has no material leased intangible fixed assets.

20. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(millions of yen)
Balance at the beginning of fiscal year ending March 31, 2013............................	¥ 387,871
Dividends paid during the six months ended September 30, 2012 …………........	(49,688)
Interest accrual during the six months ended September 30, 2012 …………..........	4,628
Provision for reserve for policyholder dividends………………………………....	38,958
Balance as of September 30, 2012 ………………………………………………..	¥ 381,769

21. Stock of Subsidiaries and Affiliated Companies

The amount of stock of subsidiaries and affiliated companies the Company held as of September 30, 2012 was ¥340,509 million.

22. Organization Change Surplus

The amount of the Company's organization change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

23. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows:

		(millions of yen)
Securities (Government bonds) …………………………	¥	491,039
Securities (Foreign securities) …………………………..		3,147
Cash and deposits ……………………………………….		86
Securities, cash and deposits pledged as collateral ……...	¥	494,274

The amounts of secured liabilities were as follows:

		(millions of yen)
Cash collateral for securities lending transactions ……..	¥	496,159
Loans payable …………………………………………..		6
Secured liabilities ……………………………………….	¥	496,166

"Securities (Government bonds)" pledged for collateral for securities lending transactions with cash collateral as of September 30, 2012 was ¥486,923 million.

24. Reinsurance

The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter "reserves for outstanding claims reinsured") was ¥6 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter "policy reserves reinsured") was ¥0 million.

25. Asset Retirement Obligations

The following table shows the increase and decrease in asset retirement obligations for the six months ended September 30, 2012:

		(millions of yen)
Beginning balance ……………………………………...	¥	3,551
Time progress adjustments……………………………....		26
Others ………………………………………………...		(33)
Ending balance ………………………………………….	¥	3,545

26. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of September 30, 2012, the market value of the securities borrowed which were not sold or pledged was ¥15,684 million, among which no securities were pledged as collateral.

27. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥25,041 million.

28. Subordinated Debt

Other liabilities included subordinated debt of ¥350,000 million, the repayment of which is subordinated to other obligations.

29. Subordinated Bonds

Subordinated bonds of ¥146,358 million shown in liabilities included foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

30. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥56,749 million as of September 30, 2012. These obligations will be recognized as operating expenses in the period in which they are paid.

II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2012

1. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sale of domestic bonds, domestic stocks and foreign securities of ¥77,714 million, ¥8,481 million and ¥39,360 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥113 million, ¥5,712 million and ¥25,671 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks, foreign securities and other securities of ¥60,228 million, ¥4,916 million and ¥28 million, respectively.

2. Reinsurance

In calculating the reversal of reserves for outstanding claims, a reversal of reserves for outstanding claims reinsured of ¥2 million was deducted. In calculating the provision for policy reserves, a reversal of policy reserves reinsured of ¥0 million was added.

3. Interest and Dividends

The breakdown of interest and dividends for the six months ended September 30, 2012 were as follows:

	(millions of yen)
Interest from deposits ………………….	¥ 3,214
Interest and dividends from securities …	258,716
Interest from loans ……………………..	38,815
Rental income ………………………….	31,378
Other interest and dividends …………..	3,930
Total …………………………………..	¥ 336,055

4. Gains/Losses on Money Held in Trust

Losses on money held in trust included gains on valuation of securities of ¥275 million.

5. Derivative Transaction Gains/Losses

Derivative transaction losses included valuation gains of ¥13,829 million.

6. Net Income per Share

Net income per share for the six months ended September 30, 2012 was ¥3,034.70. Diluted net income per share for the same period was ¥3,033.91.

7. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the six months ended September 30, 2012 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value in some asset groups, the Company wrote down the book value of these assets to the recoverable value and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land lease rights	Buildings	Total
			(millions of yen)			
Real estate for rent	Fujisawa City, Kanagawa Prefecture	1	¥ -	¥ 501	¥ 591	¥ 1,092
Real estate not in use	Nagoya City, Aichi Prefecture and others	40	1,365	-	335	1,701
Total		41	¥ 1,365	¥ 501	¥ 927	¥ 2,793

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.73% was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

III. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2012

1. Treasury Stock

(in thousands)

	Number of shares of treasury stock outstanding at the beginning of the fiscal year ending March 31, 2013	Increase in shares of treasury stock	Decrease in shares of treasury stock	Number of shares of treasury stock outstanding as of September 30, 2012
Treasury stock Shares of Common Stock (*)	113	-	13	99

(*) The decrease of 13 thousand shares of treasury stock represents the sum of (1) shares granted to eligible employees at retirement by the Stock Granting Trust (J-ESOP) and (2) shares sold to the Dai- ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership under the Trust-type Employee Shareholding Incentive Plan (E-ship®).

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Six months ended September 30, 2011	Six months ended September 30, 2012
Fundamental revenues		2,101,543	1,910,332
Premium and other income		1,600,033	1,429,909
Investment income		345,550	358,044
[Interest and dividends]		[342,871]	[336,055]
Other ordinary revenues		155,960	122,377
Fundamental expenses		1,947,585	1,754,693
Benefits and claims		1,221,242	1,171,053
Provision for policy reserves and others		176,410	110,566
Investment expenses		125,419	79,662
Operating expenses		203,521	198,701
Other ordinary expenses		220,990	194,710
Fundamental profit	***A***	153,957	155,638
Capital gains		146,595	125,557
Gains on money held in trust		-	-
Gains on investments in trading securities		-	-
Gains on sale of securities		146,379	125,557
Derivative transaction gains		215	-
Foreign exchange gains		-	-
Others		-	-
Capital losses		162,373	108,414
Losses on money held in trust		1,666	1,939
Losses on invesements in trading securities		-	-
Losses on sale of securities		56,949	31,497
Losses on valuation of securities		85,101	65,173
Derivative transaction losses		-	514
Foreign exchange losses		18,655	9,288
Others		-	-
Net capital gains (losses)	***B***	(15,778)	17,142
Fundamental profit after net capital gains (losses)	***A + B***	138,179	172,781
Other one-time gains		218	1,459
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		47	1,459
Others		171	-
Other one-time losses		62,274	85,567
Ceding reinsurance commissions		-	-
Provision for contingency reserve		9,000	18,000
Provision for specific reserve for possible loan losses		-	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		116	6
Others		53,157	67,560
Other one-time profits	***C***	(62,055)	(84,107)
Ordinary profit	***A + B + C***	76,124	88,674

Note: "Others"in "Other one-time gains" for the six months ended September 30, 2011 represents the reversal of reserve for possible invesement losses (171 million yen for the six months ended September 30, 2011).

"Others" in "Other one-time losses" represents the amount of the additional policy reserve provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act (67,438 million yen for the six months ended September 30, 2012 and 53,157 million yen for the six months ended September 30, 2011) and the amount of provision for reserve for possible investment losses (122 million yen for the six months ended September 30, 2012).

6. Investment of General Account Assets for the Six Months Ended September 30, 2012

(1) Investment Environment

- While supported by the governmental eco-car subsidy policy and the materialized reconstruction demand in relation to the Great East Japan Earthquake, the Japanese economy started slowing down in summer due to 1) decreased corporate capital expenditure and 2) slumped external demand as a result of delays in recovery of the overseas economies, mainly China.
- The U.S. economy recovered somewhat but to the modest degree due to the slow recovery of the U.S. employment, although supported by the monetary easing policy of the Federal Reserve Board (FRB). The European economy remained stagnant in Europe due to the sovereign debt issue, related government spending cuts and worsened unemployment.
- In the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

- Given the worsening European sovereign debt issue and growing concern over the global economy, Bank of Japan (BOJ) decided to further ease its monetary policy and therefore the yield on ten year government bonds hit the lowest level since June 2003. The yield remained in the low level thereafter as the BOJ maintained its monetary easing policy.

Yield on ten-year government bonds:	April 1, 2012	0.985%
	September 30, 2012	0.770%

[Domestic Stocks]

- Nikkei 225 temporarily fell below 8,500 due to 1) the yen appreciation as a result of the worsening of European sovereign debt crisis and 2) concern over company earnings as a result of the deteriorated world economy. Thereafter, the worldwide trend for further easing monetary policies and progress in the European sovereign debt issue positively affected stock prices. However, given the unclarity of the Japanese economy due to the yen appreciation and worsened relations between Japan and China, Nikkei 225 stayed in the sluggish level.

