May 15, 2012

Financial Results for the Fiscal Year Ended March 31, 2012

The Dai-ichi Life Insurance Company, Limited (the "Company" or the "Parent Company"; President: Koichiro Watanabe) announces its financial results for the fiscal year ended March 31, 2012.

[Contents]

For further information please contact:

Investor Relations Center, Corporate Planning Department
The Dai-ichi Life Insurance Company, Limited
TEL: +81-(0)50-3780-7731/6942

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, 2011			
	Number of policies		Amount	
	(thousands)	% of March 31, 2010 total	(billions of yen)	% of March 31, 2010 total
Individual insurance	11,143	101.6	144,361.3	95.9
Individual annuities	1,261	102.3	7,357.6	102.2
Individual insurance and annuities	12,405	101.7	151,718.9	96.2
Group insurance	-	-	52,336.6	96.8
Group annuities	-	-	6,041.7	97.6

	As of March 31, 2012			
	Number of policies		Amount	
	(thousands)	% of March 31, 2011 total	(billions of yen)	% of March 31, 2011 total
Individual insurance	11,372	102.1	138,597.9	96.0
Individual annuities	1,289	102.2	7,537.5	102.4
Individual insurance and annuities	12,662	102.1	146,135.4	96.3
Group insurance	-	-	50,491.5	96.5
Group annuities	-	-	6,065.9	100.4

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

	Year ended March 31, 2011					
	Number of policies		Amount			
	(thousands)	% of March 31, 2010 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2010 total
Individual insurance	1,242	115.7	6,844.2	6,906.2	(61.9)	107.0
Individual annuities	60	93.9	415.9	425.4	(9.5)	95.0
Individual insurance and annuities	1,303	114.5	7,260.1	7,331.6	(71.5)	106.2
Group insurance			312.5	312.5		141.1
Group annuities			1.1	1.1		58.9

	Year ended March 31, 2012					
	Number of policies		Amount			
	(thousands)	% of March 31, 2011 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2011 total
Individual insurance	1,270	102.2	6,616.9	6,462.2	154.7	96.7
Individual annuities	61	101.4	435.0	444.8	(9.8)	104.6
Individual insurance and annuities	1,332	102.2	7,051.9	6,907.0	144.9	97.1
Group insurance			210.6	210.6		67.4
Group annuities			0.6	0.6		54.0

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 commen
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)

	Year ended March 31, 2011	Year ended March 31, 2012
Amount of surrenders and lapses	7,358.4	7,122.3
Surrender and lapse rate (%)	4.66	4.69

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 Premium

Policies in Force

(billions of yen)

	As of March 31, 2011		As of March 31, 2012	
		% of March 31, 2010 total		% of March 31, 2011 total
Individual insurance	1,704.7	98.9	1,682.8	98.7
Individual annuities	309.0	103.9	323.9	104.8
Total	2,013.8	99.7	2,006.8	99.7
Medical and survival benefits	506.6	102.4	515.0	101.7

New Policies

(billions of yen)

	Year Ended March 31, 2011		Year Ended March 31, 2012	
		% of March 31, 2010 total		% of March 31, 2011 total
Individual insurance	113.1	109.0	112.8	99.7
Individual annuities	15.0	94.5	15.2	101.3
Total	128.1	107.1	128.0	99.9
Medical and survival benefits	42.5	116.7	41.9	98.8

Note: 1. Annualized net premium is 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 premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium 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)

	Year Ended March 31, 2011		Year Ended March 31, 2012	
		% of March 31, 2010 total		% of March 31, 2011 total
Premium and other income	3,056,555	107.7	3,056,096	100.0
Investment income	922,686	80.0	974,046	105.6
Benefits and claims	2,625,013	100.6	2,508,726	95.6
Investment expenses	429,594	130.2	363,380	84.6
Ordinary profit	78,902	40.8	243,765	308.9

(4) Total Assets

(millions of yen)