Nikkei 225 Stock Average:	April 1, 2012	10,083
	September 30, 2012	8,870
TOPIX:	April 1, 2012	854
	September 30, 2012	737

[Foreign Currency]

- The dollar/yen exchange rate hovered around ¥80 without an explicit direction, given the yen appreciation pressure due to concern over the U.S. economy to slow down and the FRB's third quantitative easing (QE3) and the yen depreciation pressure due to speculation over the BOJ's further monetary easing measures and Japan's foreign exchange intervention.
- The yen appreciated against the Euro significantly to the below ¥95 level on a temporary basis, given the deepened European sovereign debt issue, including concerns over Greece to exit the Euro-zone and Spain's financial system. Thereafter, the Euro-zone nations agreed on measures to stabilize the financial markets and the European Central Bank (ECB) announced a government bond-purchase program, finally led to the yen depreciation to the ¥100 level.

yen /U.S. dollar:	April 1, 2012	¥82.19
	September 30, 2012	¥77.60
yen/Euro:	April 1, 2012	¥109.80
	September 30, 2012	¥100.24

(2) Investment Results

[Asset Composition]

- The Company continued to set fixed income investments, including domestic bonds, as the core of its asset portfolio, consistent with its mid- to long-term investment policies. The Company actively increased its position in policy-reserve-matching bonds by purchasing mainly super-long-term government bonds, in order to further enhance its Asset Liability Management (ALM) strategy and to improve profitability.
- The Company has appropriately controlled risks associated with its risk assets (such as domestic stocks and foreign securities intended to promote diversification of risks and to improve its profitability) by taking the market trends into account.
- The table below summarizes the investment results of general account by asset:

Assets	Investment results
Domestic bonds	<u>Increase</u> The Company actively replaced bonds with longer duration bonds, capturing the moment of interest rate rise, and also increased investment in policy-reserve-matching bonds (mainly super-long-term government bonds), based on its ALM strategy. The Company also made efforts to improve investment yields by making careful selection and diversification among various credit risk products, including corporate bonds and securitized products, in accordance with risk-adjusted credit spread guidelines.
Loans	<u>Decrease</u> The total balance of loans decreased due to contractual maturities and other factors. The Company provided loans by setting adequate risk-adjusted spreads, while also paying attention to the credit spread trends in the bond market.
Domestic stocks	<u>Decrease</u> The Company's risk control measures to deal with the changing market conditions resulted in a decrease in the balance of domestic stocks. The Company replaced some companies/sectors based on competitiveness, growth potential, and/or the degree to which they are undervalued, taking into account analyses by in-house analysts.
Foreign bonds	<u>Decrease</u> The balance of foreign bonds decreased. The Company increased the balance of foreign currency-denominated bonds without currency hedges taking into account the market trends. However, the Company decreased exposure to foreign currency-denominated bonds with currency hedges in order to improve investment efficiency within its fixed income assets, which more than offset the increase in foreign bonds with currency hedges. Moreover, the Company cautiously controlled related risks by diversifying its portfolio by sector and currency.
Foreign Stocks	<u>Decrease</u> To enhance the total return of the entire asset portfolio, the Company increased the balance of foreign listed stocks. However, due to maturities of certain preferred securities, the balance of foreign stocks decreased. The Company continued to focus on geographic diversification of foreign stock portfolio, utilizing both independent investment advisors and in-house managers.
Real Estate	<u>Decrease</u> By renegotiating rent and improving vacancy rates of the existing real estate portfolio, the Company pursued enhancement of the profitability of the overall portfolio. Also, the Company strived to increase the value of existing real estate by refurbishment and housing rehabilitation.

Note: Underlined changes in assets above are described on a book value basis.

[Investment income and expenses]

- Investment income decreased by ¥7.3 billion compared to the corresponding period in the prior fiscal year, to ¥485.0 billion, largely due to a decrease in interest and dividend income as a result of lower interest rates and the yen appreciation, etc. Meanwhile, investment expenses decreased by ¥55.8 billion to ¥142.4 billion, mainly due to a decrease in losses on sale and valuation of securities.
- As a result, net investment income increased by ¥48.5 billion to ¥342.6 billion.

(3) Investment Environment Outlook for the Six Months Ending March 31, 2013

- In the second half of the fiscal year, the Company expect the Japanese economy to grow but only slightly, given (1) weakening personal consumption due to decreasing car sales after the expiration of the governmental eco-car subsidy policy and (2) shrinking corporate capital expenditure as a result of worsened corporate sentiment and downward pressure on exports after the deterioration of Japan-China relations.

[Domestic interest rates]

- The Company expects domestic interest rates to remain at a low level under a downward trend in prices and strengthened monetary easing measures taken by the BOJ, although concern over a possible hike in interest rates against a backdrop of serious financial issues of the Japanese government still remain. As we expect the Japanese economy to continue its slow recovering trend due to sluggish external demand, we forecast interest rates to go up modestly.

[Domestic stocks]

- We forecast the domestic stock market to move in a certain range, depending on the balance between 1) a positive impact of monetary easing policy taken by the BOJ to be maintained or strengthened and 2) negative impacts of the slowing pace of economic recovery due to sluggish external demand and the cooling investor sentiment due to the European and U.S. sovereign debt issue. However, at the same time, the Company intends to pay attention to market fluctuations due to the progress on the European sovereign debt issue and the market fluctuation associated with the U.S. fiscal issue.

[Foreign currency]

- We anticipate the dollar/yen exchange rate to move without an explicit direction, given (1) the yen appreciation pressure resulting from (i) lack of firm progress towards recovery of the U.S. economy and (ii) the FRB’s long-term monetary easing policy, and (2) the yen depreciation pressure resulting from (i) the monetary easing policy taken by the BOJ and (ii) yen-selling intervention to be implemented by the Japanese government.
- We anticipate the Euro/yen exchange rate to seesaw: the currency exchange market is supposed to watch the progress on measures against the European sovereign debt crisis, while taking into account the yen appreciation pressure resulting from the ECB’s monetary easing policy.

(4) Investment Policies for the Six Months Ending March 31, 2013

- The Company will continue to set fixed income investments, including government and corporate bonds, as the core of its asset portfolio, consistent with its mid- to long-term investment policies. Meanwhile, the Company will control the balance of risk assets, such as domestic stocks and foreign securities carried to diversify and improve overall returns of its investment portfolio, taking into account the market trends.
- The table below summarizes the expected investments of general account by asset class:

Assets	Investment policies
Domestic bonds	<u>Increase</u> The Company will continue investing in domestic bonds, as a core asset under its ALM strategy. When interest rates rise, the Company will accelerate its investment in bonds with longer durations (i.e. long-term bonds and super-long-term bonds) to further enhance its ALM.
Loans	<u>Decrease</u> The Company will provide new loans by setting appropriate credit spread, with attention to borrowers' profiles and credit spread levels in the corporate bond market. Because corporate capital needs are estimated to remain at a low level, however, the total balance of loans is expected to decrease slightly.
Domestic stocks	<u>Decrease or slight decrease</u> The Company will seek opportunities to improve the profitability of this portfolio by actively selecting companies and sectors based on competitiveness, growth potential, and/or the degree to which they are undervalued, while it intends to decrease its exposure to domestic stocks in the long run for risk management reasons.
Foreign Bonds	<u>Flat</u> The Company will maintain its foreign bond portfolio at the present level, which contributes to a diversification for achieving a better risk-return profile of the overall asset portfolio. The Company will carefully monitor domestic and foreign interest rate differentials as well as foreign currency exchange rates.
Foreign Stocks	<u>Increase</u> Taking market trends into account, the Company will consider increasing its exposure to foreign stocks within certain tolerable risk limit. The Company also continues to seek regional diversification, as well as investment style diversification, by utilizing both in-house fund managers and independent investment advisors.

7. Investment Results of General Account

(1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2012		As of September 30, 2012	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	440,974	1.5	525,195	1.7
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	294,324	1.0	292,472	1.0
Trading account securities	-	-	-	-
Money held in trust	20,672	0.1	18,517	0.1
Securities	24,314,699	80.1	24,445,805	80.0
Domestic bonds	15,541,651	51.2	16,064,743	52.6
Domestic stocks	2,284,861	7.5	2,024,783	6.6
Foreign securities	6,298,234	20.7	6,168,967	20.2
Foreign bonds	4,786,438	15.8	4,697,142	15.4
Foreign stocks and other securities	1,511,795	5.0	1,471,824	4.8
Other securities	189,951	0.6	187,311	0.6
Loans	3,412,529	11.2	3,250,883	10.6
Policy loans	509,826	1.7	497,435	1.6
Ordinary loans	2,902,702	9.6	2,753,448	9.0
Real estate	1,249,101	4.1	1,223,036	4.0
Real estate for rent	810,238	2.7	782,524	2.6
Deferred tax assets	282,638	0.9	341,849	1.1
Others	360,010	1.2	472,304	1.5
Reserve for possible loan losses	(10,670)	(0.0)	(2,552)	(0.0)
Total	30,364,280	100.0	30,567,513	100.0
Foreign currency-denominated assets	4,669,650	15.4	4,675,436	15.3

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(3) Changes (Increase/Decrease) in Assets (General Account)

(millions of yen)

	Six month ended September 30, 2011	Six month ended September 30, 2012
Cash, deposits, and call loans	8,798	84,221
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	314	(1,851)
Trading account securities	-	-
Money held in trust	(2,682)	(2,155)
Securities	190,517	131,105
Domestic bonds	1,600,775	523,091
Domestic stocks	(284,242)	(260,077)
Foreign securities	(1,105,964)	(129,267)
Foreign bonds	(1,105,741)	(89,296)
Foreign stocks and other securities	(222)	(39,970)
Other securities	(20,051)	(2,639)
Loans	(172,816)	(161,645)
Policy loans	(8,896)	(12,391)
Ordinary loans	(163,920)	(149,253)
Real estate	(34,441)	(26,064)
Real estate for rent	(384)	(27,714)
Deferred tax assets	9,918	59,210
Others	137,382	112,294
Reserve for possible loan losses	1,490	8,117
Total	138,480	203,232
Foreign currency-denominated assets	(949,382)	5,785

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(3) Investment Income (General Account)

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Interest and dividends	342,871	336,055
Interest from bank deposits	2,942	3,214
Interest and dividends from securities	262,098	258,716
Interest from loans	41,132	38,815
Rental income	32,616	31,378
Other interest and dividends	4,081	3,930
Gains on trading account securities	-	-
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	146,379	125,557
Gains on sale of domestic bonds	59,888	77,714
Gains on sale of domestic stocks	21,514	8,481
Gains on sale of foreign securities	64,977	39,360
Others	-	-
Gains on redemption of securities	340	694
Derivative transaction gains	215	-
Foreign exchange gains	-	-
Reversal of reserve for possible loan losses	1,464	2,498
Reversal of reserve for possible investment losses	171	-
Other investment income	921	20,256
Total	492,364	485,061

(4) Investments Expense (General Account)

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Interest expenses	9,310	9,310
Losses on trading account securities	-	-
Losses on money held in trust	1,666	1,939
Losses on investments in trading securities	-	-
Losses on sale of securities	56,949	31,497
Losses on sale of domestic bonds	170	113
Losses on sale of domestic stocks	11,625	5,712
Losses on sale of foreign securities	45,153	25,671
Others	-	-
Losses on valuation of securities	85,101	65,173
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	39,968	60,228
Losses on valuation of foreign securities	45,133	4,916
Others	-	28
Losses on redemption of securities	1,857	1,016
Derivative transaction losses	-	514
Foreign exchange losses	18,655	9,288
Provision for reserve for possible loan losses	-	-
Provision for reserve for possible investment losses	-	122
Write-down of loans	116	6
Depreciation of rented real estate and others	7,479	7,314
Other investment expenses	17,149	16,217
Total	198,286	142,402

(5) Net Investment Income (General Account)

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net investment income	294,077	342,659

(6) Valuation gains and losses on trading securities (general account)

(millions of yen)

	As of March 31, 2012		As of September 30, 2012	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	20,672	358	18,517	275
Trading account securities	-	-	-	-
Money held in trust	20,672	358	18,517	275

Note: 'Valuation gains (losses) included in statement of earnings' include reversal gains (losses) at the beginning of the fiscal year.

(7) Fair value information on securities (general account) (securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)	Gains	Losses
As of March 31, 2012					
Bonds held to maturity	135,828	141,079	5,250	5,250	-
Domestic bonds	94,524	96,999	2,474	2,474	-
Foreign bonds	41,303	44,079	2,775	2,775	-
Policy-reserve-matching bonds	8,271,349	8,793,208	521,858	522,899	1,041
Domestic bonds	8,271,349	8,793,208	521,858	522,899	1,041
Stocks of subsidiaries and affiliates	1,763	1,932	168	168	-
Securities available for sale	14,051,792	14,743,299	691,506	978,055	286,548
Domestic bonds	6,909,503	7,175,777	266,273	279,031	12,757
Domestic stocks	1,674,737	1,972,561	297,824	465,533	167,709
Foreign securities	5,071,333	5,186,119	114,785	209,470	94,684
Foreign bonds	4,608,914	4,745,134	136,220	189,147	52,926
Foreign stocks and other securities	462,419	440,984	(21,434)	20,323	41,758
Other securities	105,325	99,516	(5,808)	5,541	11,349
Monetary claims bought	275,893	294,324	18,431	18,478	47
Certificates of deposit	15,000	15,000	0	0	-
Others	-	-	-	-	-
Total	22,460,734	23,679,519	1,218,784	1,506,374	287,590
Domestic bonds	15,275,377	16,065,984	790,607	804,406	13,799
Domestic stocks	1,674,737	1,972,561	297,824	465,533	167,709
Foreign securities	5,112,637	5,230,198	117,561	212,246	94,684
Foreign bonds	4,650,217	4,789,214	138,996	191,922	52,926
Foreign stocks and other securities	462,419	440,984	(21,434)	20,323	41,758
Other securities	107,088	101,448	(5,639)	5,710	11,349
Monetary claims bought	275,893	294,324	18,431	18,478	47
Certificates of deposit	15,000	15,000	0	0	-
Others	-	-	-	-	-
As of September 30, 2012					
Bonds held to maturity	133,772	139,083	5,311	5,311	-
Domestic bonds	94,828	98,206	3,378	3,378	-
Foreign bonds	38,944	40,877	1,932	1,932	-
Policy-reserve-matching bonds	9,451,315	10,075,753	624,437	625,697	1,259
Domestic bonds	9,451,315	10,075,753	624,437	625,697	1,259
Stocks of subsidiaries and affiliates	2,078	2,094	16	16	-
Securities available for sale	13,245,679	13,793,422	547,743	888,949	341,206
Domestic bonds	6,205,219	6,518,598	313,379	320,184	6,805
Domestic stocks	1,608,737	1,714,173	105,436	317,811	212,375
Foreign securities	5,014,880	5,132,145	117,264	225,276	108,011
Foreign bonds	4,510,047	4,658,197	148,149	206,866	58,716
Foreign stocks and other securities	504,832	473,947	(30,885)	18,409	49,294
Other securities	104,964	96,031	(8,933)	4,994	13,928
Monetary claims bought	271,876	292,472	20,596	20,681	85
Certificates of deposit	40,000	40,000	0	0	-
Others	-	-	-	-	-
Total	22,832,846	24,010,354	1,177,508	1,519,974	342,465
Domestic bonds	15,751,363	16,692,559	941,195	949,260	8,065
Domestic stocks	1,608,737	1,714,173	105,436	317,811	212,375
Foreign securities	5,053,824	5,173,022	119,197	227,209	108,011
Foreign bonds	4,548,992	4,699,075	150,082	208,799	58,716
Foreign stocks and other securities	504,832	473,947	(30,885)	18,409	49,294
Other securities	107,042	98,125	(8,917)	5,010	13,928
Monetary claims bought	271,876	292,472	20,596	20,681	85
Certificates of deposit	40,000	40,000	0	0	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

* Carrying values of securities whose fair value is deemed extremely difficult to recognize are as follows:

(millions of yen)

	As of March 31, 2012	As of September 30, 2012
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	338,206	338,415
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	148,716	147,618
Others	6,809	8,115
Securities available for sale	1,133,357	1,059,428
Unlisted domestic stocks (except over-the-counter stocks)	129,619	127,929
Unlisted foreign stocks (except over-the-counter stocks)	905,550	833,933
Unlisted foreign bonds	0	0
Others	98,188	97,565
Total	1,471,564	1,397,843

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. The amounts of foreign exchange valuation gains/losses on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows: loss of 3,153 million yen as of March 31, 2012 and loss of 10,618 million yen as of September 30, 2012.

(Reference) Fair value information of securities, taking into account foreign exchange valuation gains (losses) of foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above, in addition to the figures in the table (7), are as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2012					
Bonds held to maturity	135,828	141,079	5,250	5,250	-
Domestic bonds	94,524	96,999	2,474	2,474	-
Foreign bonds	41,303	44,079	2,775	2,775	-
Policy-reserve-matching bonds	8,271,349	8,793,208	521,858	522,899	1,041
Domestic bonds	8,271,349	8,793,208	521,858	522,899	1,041
Stocks of subsidiaries and affiliates	339,970	336,936	(3,033)	3,219	6,252
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	155,332	152,129	(3,202)	3,050	6,252
Other securities	1,957	2,126	168	168	-
Securities available for sale	15,185,150	15,876,706	691,555	978,105	286,549
Domestic bonds	6,909,503	7,175,777	266,273	279,031	12,757
Domestic stocks	1,804,357	2,102,181	297,824	465,533	167,709
Foreign securities	5,986,763	6,101,598	114,834	209,520	94,685
Foreign bonds	4,608,914	4,745,134	136,220	189,147	52,926
Foreign stocks and other securities	1,377,849	1,356,463	(21,385)	20,373	41,758
Other securities	193,633	187,825	(5,808)	5,541	11,349
Monetary claims bought	275,893	294,324	18,431	18,478	47
Certificates of deposit	15,000	15,000	0	0	-
Others	-	-	-	-	-
Total	23,932,299	25,147,930	1,215,631	1,509,474	293,843
Domestic bonds	15,275,377	16,065,984	790,607	804,406	13,799
Domestic stocks	1,987,037	2,284,861	297,824	465,533	167,709
Foreign securities	6,183,399	6,297,807	114,408	215,346	100,938
Foreign bonds	4,650,217	4,789,214	138,996	191,922	52,926
Foreign stocks and other securities	1,533,181	1,508,593	(24,588)	23,423	48,011
Other securities	195,590	189,951	(5,639)	5,710	11,349
Monetary claims bought	275,893	294,324	18,431	18,478	47
Certificates of deposit	15,000	15,000	0	0	-
Others	-	-	-	-	-
As of September 30, 2012					
Bonds held to maturity	133,772	139,083	5,311	5,311	-
Domestic bonds	94,828	98,206	3,378	3,378	-
Foreign bonds	38,944	40,877	1,932	1,932	-
Policy-reserve-matching bonds	9,451,315	10,075,753	624,437	625,697	1,259
Domestic bonds	9,451,315	10,075,753	624,437	625,697	1,259
Stocks of subsidiaries and affiliates	340,493	330,061	(10,431)	197	10,628
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	154,234	143,787	(10,447)	181	10,628
Other securities	3,577	3,594	16	16	-
Securities available for sale	14,305,107	14,852,680	547,572	888,949	341,377
Domestic bonds	6,205,219	6,518,598	313,379	320,184	6,805
Domestic stocks	1,736,666	1,842,103	105,436	317,811	212,375
Foreign securities	5,858,693	5,975,787	117,093	225,276	108,182
Foreign bonds	4,510,047	4,658,197	148,149	206,866	58,716
Foreign stocks and other securities	1,348,646	1,317,589	(31,056)	18,409	49,465
Other securities	192,650	183,716	(8,933)	4,994	13,928
Monetary claims bought	271,876	292,472	20,596	20,681	85
Certificates of deposit	40,000	40,000	0	0	-
Others	-	-	-	-	-
Total	24,230,689	25,397,579	1,166,889	1,520,155	353,265
Domestic bonds	15,751,363	16,692,559	941,195	949,260	8,065
Domestic stocks	1,919,347	2,024,783	105,436	317,811	212,375
Foreign securities	6,051,873	6,160,452	108,578	227,390	118,811
Foreign bonds	4,548,992	4,699,075	150,082	208,799	58,716
Foreign stocks and other securities	1,502,881	1,461,377	(41,503)	18,590	60,094
Other securities	196,228	187,311	(8,917)	5,010	13,928
Monetary claims bought	271,876	292,472	20,596	20,681	85
Certificates of deposit	40,000	40,000	0	0	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