	As of March 31, 2011		As of March 31, 2012	
		% of March 31, 2010 total		% of March 31, 2011 total
Total Assets	30,869,661	100.2	31,461,940	101.9

2. Policies in Force as of March 31, 2012 by Benefit

		Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
		Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits									
	general	10,805	120,188.2		-	25,456	50,483.8	36,261	170,672.1
	accidental	[4,522]	[17,626.6]	[445]	[389.3]	[3,103]	[1,944.7]	[8,070]	[19,960.7]
	others	[-]	[-]	[-]	[-]	[76]	[92.3]	[76]	[92.4]
Survival benefits		567	18,409.6	1,289	7,537.5	10	7.6	1,866	25,954.8
Hospitalization benefits									
	accidental	[8,820]	[42.4]	[83]	[0.4]	[1,625]	[1.0]	[10,529]	[43.8]
	illness	[8,754]	[42.2]	[85]	[0.4]	[-]	[-]	[8,840]	[42.6]
	others	[4,464]	[23.2]	[67]	[0.3]	[62]	[-]	[4,594]	[23.5]
Injury benefits		[8,284]	-	[88]	-	[2,868]	-	[11,241]	-
Surgery benefits		[6,329]	-	[85]	-	-	-	[6,414]	-

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	10,949	6,065.9	94	274.9	49	119.3	11,093	6,460.2

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	522	0.8

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	38	2.6

Note:
1. Figures in [ ] show numbers and amounts of additional benefits and of benefits to be paid from riders.
2. Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
3. Amounts in 'Survival benefits' show the sum of (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 for individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
4. Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
5. Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
6. Amount in group disability insurance shows the amount of disability benefits paid per month.
7. The number of insureds and amount of policies for reinsurance written were 1,232 thousand and 6,199.3 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2012

(1) Investment Environment

The Japanese economy has temporarily weakened as a result of (i) declined production activities and exports due to the supply constraints such as the supply chain disruption associated with the Great East Japan Earthquake and related Tsunami, and (ii) weakened business and household sentiment affected by the economic uncertainty with the historic yen appreciation and power shortages. However, due to (i) the recovery of capital expenditure attributable to reconstruction demands and energy-saving and (ii) increased personal consumption resulting from economic-stimulus measures such as subsidy to eco-friendly cars, the economy entered a recovery phase in the second half of the fiscal year.

In the United States, while the capital expenditure increased due to tax cuts and personal consumption expanded along with the improved employment, growth of the U.S. economy remained slow, affected by the worsened business and household sentiment resulting from the European sovereign debt crisis and increase in resource prices.

In the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

After the summer, the yield on ten year government bonds drifted below 1.0%, affected by the slowdown of the overseas economy and global risk-off trend in conjunction with the European sovereign debt crisis. Thereafter, the yield on government bonds remained at a low level due to the monetary easing measures strengthened by the Bank of Japan ("BOJ") and strong demand for Japanese government bonds.

Yield on ten-year government bonds:	April 1, 2011	1.250%
	March 31, 2012	0.985%

[Domestic Stocks]

The Nikkei 225 Stock Average temporarily fell to the 8,100-yen level for the first time since 2009, due to the concern over a decline in corporate earnings in Japan. However, along with the strengthened monetary easing measures in Japan and the U.S. and the progress toward the improvement of the European sovereign debt crisis, the Nikkei 225 Stock Average began to show an upward trend and exceeded the 10,000 mark toward the end of fiscal year.

Nikkei 225 Stock Average:	April 1, 2011	9,755
	March 31, 2012	10,083
TOPIX:	April 1, 2011	869
	March 31, 2012	854

[Foreign Currency]

As the Greek debt crisis spread over the surrounding countries and the credit uncertainty in Euro-zone countries increased, the Euro significantly depreciated against the yen and reached around ¥97. In the United States, due to (i) the concern over potential recession and debt ceiling problem and (ii) the expectation that the Federal Reserve Bank ("FRB") would conduct additional monetary easing measures, the U.S. dollar temporarily depreciated against the yen to a postwar record.