(8) Fair value information on money held in trust (general account)

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2012	20,672	20,672	358	6,288	5,929
As of September 30, 2012	18,517	18,517	275	6,128	5,852

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

(millions of yen)

	As of March 31, 2012		As of September 30, 2012	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	20,672	358	18,517	275

Note: "Valuation gains (losses) included in the statement of earnings" include reversal gains (losses) at the beginning of the fiscal year.

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching, and available-for-sale:

The Company held no balance as of March 31, 2012 or September 30, 2012.

(9) Total net unrealized gains (losses) of general account assets

(millions of yen)

	As of March 31, 2012	As of September 30, 2012
Securities	1,215,631	1,166,889
Domestic bonds	790,607	941,195
Domestic stocks	297,824	105,436
Foreign securities	114,408	108,578
Foreign bonds	138,996	150,082
Foreign stocks and other securities	(24,588)	(41,503)
Other securities	(5,639)	(8,917)
Others	18,431	20,596
Real estate	(36,536)	(16,696)
Total (including others not listed above)	1,179,954	1,149,685

Note: 1. Only foreign exchange valuation gains (losses) are taken into account for foreign securities whose market prices are deemed extremely difficult to obtain.
2. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2012	As of September 30, 2012
Claims against bankrupt and quasi-bankrupt obligors	4,792	4,713
Claims with collection risk	15,549	5,151
Claims for special attention	1,487	1,185
Subtotal (I)	21,829	11,049
[Percentage (I)/(II)]	[0.55%]	[0.29%]
Claims against normal obligors	3,920,815	3,847,829
Total (II)	3,942,644	3,858,879

Note:
1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
4. Claims against normal obligors are all other loans.

9. Risk-Monitored Loans

(millions of yen)

		As of March 31, 2012	As of September 30, 2012
Credits to bankrupt borrowers	(I)	4,743	4,688
Delinquent loans	(II)	15,574	5,175
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	1,452	1,151
Total ((I)+(II)+(III)+(IV))		21,770	11,016
[Percentage of total loans]		[0.64%]	[0.34%]

Note:
1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers as of March 31, 2012 and September 30, 2012 were 50 million yen and 40 million yen, respectively. The write-offs relating to delinquent loans as of March 31, 2012 and September 30, 2012 were 69 million yen and 69 million yen, respectively.
2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

10. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2012	As of September 30, 2012
Total solvency margin	***(A)***	3,128,027	3,108,589
Common stock, etc. *1		594,550	606,966
Reserve for price fluctuations		74,453	88,453
Contingency reserve		423,093	441,093
General reserve for possible loan losses		2,411	1,372
Net unrealized gains on securities (before tax) × 90% *2		622,400	492,815
Net unrealized gains (losses) on real estate × 85% *2		(36,536)	(16,696)
Policy reserves in excess of surrender values		1,469,387	1,529,444
Qualifying subordinated debt		441,780	435,321
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(383,699)	(393,907)
Excluded items		(169,507)	(169,507)
Others		89,694	93,233
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	***(B)***	1,086,199	1,055,656
Insurance risk	R_1	94,146	91,675
3rd sector insurance risk	R_8	158,098	159,433
Assumed investment yield risk	R_2	284,367	278,099
Guaranteed minimum benefit risk	R_7 *3	5,874	5,605
Investment risk	R_3	739,876	715,879
Business risk	R_4	25,647	25,013
Solvency margin ratio $\dfrac{(A)}{(1/2)\times(B)}\times 100$		575.9%	588.9%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

11. Status of Separate Account

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2012	As of September 30, 2012
Individual variable insurance	43,785	40,501
Individual variable annuities	142,821	127,014
Group annuities	929,076	861,460
Separate account total	1,115,683	1,028,976

(2) Sum Insured of Individual Variable Insurance and Annuities (Separate Account)

A. Variable insurance

(millions of yen except number of policies)

	As of March 31, 2012		As of September 30, 2012	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	191	940	189	935
Variable insurance (whole life)	46,835	290,505	46,499	288,320
Total	47,026	291,446	46,688	289,255

Note: Policies in force include term life riders.

B. Variable annuities

(millions of yen except number of policies)

	As of March 31, 2012		As of September 30, 2012	
	Number of policies	Amount	Number of policies	Amount
Variable annuities	41,056	131,129	39,444	116,178

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Ordinary revenues	2,469,759	2,337,735
Ordinary profit	60,408	88,891
Net income for the period	12,361	28,052
Comprehensive income for the period	(54,731)	(77,355)

	As of March 31, 2012	As of September 30,2012
Total assets	33,468,670	33,705,834
Solvency margin ratio	563.2%	575.0%

(2) Scope of Consolidation and Application of Equity Method

	As of September 30, 2012
Number of consolidated subsidiaries	15
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	14

For information regarding changes in subsidiaries and affiliates, please refer to "I. Guidelines for Preparation of Unaudited Quarterly Consolidated Financial Statements" (P. 34).

(3) Unaudited Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (summarized)	As of September 30, 2012
ASSETS		
Cash and deposits	315,187	457,426
Call loans	249,200	193,800
Monetary claims bought	294,324	292,472
Money held in trust	48,266	60,875
Securities	27,038,793	27,203,856
Loans	3,413,620	3,252,022
Tangible fixed assets	1,254,685	1,236,331
Intangible fixed assets	211,055	200,434
Reinsurance receivable	41,751	39,082
Other assets	307,973	407,764
Deferred tax assets	284,562	343,898
Customers' liabilities for acceptances and guarantees	20,074	20,678
Reserve for possible loan losses	(10,684)	(2,558)
Reserve for possible investment losses	(142)	(248)
Total assets	33,468,670	33,705,834

LIABILITIES		
Policy reserves and others	30,489,920	30,808,355
Reserves for outstanding claims	239,320	244,282
Policy reserves	29,862,729	30,182,303
Reserve for policyholder dividends	387,871	381,769
Reinsurance payable	12,681	13,434
Subordinated bonds	148,652	146,358
Other liabilities	1,188,105	1,174,869
Reserve for employees' retirement benefits	433,791	441,995
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,538	2,448
Reserve for possible reimbursement of prescribed claims	1,000	880
Reserve for price fluctuations	74,831	88,999
Deferred tax liabilities	9,719	12,890
Deferred tax liabilities for land revaluation	95,608	94,950
Acceptances and guarantees	20,074	20,678
Total liabilities	32,476,924	32,805,861
NET ASSETS		
Capital stock	210,200	210,207
Capital surplus	210,200	210,207
Retained earnings	165,557	153,355
Treasury stock	(16,703)	(14,760)
Total shareholders' equity	569,253	559,009
Net unrealized gains (losses) on securities, net of tax	483,446	387,300
Deferred hedge gains (losses)	(44)	(880)
Reserve for land revaluation	(61,616)	(38,046)
Foreign currency translation adjustments	(8,535)	(16,642)
Total accumulated other comprehensive income	413,249	331,730
Subscription rights to shares	150	379
Minority interests	9,091	8,853
Total net assets	991,745	899,972
Total liabilities and net assets	33,468,670	33,705,834

(4) Unaudited Consolidated Statements of Earnings and Consolidated Statements of Comprehensive Income

[Unaudited Consolidated Statements of Earnings]

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
ORDINARY REVENUES	2,469,759	2,337,735
Premium and other income	1,807,604	1,707,797
Investment income	506,263	504,284
[Interest and dividends]	[343,929]	[339,743]
[Gains on money held in trust]	[8,924]	[2,724]
[Gains on investments in trading securities]	[-]	[9,549]
[Gains on sale of securities]	[146,404]	[125,952]
[Derivative transaction gains]	[4,102]	[2,855]
Other ordinary revenues	155,891	125,654
ORDINARY EXPENSES	2,409,351	2,248,844
Benefits and claims	1,304,534	1,273,748
[Claims]	[384,952]	[411,191]
[Annuities]	[230,645]	[242,634]
[Benefits]	[251,748]	[262,573]
[Surrender values]	[329,864]	[261,510]
Provision for policy reserves and others	305,555	339,524
Provision for reserves for outstanding claims	-	10,256
Provision for policy reserves	300,753	324,639
Provision for interest on policyholder dividends	4,801	4,628
Investment expenses	343,736	205,648
[Interest expenses]	[9,902]	[9,848]
[Losses on investments in trading securities]	[3,709]	[-]
[Losses on sale of securities]	[56,949]	[31,503]
[Losses on valuation of securities]	[85,103]	[64,244]
[Losses on investments in separate accounts]	[135,837]	[57,502]
Operating expenses	228,915	228,335
Other ordinary expenses	226,608	201,587
Ordinary profit	60,408	88,891
EXTRAORDINARY GAINS	23,575	4,524
Gains on disposal of fixed assets	458	4,523
Gain on step acquisition	23,116	-
Other extraordinary gains	0	1
EXTRAORDINARY LOSSES	30,037	20,703
Losses on disposal of fixed assets	542	3,741
Impairment losses on fixed assets	29,308	2,793
Provision for reserve for price fluctuations	72	14,168
Other extraordinary losses	114	0
Provision for reserve for policyholder dividends	34,796	38,958
Income before income taxes and minority interests	19,149	33,754
Corporate income taxes-current	3,487	21,524
Corporate income taxes-deferred	5,498	(15,178)
Total of corporate income taxes	8,985	6,346
Income before minority interests	10,163	27,408
Minority interests in loss of subsidiaries	2,198	643
Net income for the period	12,361	28,052

[Unaudited Consolidated Statements of Comprehensive Income]

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before minority interests	10,163	27,408
Other comprehensive income	(64,895)	(104,763)
Net unrealized gains (losses) on securities, net of tax	(40,827)	(95,785)
Deferred hedge gains (losses)	(1,484)	(836)
Reserve for land revaluation	(34)	(88)
Foreign currency translation adjustments	(22,236)	(8,133)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(312)	80
Comprehensive income for the period	(54,731)	(77,355)
Attributable to shareholders of the parent company	(52,708)	(77,125)
Attributable to minority interests	(2,022)	(229)

(5) Unaudited Consolidated Statements of Cash Flows

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes and minority interests	19,149	33,754
Depreciation	18,927	19,430
Impairment losses on fixed assets	29,308	2,793
Amortization of goodwill	1,473	1,590
Increase (decrease) in reserves for outstanding claims	(28,446)	10,410
Increase (decrease) in policy reserves	298,630	324,181
Provision for interest on policyholder dividends	4,801	4,628
Provision for (reversal of) reserve for policyholder dividends	34,796	38,958
Increase (decrease) in reserve for possible loan losses	(1,494)	(3,045)
Increase (decrease) in reserve for possible investment losses	(223)	106
Write-down of loans	116	6
Increase (decrease) in reserve for employees' retirement benefits	12,623	8,203
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(496)	(90)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(112)	(119)
Increase (decrease) in reserve for price fluctuations	72	14,168
Interest and dividends	(343,929)	(339,743)
Securities related losses (gains)	136,712	18,071
Interest expenses	9,902	9,848
Losses (gains) on disposal of fixed assets	84	(782)
Loss (gain) on step acquisitions	(23,116)	-
Others, net	43,715	5,816
Subtotal	212,493	148,187
Interest and dividends received	388,175	363,842
Interest paid	(8,812)	(10,221)
Policyholder dividends paid	(52,360)	(49,688)
Others, net	(109,193)	(123,202)
Corporate income taxes paid	(23,216)	(17,473)
Net cash flows provided by (used in) operating activities	407,085	311,442
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(15,000)	(7,700)
Proceeds from sale and redemption of monetary claims bought	24,505	11,717
Purchases of money held in trust	(5,100)	(10,100)
Proceeds from decrease in money held in trust	9,300	200
Purchases of securities	(5,301,087)	(4,606,830)
Proceeds from sale and redemption of securities	4,906,638	4,139,463
Origination of loans	(167,036)	(189,841)
Proceeds from collection of loans	339,897	366,053
Others, net	(28,693)	90,342
Total of net cash provided by (used in) investment transactions	(236,576)	(206,694)
Total of net cash provided by (used in) operating activities and investment transactions	170,508	104,748
Acquisition of tangible fixed assets	(8,080)	(10,117)
Proceeds from sale of tangible fixed assets	614	20,465
Acquisition of intangible fixed assets	(11,045)	(10,426)
Proceeds from sale of intangible fixed assets	0	39
Acquisition of stock of subsidiaries resulting in change in scope of consolidation	(86,217)	-
Payments for execution of assets retirement obligations	(35)	-
Net cash flows provided by (used in) investing activities	(341,341)	(206,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,250)	(1,232)
Repayment of financial lease obligations	(229)	(495)
Proceeds from disposal of treasury stock	1,289	1,159
Cash dividends paid	(15,673)	(15,719)
Others, net	(24)	(8)
Net cash flows provided by (used in) financing activities	(15,889)	(16,296)
Effect of exchange rate changes on cash and cash equivalents	(3,970)	(1,573)
Net increase (decrease) in cash and cash equivalents	45,883	86,838
Cash and cash equivalents at the beginning of the period	501,904	564,387
Cash and cash equivalents at the end of the period	547,788	651,226

(6) Unaudited Consolidated Statements of Changes in Net Assets

(millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of the year	210,200	210,200
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	7
Total changes for the period	-	7
Balance at the end of the period	210,200	210,207
Capital surplus		
Balance at the beginning of the year	210,200	210,200
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	7
Disposal of treasury stock	(451)	(777)
Transfer from retained earnings to capital surplus	451	777
Total changes for the period	-	7
Balance at the end of the period	210,200	210,207
Retained earnings		
Balance at the beginning of the year	149,007	165,557
Changes for the period		
Dividends	(15,776)	(15,818)
Net income for the period	12,361	28,052
Transfer from retained earnings to capital surplus	(451)	(777)
Transfer from reserve for land revaluation	16,439	(23,658)
Others	0	0
Total changes for the period	12,573	(12,202)
Balance at the end of the period	161,581	153,355
Treasury stock		
Balance at the beginning of the year	(20,479)	(16,703)
Changes for the period		
Disposal of treasury stock	1,740	1,943
Total changes for the period	1,740	1,943
Balance at the end of the period	(18,738)	(14,760)
Total shareholders' equity		
Balance at the beginning of the year	548,928	569,253
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	14
Dividends	(15,776)	(15,818)
Net income for the period	12,361	28,052
Disposal of treasury stock	1,289	1,165
Transfer from retained earnings to capital surplus	-	-
Transfer from reserve for land revaluation	16,439	(23,658)
Others	0	0
Total changes for the period	14,314	(10,244)
Balance at the end of the period	563,242	559,009
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities, net of tax		
Balance at the beginning of the year	238,886	483,446
Changes for the period		
Net changes of items other than shareholders' equity	(41,216)	(96,146)
Total changes for the period	(41,216)	(96,146)
Balance at the end of the period	197,669	387,300
Deferred hedge gains (losses)		
Balance at the beginning of the year	1,243	(44)
Changes for the period		
Net changes of items other than shareholders' equity	(1,484)	(836)
Total changes for the period	(1,484)	(836)
Balance at the end of the period	(241)	(880)
Reserve for land revaluation		
Balance at the beginning of the year	(65,194)	(61,616)
Changes for the period		
Net changes of items other than shareholders' equity	(16,473)	23,570
Total changes for the period	(16,473)	23,570
Balance at the end of the period	(81,667)	(38,046)
Foreign currency translation adjustments		
Balance at the beginning of the year	(3,765)	(8,535)
Changes for the period		
Net changes of items other than shareholders' equity	(22,335)	(8,107)
Total changes for the period	(22,335)	(8,107)
Balance at the end of the period	(26,101)	(16,642)
Total accumulated other comprehensive income		
Balance at the beginning of the year	171,169	413,249
Changes for the period		
Net changes of items other than shareholders' equity	(81,509)	(81,519)
Total changes for the period	(81,509)	(81,519)
Balance at the end of the period	89,659	331,730
Subscription rights to shares		
Balance at the beginning of the year	-	150
Changes for the period		
Net changes of items other than shareholders' equity	150	229
Total changes for the period	150	229
Balance at the end of the period	150	379
Minority interests		
Balance at the beginning of the year	11,737	9,091
Changes for the period		
Net changes of items other than shareholders' equity	(2,046)	(238)
Total changes for the period	(2,046)	(238)
Balance at the end of the period	9,691	8,853
Total net assets		
Balance at the beginning of the year	731,835	991,745
Changes for the period		
Issuance of new shares - exercise of subscription rights to shares	-	14
Dividends	(15,776)	(15,818)
Net income for the period	12,361	28,052
Disposal of treasury stock	1,289	1,165
Transfer from retained earnings to capital surplus	-	-
Transfer from reserve for land revaluation	16,439	(23,658)
Others	0	0
Net changes of items other than shareholders' equity	(83,406)	(81,528)
Total changes for the period	(69,092)	(91,772)
Balance at the end of the period	662,743	899,972

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2012

I. GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of consolidated subsidiaries for the six months ended September 30, 2012: 15

The fifteen subsidiaries include:

- The Dai-ichi Life Information Systems Co., Ltd.,
- The Dai-ichi Frontier Life Insurance Co., Ltd.,
- Dai-ichi Life Insurance Company of Vietnam, Limited, and
- TAL Dai-ichi Life Australia Pty Ltd (“TDLA”)

Effective the six months ended September 30, 2012, one subsidiary of TDLA is excluded from the scope of consolidation as TDLA disposed of its interest in the company in September 2012.