However, investors' risk-off trends have been stemmed in the second half of fiscal year, as the European Union ("EU") and the International Monetary Fund ("IMF") decided to provide additional support to Greece, and the European Central Bank ("ECB") performed a refinance operation. In addition, the yen started to appreciate due to the large yen-selling intervention and BOJ's additional monetary easing measures.

yen/U.S. dollar:	April 1, 2011	¥83.15
	March 31, 2012	¥82.19
yen/euro:	April 1, 2011	¥117.57
	March 31, 2012	¥109.80

(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 long-term and super-long-term domestic bonds, in order to further promote 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 into account market trends.

The table below summarizes the investment results of general account by asset:

Assets	Investment results
Domestic bonds	Increase 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 long-term and super-long-term bonds), based on its ALM strategy. The Company replaced its foreign currency-denominated bonds with currency hedges with domestic bonds, aiming to improve its investment efficiency. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products, including corporate bonds and securitized products, in accordance with risk-adjusted credit spread guidelines.
Loans	Decrease 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	Decrease The Company replaced some companies/sectors with those with higher competitiveness and more growth potential, taking into account analyses by in-house analysts. The Company cautiously controlled stock-related risks by paying attention to the stock market trends, resulting in a decrease in the total balance of domestic stocks.
Foreign bonds	Decrease The Company decreased (i) its exposure to foreign currency-denominated bonds with currency hedges in order to improve investment efficiency and (ii) the balance of foreign currency-denominated bonds without currency hedges as a measure to control risks in relation to the market trends. As a result, the Company’s exposures to foreign currency-denominated bonds decreased. The Company cautiously controlled related risks by diversifying its portfolio by sector and currency.
Foreign Stocks	Increase The Company increased its exposure to foreign stock as a result of 100% acquisition of an overseas affiliated company. The Company continued to focus on further diversification of styles and geographic allocation of foreign stock investment, utilizing both independent investment advisors and in-house managers.
Real Estate	Decrease While the Company pursued enhancement of the profitability of the overall portfolio by renegotiating rent and improving vacancy rates of the existing real estate portfolio, the total balance of real estate decreased due to declining real estate prices, etc. 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 increased by ¥34.7 billion compared to the prior fiscal year, to ¥957.4 billion, largely due to an increase in gains on sales of domestic and foreign bonds as a result of lowered interest rates. Meanwhile, investment expenses decreased by ¥34.1 billion to ¥363.3 billion, mainly due to a decrease in losses on valuation of securities.

As a result, net investment income increased by ¥68.8 billion to ¥594.0 billion.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2013

In the fiscal year ending March 31, 2013, we expect the Japanese economy to achieve positive growth in light of underlying support by continuous monetary easing measures taken by the BOJ, the realization of reconstruction demand, and recovering exports resulting from the expected improvement of overseas economy in the second half of the fiscal year. However, under the current circumstance it is hard to expect strong recovery, taking into account negative effects of the increase in resource prices, etc.

[Domestic interest rates]

With a downward trend in prices and monetary easing measures taken by the BOJ, domestic interest rates are expected to continuously remain at a low level, although there is concern over a possible hike in interest rates against a backdrop of serious financial problems of the Japanese government. We expect the interest rates to rise, although slowly and gradually, given the economic recovery in relation to reconstruction demands, etc.

[Domestic stocks]

We forecast the domestic stock market to remain flat, given (1) the turnaround of historic yen appreciation and the enhanced monetary easing measures taken by the BOJ as positive factors, and (2) the drop of reconstruction demand and improvement in resource prices as negative factors. However, we should carefully monitor price fluctuations affected by the measures related to the European sovereign debt crisis and the progress of cuts in government spending.

[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 to be taken by the BOJ and (ii) yen-selling intervention to be implemented by the Japanese government and BOJ.

We anticipate the Euro/yen exchange rate to fluctuate: 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 Fiscal Year Ending March 31, 2013

The Company will continue to set fixed income investments, including 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 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 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 with mid- to long-term growth potential, 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 currency-denominated bond portfolio at the present level, which contributes to diversification and 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 into account market trends, the Company will consider increasing its exposure to foreign stocks in conformity with its risk tolerance. 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.

(2) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2011		As of March 31, 2012	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	441,114	1.5	440,974	1.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	291,115	1.0	294,324	1.0
Trading account securities	-	-	-	-
Money held in trust	21,178	0.1	20,672	0.1
Securities	23,201,366	78.0	24,314,699	80.1
Domestic bonds	13,434,971	45.2	15,541,651	51.2
Domestic stocks	2,538,013	8.5	2,284,861	7.5
Foreign securities	7,035,698	23.7	6,298,234	20.7
Foreign bonds	5,581,739	18.8	4,786,438	15.8
Foreign stocks and other securities	1,453,959	4.9	1,511,795	5.0
Other securities	192,683	0.6	189,951	0.6
Loans	3,627,422	12.2	3,412,529	11.2
Policy loans	539,497	1.8	509,826	1.7
Ordinary loans	3,087,925	10.4	2,902,702	9.6
Real estate	1,290,787	4.3	1,249,101	4.1
Real estate for rent	814,333	2.7	810,238	2.7
Deferred tax assets	475,198	1.6	282,638	0.9
Others	398,585	1.3	360,010	1.2
Reserve for possible loan losses	(12,900)	(0.0)	(10,670)	(0.0)
Total	29,733,868	100.0	30,364,280	100.0
Foreign currency-denominated assets	5,435,294	18.3	4,669,650	15.4

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

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

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Cash, deposits, and call loans	84,681	(140)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	1,230	3,209
Trading account securities	-	-
Money held in trust	(1,080)	(505)
Securities	408,062	1,113,332
Domestic bonds	444,992	2,106,680
Domestic stocks	(720,129)	(253,151)
Foreign securities	709,742	(737,464)
Foreign bonds	799,472	(795,300)
Foreign stocks and other securities	(89,730)	57,836
Other securities	(26,542)	(2,731)
Loans	(206,942)	(214,893)
Policy loans	(31,946)	(29,670)
Ordinary loans	(174,996)	(185,222)
Real estate	51,888	(41,685)
Real estate for rent	31,545	(4,095)
Deferred tax assets	137,511	(192,559)
Others	(301,340)	(38,574)
Reserve for possible loan losses	8,195	2,229
Total	182,205	630,411
Foreign currency-denominated assets	407,427	(765,643)

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

(4) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2011		Year ended March 31, 2012	
	Amount	%	Amount	%
Interest and dividends	698,159	75.7	691,988	72.3
Interest from bank deposits	5,229	0.6	5,949	0.6
Interest and dividends from securities	529,413	57.4	531,101	55.5
Interest from loans	86,019	9.3	80,885	8.4
Rental income	66,814	7.2	65,872	6.9
Other interest and dividends	10,682	1.2	8,178	0.9
Gains on trading account securities	-	-	-	-
Gains on money held in trust	-	-	522	0.1
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	212,245	23.0	259,461	27.1
Gains on sale of domestic bonds	69,746	7.6	92,098	9.6
Gains on sale of domestic stocks	79,808	8.6	55,517	5.8
Gains on sale of foreign securities	62,689	6.8	93,889	9.8
Others	-	-	17,955	1.9
Gains on redemption of securities	1,533	0.2	686	0.1
Derivative transaction gains	9,842	1.1	-	-
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	-	-	2,159	0.2
Reversal of reserve for possible investment losses	-	-	-	-
Other investment income	906	0.1	2,582	0.3
Total	922,686	100.0	957,400	100.0