(2) Number of non-consolidated subsidiaries for the six months ended September 30, 2012: 13

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Human Net K.K., and Dai-ichi Seimei Business Service K.K. The thirteen non-consolidated subsidiaries had, individually, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income, retained earnings, cash flows, and others.

(3) Special Purpose Companies subject to disclosure

(i) Securitization of Subordinated Obligations

The Dai-ichi Life Insurance Company, Limited (the “Parent Company”) securitized subordinated obligations to broaden the range of investors and to secure a stable base for raising capital. For the securitization, the Parent Company utilized Tokutei Mokuteki Kaishas (TMKs, specified purpose companies) regulated by the Asset Liquidation Act. TMKs raise capital by issuing specified company bonds backed by assets transferred to the TMKs by contributors of subordinated loans. The Parent Company holds non-voting shares in the Cayman-based special purpose companies (“SPCs”), which in turn holds specified shares in the TMKs. The Parent Company monitors the TMK’s financial situation and appropriately recognizes those non-voting shares in accordance with the “Accounting Standard for Financial Instruments” issued on March 10, 2008 regarding those non-voting preference shares in its financial statements.

The total of assets and liabilities of the remaining one company at the end of its latest fiscal year (March 31, 2012) were ¥30,361 million and ¥30,088 million, respectively. The Parent Company held no ordinary shares in this company and it hadno directors, officers, or employees transferred from the Parent Company.

The amounts involved in the principal transactions between the Parent Company and the TMK were as follows:

	As of September 30, 2012 (millions of yen)		Six months ended September 30, 2012 (millions of yen)
Subordinated obligation	¥ 30,000	Interest expenses	¥ 309

(ii) Investment in Securitized Real Estate

To diversify investments in real estate and stabilize its investment returns, the Parent Company had exposure to an investment project to securitize real estate. The Parent Company had three SPCs as of September 30, 2012 and invested in the SPCs under an anonymous association contract based on the Commercial Code. The investment in the anonymous association contract was accounted for based on the fair value of real estate owned by the SPCs in accordance with the “Accounting Standards for Financial Instruments” issued on March 10, 2008. The Parent Company anticipates no obligation in the future to cover possible losses of the SPCs. Even if the fair value of the real estate declines, the loss of the Parent Company is limited to the amount of investment in the anonymous association contract.

Total assets and liabilities of the SPCs at the end of their latest fiscal years (ended June 30 and July 31, 2012) amounted to ¥137,577 million and ¥93,999 million, respectively. As of September 30, 2012, the Parent Company had no management authority in the SPCs and the SPCs had no directors, officers, and employees transferred from the Parent Company. The amounts involved in transactions between the Parent Company and the SPCs were as follows:

	As of September 30, 2012 (millions of yen)		Six months ended September 30, 2012 (millions of yen)
Investment in anonymous association	¥ 27,681	Dividends	¥ 1,049
Preferred investments	¥ 2,900	Dividends	¥ 97

2. Application of the Equity Method

(1) Number of non-consolidated subsidiaries under the equity method for the six months ended September 30, 2012: 0

(2) Number of affiliated companies under the equity method for the six months ended September 30, 2012: 14

The fourteen affiliated companies include:

- DIAM Co., Ltd.
- Mizuho-DL Financial Technology Co., Ltd.
- Japan Real Estate Asset Management Co., Ltd.
- Trust & Custody Services Bank Ltd.
- Corporate-pension Business Service Co., Ltd.
- Japan Excellent Asset Management Co., Ltd.
- NEOSTELLA CAPITAL CO., LTD.
- OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, and
- Star Union Dai-ichi Life Insurance Company Limited

OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED changed its name from Ocean Life Insurance Co., Ltd. on July 10, 2012.

(3) Non-consolidated subsidiaries and affiliated companies

The non-consolidated subsidiaries (Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Human Net K.K., Dai-ichi Seimei Business Service K.K. and others), as well as affiliated companies (DSC No.3 Investment Partnership, CVC No.1 Investment Limited Partnership, CVC No.2 Investment Limited Partnership, NEOSTELLA No.1 Investment Limited Partnership, O.M. Building Management Co., Ltd., and others) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss), retained earnings and others.

3. Interim End Dates of Consolidated Subsidiaries

The interim closing date of domestic consolidated subsidiaries is September 30, whereas that of foreign consolidated subsidiaries is June 30 or September 30. Financial information as of those closing dates is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

II. NOTES TO UNAUDITED CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2012

1. Valuation Methods of Securities

Securities held by the Parent Company and its consolidated subsidiaries, including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below.

The amortization of premiums and accretion of discount of securities are calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds

Policy-reserve-matching bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA)) are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

i. Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value as of September 30, 2012 (for domestic stocks, the average value during September), with cost determined by the moving average method.

ii. Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

a. Government/Corporate bonds (including foreign bonds) whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

b. All others are valued at cost using the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statements of earnings.

2. Policy-Reserve-Matching Bonds

(1) Book Value and Market Value

The book value of policy-reserve-matching bonds as of September 30, 2012 amounted to ¥9,660,114 million. The market value of these bonds as of September 30, 2012 was ¥10,290,164 million.

(2) Risk Management Policy

The Parent Company and its certain subsidiary categorize their insurance products into sub-groups according to the attributes of each product and, in order to manage risks properly, formulate their policies on investments and resource allocation based on the balance of the sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups of insurance groups of the Parent Company are:

- individual life insurance and annuities,
- non-participating single premium whole life insurance (without the duty of medical disclosure),
- financial insurance and annuities, and
- group annuities,

with the exception of certain types.

The sub-groups of insurance groups of a certain subsidiary of the Parent Company are:

- individual life insurance and individual annuity (yen-denominated),
- individual life insurance and individual annuity (U.S. dollar-denominated), and
- individual life insurance and individual annuity (Australian dollar-denominated),

with the exception of certain types.

3. **Valuation Method of Derivative Transactions**

Derivative transactions are reported at fair value.

4. **Revaluation of Land**

Based on the “Law for Revaluation of Land” (Publicly Issued Law 34, March 31, 1998), the Parent Company revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land

  The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.
- The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of September 30, 2012 was ¥60,501 million.

5. **Depreciation of Depreciable Assets**

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method) and is computed by proportionally allocating the estimated depreciation for the fiscal year.

Estimated useful lives of major assets are as follows:

- Buildings: two to sixty years
- Other tangible fixed assets: two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years following the fiscal year end when such assets were depreciated to their final depreciable limit.

Depreciation of tangible fixed assets owned by consolidated subsidiaries in Japan is principally calculated by the declining balance method, while the straight-line method is principally used to compute depreciation for such assets of consolidated overseas subsidiaries.

Effective the six months ended September 30, 2012, the Parent Company and its domestic consolidated subsidiaries have changed their depreciation method for the 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 for the six months ended September 30, 2012 were each ¥97 million higher than they would have been if calculated using the previous depreciation method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Parent Company and its subsidiaries use the straight-line method of amortization for intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of four to eight years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value. Finance leases, which commenced on or before March 31, 2008, are accounted for in the same manner applicable to ordinary operating leases.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2012 was ¥623,282 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Parent Company translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rate as of September 30, 2012. Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are translated into yen at the exchange rate on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Parent Company's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their interim periods. Translation adjustments associated with the consolidated overseas subsidiaries are included in "Foreign currency translation adjustments" in the "Net assets" section of the consolidated balance sheets.

For certain consolidated subsidiaries of the Parent Company, changes in the fair value of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two items: changes in fair value due to changes in market prices in their original currencies are accounted for as "net unrealized gains (losses) on securities", and the remaining changes are reported in "foreign exchange gains (losses)".

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Parent Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the six months ended September 30, 2012 was ¥110 million.

8. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount calculated in accordance with the accounting standards for retirement benefits ("Statement on Establishing Accounting Standards for Retirement Benefits" issued on June 16, 1998 by the Business Accounting Council), supposed to be incurred as of September 30, 2012, is provided based on the projected benefit obligations and pension assets as of March 31, 2013.

Gains/losses on plan amendments are amortized by the straight-line method through a certain period (three years) within the employees' average remaining service period.

Actuarial differences are amortized under the straight-line method through a certain period (three or seven years) within the employees' average remaining service period, starting from the following year.

Certain consolidated subsidiaries applied simplified methods in calculating their projected benefit obligations.

9. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Parent Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

10. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of the Parent Company, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of the Parent Company and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of the Parent Company are provided.

For the reserve for retirement benefits of directors, executive officers, and corporate auditors of certain consolidated subsidiaries, an amount considered to have been rationally incurred during the interim period is provided.

11. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, the Parent Company provided for reserve for the possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is computed by proportionally allocating the amount equivalent to the annual required amount for the six months ended September 30, 2012 in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No. 10 issued on March 10, 2008). Primarily, (1) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (2) the currency allotment method and deferral hedge method by foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (3) the fair value hedge method by currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; and (4) the deferral hedge method and fair value hedge method by equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps ………………………..	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps…………………..	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable

Foreign currency forward contracts ……...	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transactions)
Currency options …………………………	Foreign currency-denominated bonds
Equity options ……………………………	Domestic stocks, foreign currency-denominated stocks (forecasted transactions)
Equity forward contracts………………….	Domestic stocks

(3) Hedging Policies

The Parent Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair values of hedged items to those of hedging instruments.

14. Calculation of National and Local Consumption Tax

The Parent Company and its domestic consolidated subsidiaries account for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserve

Policy reserve of the Parent Company and its consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).

(2) Reserves for other policies are established based on the net level premium method.

Effective the fiscal year ended March 31, 2008, for the whole life insurance contracts acquired by the Parent Company on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, the amount of the additional provisions for policy reserves for the six months ended September 30, 2012 was ¥67,438 million.

16. Financial Instruments and Others

(1) Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheets, fair value and the differences between the carrying amount and fair value as of September 30, 2012 were as follows. The following table does not include financial instruments whose fair value was extremely difficult to recognize.

As of September 30, 2012	Carrying amount	Fair value	Gains (Losses)
		(millions of yen)	
(1) Cash and deposits	¥ 457,426	¥ 457,445	¥ 19
(2) Call loans	193,800	193,800	-
(3) Monetary claims bought	292,472	292,472	-
(4) Money held in trust	60,875	60,875	-
(5) Securities			
a. Trading securities	2,471,981	2,471,981	-
b. Held-to-maturity bonds	133,772	139,083	5,311
c. Policy-reserve-matching bonds	9,660,114	10,290,164	630,050
d. Stock of subsidiaries and affiliates	2,094	2,094	-
e. Available-for-sale securities	13,825,435	13,825,435	-
(6) Loans	3,252,022		
Reserve for possible loan losses (*1)	(1,503)		
	3,250,519	3,342,841	92,322
Total assets	¥ 30,348,492	¥ 31,076,196	¥ 727,703
(1) Bonds payable	¥ 146,358	¥ 160,731	¥ 14,373
(2) Long-term borrowings	378,127	370,396	(7,731)
Total liabilities	¥ 524,485	¥ 531,128	¥ 6,642
Derivative transactions (* 2)			
a. Hedge accounting not applied	¥ 1,725	¥ 1,725	¥ -
b. Hedge accounting applied	38,772	39,949	1,176
Total derivative transactions	¥ 40,497	¥ 41,674	¥ 1,176

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*2) Credits/debts from derivative transactions are presented on a net basis.

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

- **Assets**

(1) Cash and deposits

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying amount for each segment based on the term, using a deposit interest rate which is assumed to be applied to new deposit. As for deposits close to maturity and deposits without maturity, fair value is based on the carrying amount since fair value is close to the carrying amount.

(2) Call loans

Since all call loans are close to the due date and their fair value is close to their carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. The fair value of derivative transactions of money held in trust is based on the price on derivatives markets.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to the partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in “(2) Securities” in (Note 2) on page 43.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the balance sheet minus the reserve for possible loan losses as of September 30, 2012. Therefore, that amount (the carrying amount on the balance sheet minus the reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without a due date, because the exposure is limited to the amount of their collateral, are deemed to have fair value close to book value, taking into account the estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value.

- **Liabilities**

(1) Bonds payable (subordinated bonds)

The fair value of bonds issued by the Parent Company is based on the price on the bond market.

(2) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowing. Also, certain of long-term borrowings are deemed to have fair value close to book value, taking into account interest rates. Therefore, their book value is recorded as the fair value.

- **Derivative Transactions**

The breakdown of derivative transactions is (1) currency-related transactions (currency forward contracts, currency options, etc.); (2) interest-related transactions (interest rate futures, interest rate swaps, etc.); (3) stock-related transactions (yen stock index futures, foreign currency-denominated stock index futures, etc.); (4) bond-related transactions (yen bond futures, foreign currency-denominated bond futures, etc.). The fair value of the instruments is based on the exchange-traded prices and the prices quoted from financial institution, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the market value of (5) Securities in (Note 1)

As of September 30, 2012	Carrying amount
	(millions of yen)
1. Unlisted domestic stocks (*) …………………	¥ 158,532
2. Unlisted foreign stocks (*) ……………………	16,970
3. Other foreign securities (*) ……………………	845,768
4. Other securities (*) ……………………………	89,185
Total	¥ 1,110,457

(*) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of market value information.

(2) Securities

- Held-to-maturity Securities:

As of September 30, 2012	Carrying amount	Fair value	Unrealized gains (losses)
		(millions of yen)	
Held-to-maturity securities with unrealized gains:			
(1) Bonds	¥ 94,828	¥ 98,206	¥ 3,378
1. Government bonds	94,828	98,206	3,378
2. Local government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	38,944	40,877	1,932
1. Foreign bonds	38,944	40,877	1,932
Subtotal	¥ 133,772	¥ 139,083	¥ 5,311
Held-to-maturity securities with unrealized losses:			
(1) Bonds	¥ -	¥ -	¥ -
1. Government bonds	-	-	-
2. Local government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
1. Foreign bonds	-	-	-
Subtotal	¥ -	¥ -	¥ -
Total	¥ 133,772	¥ 139,083	¥ 5,311

- Policy-reserve-matching Bonds:

As of September 30, 2012	Carrying amount	Fair value	Unrealized gains (losses)
		(millions of yen)	
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	¥ 9,104,240	¥ 9,730,486	¥ 626,245
1. Government bonds	8,589,244	9,195,806	606,561
2. Local government bonds	192,643	199,508	6,864
3. Corporate bonds	322,352	335,172	12,820
(2) Foreign securities	116,032	121,155	5,122
1. Foreign bonds	116,032	121,155	5,122
Subtotal	¥ 9,220,273	¥ 9,851,641	¥ 631,368
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	¥ 433,926	¥ 432,630	¥ (1,295)
1. Government bonds	416,080	415,115	(964)
2. Local government bonds	-	-	-
3. Corporate bonds	17,845	17,514	(331)
(2) Foreign securities	5,914	5,892	(22)
1. Foreign bonds	5,914	5,892	(22)
Subtotal	¥ 439,840	¥ 438,523	¥ (1,317)
Total	¥ 9,660,114	¥10,290,164	¥ 630,050

● Available-for-sale Securities:

As of September 30, 2012	Carrying amount	Purchase cost	Unrealized gains (losses)
		(millions of yen)	
Available-for-sale securities with gains:			
(1) Bonds	¥ 6,411,519	¥ 6,086,831	¥ 324,687
1. Government bonds	4,560,459	4,308,772	251,686
2. Local government bonds	117,502	112,280	5,221
3. Corporate bonds	1,733,557	1,665,777	67,779
(2) Domestic stocks	1,071,391	753,580	317,811
(3) Foreign securities	3,999,755	3,766,600	233,154
1. Foreign bonds	3,821,667	3,606,930	214,737
2. Other foreign securities	178,087	159,670	18,417
(4) Other securities	354,202	328,526	25,676
Subtotal	¥11,836,868	¥10,935,538	¥ 901,330
Available-for-sale securities with losses:			
(1) Bonds	¥ 290,867	¥ 298,143	¥ (7,276)
1. Government bonds	110,609	110,718	(108)
2. Local government bonds	1,208	1,208	(0)
3. Corporate bonds	179,049	186,217	(7,167)
(2) Domestic stocks	642,781	855,157	(212,375)
(3) Foreign securities	1,313,089	1,421,791	(108,701)
1. Foreign bonds	1,016,863	1,076,194	(59,331)
2. Other foreign securities	296,226	345,596	(49,370)
(4) Other securities	74,301	88,315	(14,013)
Subtotal	¥ 2,321,040	¥ 2,663,408	¥ (342,367)
Total	¥14,157,909	¥13,598,946	¥ 558,963

Note:

Figures in the table above include (1) certificates of deposit (purchase cost: ¥40,000 million; carrying amount: ¥40,000 million) and (2) trust beneficiary rights (purchase cost: ¥271,876 million; carrying amount: ¥292,472 million), which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively.

(3) Money Held in Trust

● Money Held in Trust for Investment Purpose:

As of September 30, 2012	(millions of yen)
Carrying amount on the consolidated balance sheets	¥ 60,875
Gains (losses) on valuation of money held in trust	4,939

17. Real Estate for Rent

The carrying amount, net change during the six months ended September 30, 2012, and the fair value of real estate for rent were as follows:

Six months ended September 30, 2012	(millions of yen)
Carrying amount	
Beginning balance	¥ 840,711
Net change during the period	(28,207)
Ending balance	812,503
Fair value	¥ 776,905

Notes:

(1) The carrying amount of real estate for rent on the consolidated balance sheets was acquisition costs net of accumulated depreciation and impairments.

(2) Net change in the carrying amount includes cost of acquisition of real estate for rent of ¥5,783 million, sale of real estate for rent of ¥18,594 million and the depreciation expense of ¥7,310 million.

(3) The Parent Company calculates the fair value of the majority of real estate for rent based on real estate appraisal standards by an independent appraiser, and others based on the internal but reasonable estimates.

18. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheets. The total balance of securities lent as of September 30, 2012 was ¥578,265 million.

19. Problem Loans

As of September 30, 2012, the total amount of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which was included in loans, was ¥11,016 million. The amount of credits to bankrupt borrowers was ¥4,688 million, the amount of delinquent loans was ¥5,175 million, the Parent Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥1,151 million.

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write off of loans described in Note 7 above, credits to bankrupt borrowers and delinquent loans decreased by ¥40 million and ¥69 million, respectively.

20. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act was ¥2,338,876 million. Separate account liabilities were the same amount as the separate account assets.

21. Leased Computers

In addition to leased assets included in the consolidated balance sheets, the Parent Company and its consolidated subsidiaries have computers as significant leased tangible fixed assets. They have no material leased intangible fixed assets.

22. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(millions of yen)
Balance at the beginning of the fiscal year ending March 31, 2013 .	¥ 387,871
Dividends paid during the six months ended September 30, 2012 …	(49,688)
Interest accrual during the six months ended September 30, 2012 …	4,628
Provision for reserve for policyholder dividends …………………….	38,958
Balance as of September 30, 2012 …………………………………	¥ 381,769

23. Stock of Subsidiaries

The amount of stock of and stakes in non-consolidated subsidiaries and affiliated companies the Parent Company held as of September 30, 2012 was as follows:

	(millions of yen)
Stock	¥ 42,598
Capital	3,594
Total	¥ 46,192

24. Organizational Change Surplus

The amount of the Parent Company's organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

25. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows:

	(millions of yen)
Securities (Government bonds)	¥ 495,162
Securities (Foreign securities)	3,147
Securities (Corporate bonds)	531
Cash and deposits	86
Securities, cash and deposits pledged as collateral	¥ 498,928

The amounts of secured liabilities were as follows:

	(millions of yen)
Cash collateral for securities lending transactions	¥ 496,159
Loans payable	6
Secured liabilities	¥ 496,166

"Securities (Government bonds)" pledged as collateral for securities lending transactions with cash collateral as of September 30, 2012 was ¥486,923 million.

26. Net Assets per Share

The amount of net assets per share of the Parent Company as of September 30, 2012 was ¥89,971.58.

27. Stock Options

(1) The Account used to record expenses associated with issuing stock options and the amount expensed during the six months ended September 30, 2012
Operating expenses: ¥244 million

(2) Details of the stock options granted during the six months ended September 30, 2012

	2nd Series of Subscription Rights to Shares
Grantees	11 directors (except outside directors) and 16 executive officers
Class and total number (*)	3,187 shares of common stock
Grant date	August 16, 2012
Vesting conditions	The subscription rights are vested on the above grant date.
Service period covered	N/A
Exercise period	From August 17, 2012 to August 16, 2042 A grantee may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.
Exercise price	¥1 per stock option

Fair value at the grant date	¥76,638

(*) The total number of stock options is translated to the number of shares of common stock for clarity.

28. Reinsurance

The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations, was ¥10 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations was ¥7,041 million.

29. Asset Retirement Obligations

The following table shows the increase and decrease in asset retirement obligations for the six months ended September 30, 2012:

	(millions of yen)
Beginning balance	¥ 3,551
Time progress adjustments	26
Others	(33)
Ending balance	¥ 3,545

30. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of September 30, 2012, the market value of the securities borrowed which are not sold or pledged was ¥15,684 million, among which no securities are pledged as collateral.

31. Commitment Line

There were unused commitment line agreements under which the Parent Company is the lender of ¥25,041 million.

32. Subordinated Debt

Other liabilities included subordinated debt of ¥350,000 million, the repayment of which is subordinated to other obligations.

33. Subordinated Bonds

Subordinated bonds of ¥146,358 million shown in liabilities included foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

34. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Parent Company and its subsidiaries that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥58,654 million as of September 30, 2012. These obligations will be recognized as operating expenses in the period in which they are paid.

III. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2012

1. Net Income per Share

Net income per share for the six months ended September 30, 2012 was ¥2,835.23. Diluted net income per share for the same period was ¥2,834.49.

2. Calculation of Tax

Income taxes for certain consolidated subsidiaries of the Parent Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to income before taxes for the six months ended September 30, 2012. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the six months ended September 30, 2012, after taking into account the effect of deferred tax accounting.

3. Impairment Losses on Fixed Assets

Details on the Parent Company's impairment losses on fixed assets for the six months ended September 30, 2012 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use which is not used for insurance business purposes is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value in some asset groups, the Parent Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group were as follows:

Asset Group	Place	Number	Impairment Loss			
			Land	Land lease rights	Buildings	Total
			(millions of yen)			
Real estate for rent	Fujisawa City, Kanagawa Prefecture	1	¥ -	¥ 501	591	¥ 1,092
Real estate not in use	Nagoya City, Aichi Prefecture and others	40	1,365	-	335	1,701
Total		41	¥ 1,365	¥ 501	927	¥ 2,793

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.73% was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sales value.

IV. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2012

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following items contained in the consolidated balance sheets: cash and deposits, call loans, commercial paper included in monetary claims bought, money market funds included in securities, and overdrafts included in other liabilities.

2. Reconciliation of Cash and Cash Equivalents

Reconciliation of cash and cash equivalents to balance sheet accounts as of September 30, 2012 was as follows:

	(millions of yen)
Cash and deposits (a)	¥ 457,426
Call loans (b)	193,800
Cash and cash equivalents (a + b)	¥ 651,226

V. NOTES TO UNAUDITED CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2012

1. Type and Number of Shares Outstanding

	At the beginning of the fiscal year ending March 31, 2013	Increase	Decrease	As of September 30, 2012
	(thousands of shares)			
Common stock	10,000	0	-	10,000
Treasury stock	113	-	13	99

Notes:

(1) The increase of 0 thousand shares in common stock is as a result of the exercise of subscription rights to shares (stock options).

(2) The decrease of 13 thousand shares in treasury stock represents the sum of (i) shares granted to eligible employees at retirement by the the J-ESOP and (ii) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership under the E-ship®.

2. Subscription Rights to Shares

Issuer	Details	Balance at the end of the period (millions of yen)
The Parent Company	Subscription rights to shares in the form of stock options	¥ 379

3. Dividend on Common Stock

Date of resolution	June 25, 2012 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥15,818 million
Dividends per share	¥1,600
Record date	March 31, 2012
Effective date	June 26, 2012
Dividend resource	Retained earnings

Note: Total dividends did not include ¥181 million of dividends to the J-ESOP and the E-ship® trust, as the Parent Company recognized the shares held by those trusts as treasury stock.

(7) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2012	As of September 30, 2012
Total solvency margin *(A)*	3,096,077	3,095,649
Common stock, etc. *1	453,417	471,691
Reserve for price fluctuations	74,831	88,999
Contingency reserve	480,251	499,629
Catastrophe loss reserve	-	-
General reserve for possible loan losses	2,425	1,378
Net unrealized gains on securities (before tax) × 90% *2	628,174	504,019
Net unrealized gains (losses) on real estate × 85% *2	(36,536)	(16,696)
Policy reserves in excess of surrender values	1,527,129	1,582,598
Qualifying subordinated debt	441,780	435,321
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(525,037)	(523,254)
Excluded items	(40,052)	(41,272)
Others	89,694	93,233
Total risk $\sqrt{\left(\sqrt{R_1^2+R_5^2}+R_8+R_9\right)^2+\left(R_2+R_3+R_7\right)^2}+R_4+R_6$ *(B)*	1,099,355	1,076,701
Insurance risk R_1	101,911	99,339
General insurance risk R_5	-	-
Catastrophe risk R_6	-	-
3rd sector insurance risk R_8	164,238	165,841
Small amount and short-term insurance risk R_9	-	-
Assumed investment yield risk R_2	287,440	282,324
Guaranteed minimum benefit risk R_7 *3	28,829	27,023
Investment risk R_3	723,443	707,705
Business risk R_4	26,117	25,644
Solvency margin ratio $\dfrac{(A)}{(1/2) \times (B)} \times 100$	563.2%	575.0%

*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(8) Status of Insurance Claims Paying Ability of Insurance Subsidiaries
(Solvency Margin Ratio)

The Dai-ichi Frontier Life Insurance Company (millions of yen)

		As of March 31, 2012	As of September 30, 2012
Total solvency margin	*(A)*	207,088	202,738
Common stock, etc.		86,770	78,644
Reserve for price fluctuations		378	546
Contingency reserve		57,157	58,535
General reserve for possible loan losses		17	8
Net unrealized gains on securities (before tax) × 90% *		5,023	11,849
Net unrealized gains (losses) on real estate × 85% *		-	-
Policy reserves in excess of surrender values		57,741	53,154
Qualifying subordinated debt		-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		-	-
Excluded items		-	-
Others		-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	*(B)*	47,284	56,831
Insurance risk	R_1	0	1
3rd sector insurance risk	R_8	-	-
Assumed investment yield risk	R_2	3,073	4,225
Guaranteed minimum benefit risk	R_7	21,923	20,547
Investment risk	R_3	20,910	30,402
Business risk	R_4	1,377	1,655
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		875.9%	713.4%

*: Multiplied by 100% if losses.

Note: 1. The figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.
2. Guaranteed minimum benefit risk is calculated by the standard method.

(9) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.