(5) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2011		Year ended March 31, 2012	
	Amount	%	Amount	%
Interest expenses	13,073	3.3	18,666	5.1
Losses on trading account securities	-	-	-	-
Losses on money held in trust	1,051	0.3	-	-
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	120,905	30.4	180,705	49.7
Losses on sale of domestic bonds	4,461	1.1	8,802	2.4
Losses on sale of domestic stocks	34,035	8.6	55,177	15.2
Losses on sale of foreign securities	82,407	20.7	116,725	32.1
Others	-	-	-	-
Losses on valuation of securities	179,621	45.2	44,713	12.3
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	174,022	43.8	18,077	5.0
Losses on valuation of foreign securities	5,595	1.4	26,635	7.3
Others	3	0.0	-	-
Losses on redemption of securities	4,168	1.0	3,355	0.9
Derivative transaction losses	-	-	31,156	8.6
Foreign exchange losses	28,417	7.1	34,444	9.5
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	-	-	17	0.0
Write-down of loans	410	0.1	58	0.0
Depreciation of rented real estate and others	15,207	3.8	15,078	4.1
Other investment expenses	34,665	8.7	35,185	9.7
Total	397,522	100.0	363,380	100.0

(6) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Net investment income	525,163	594,020

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2011	Year ended March 31, 2012
Cash, deposits, and call loans	0.04	0.13
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.13	-
Monetary claims bought	2.39	2.48
Trading account securities	-	-
Money held in trust	(4.73)	2.58
Securities	1.81	2.10
Domestic bonds	2.41	2.47
Domestic stocks	(3.15)	1.35
Foreign securities	2.49	1.27
Foreign bonds	2.28	1.57
Foreign stocks and other securities	3.24	0.28
Loans	2.29	2.42
Ordinary loans	1.85	2.00
Real estate	3.84	3.26
Total	1.78	1.99
Foreign investments	2.45	1.26

Note: 1. Rates of return above are calculated by dividing the net investment income included in ordinary profit by the average daily balance on a book value basis.
2. "Foreign investments" include yen-denominated assets.

B. Average daily balance (general account)

(billions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Cash, deposits, and call loans	349.3	346.1
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	0.1	-
Monetary claims bought	286.5	275.3
Trading account securities	-	-
Money held in trust	22.2	20.2
Securities	22,821.9	23,470.9
Domestic bonds	12,896.6	14,390.8
Domestic stocks	2,613.6	2,162.5
Foreign securities	7,102.1	6,722.6
Foreign bonds	5,546.1	5,169.2
Foreign stocks and other securities	1,555.9	1,553.3
Loans	3,743.6	3,492.6
Ordinary loans	3,189.5	2,966.2
Real estate	807.1	819.7
Total	29,492.0	29,913.8
Foreign investments	7,387.0	7,000.0

Note: "Foreign investments" include yen-denominated assets.

C. Valuation gains and losses on trading securities (general account)

(millions of yen)

	As of March 31, 2011		As of March 31, 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	21,178	(1,049)	20,672	358
Trading account securities	-	-	-	-
Money held in trust	21,178	(1,049)	20,672	358

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

D. 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, 2011					
Bonds held to maturity	145,823	150,247	4,424	4,424	-
Domestic bonds	103,924	105,161	1,237	1,237	-
Foreign bonds	41,899	45,085	3,186	3,186	-
Policy-reserve-matching bonds	6,870,639	7,092,066	221,426	234,913	13,486
Domestic bonds	6,870,639	7,092,066	221,426	234,913	13,486
Stocks of subsidiaries and affiliates	20,785	42,999	22,213	22,224	10
Securities available for sale	14,706,987	15,078,568	371,580	794,148	422,567
Domestic bonds	6,299,209	6,460,407	161,198	174,100	12,902
Domestic stocks	1,915,677	2,221,350	305,672	495,777	190,104
Foreign securities	6,088,114	5,987,731	(100,383)	106,876	207,259
Foreign bonds	5,608,527	5,539,839	(68,687)	85,205	153,892
Foreign stocks and other securities	479,587	447,891	(31,695)	21,671	53,367
Other securities	106,978	101,963	(5,015)	6,914	11,929
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
Total	21,744,236	22,363,881	619,644	1,055,709	436,065
Domestic bonds	13,273,773	13,657,635	383,862	410,250	26,388
Domestic stocks	1,915,677	2,221,350	305,672	495,777	190,104
Foreign securities	6,149,107	6,074,134	(74,972)	132,287	207,259
Foreign bonds	5,650,426	5,584,925	(65,501)	88,391	153,892
Foreign stocks and other securities	498,680	489,209	(9,471)	43,896	53,367
Other securities	108,671	103,645	(5,025)	6,914	11,940
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
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	-	-	-	-	-

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

* Carrying values of securities whose market prices are deemed extremely difficult to obtain are as follows:

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	202,187	338,206
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	12,192	148,716
Others	7,313	6,809
Other securities	1,190,373	1,133,357
Unlisted domestic stocks (except over-the-counter stocks)	133,982	129,619
Unlisted foreign stocks (except over-the-counter stocks)	968,050	905,550
Unlisted foreign bonds	0	0
Others	88,340	98,188
Total	1,392,560	1,471,564

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.
2. The amounts of foreign exchange valuation losses on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows: 5,524 million yen as of March 31, 2011 and 3,153 million yen as of March 31, 2012.

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2011					
Bonds held to maturity	145,823	150,247	4,424	4,424	-
Domestic bonds	103,924	105,161	1,237	1,237	-
Foreign bonds	41,899	45,085	3,186	3,186	-
Policy-reserve-matching bonds	6,870,639	7,092,066	221,426	234,913	13,486
Domestic bonds	6,870,639	7,092,066	221,426	234,913	13,486
Stocks of subsidiaries and affiliates	222,972	239,546	16,574	22,224	5,650
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	37,902	54,487	16,585	22,224	5,639
Other securities	2,389	2,378	(10)	-	10
Securities available for sale	15,897,360	16,269,056	371,695	794,263	422,568
Domestic bonds	6,299,209	6,460,407	161,198	174,100	12,902
Domestic stocks	2,049,660	2,355,333	305,672	495,777	190,104
Foreign securities	7,056,164	6,955,896	(100,268)	106,992	207,260
Foreign bonds	5,608,527	5,539,839	(68,687)	85,205	153,892
Foreign stocks and other securities	1,447,637	1,416,057	(31,580)	21,787	53,367
Other securities	195,319	190,304	(5,015)	6,914	11,929
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
Total	23,136,797	23,750,917	614,120	1,055,825	441,705
Domestic bonds	13,273,773	13,657,635	383,862	410,250	26,388
Domestic stocks	2,232,341	2,538,013	305,672	495,777	190,104
Foreign securities	7,135,966	7,055,470	(80,496)	132,403	212,900
Foreign bonds	5,650,426	5,584,925	(65,501)	88,391	153,892
Foreign stocks and other securities	1,485,540	1,470,544	(14,995)	44,011	59,007
Other securities	197,709	192,683	(5,025)	6,914	11,940
Monetary claims bought	281,006	291,115	10,108	10,479	371
Certificates of deposit	16,000	16,000	0	0	-
Others	-	-	-	-	-
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	-	-	-	-	-

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

E. 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, 2011	21,178	21,178	(1,049)	4,705	5,755
As of March 31, 2012	20,672	20,672	358	6,288	5,929

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, 2011		As of March 31, 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	21,178	(1,049)	20,672	358

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 are as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2011					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	-	-	-	-	-
As of March 31, 2012					
Trust held to maturity	-	-	-	-	-
Trust matched with policy reserve	-	-	-	-	-
Trust available for sale	-	-	-	-	-

F. Total net unrealized gains (losses) of general account assets

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
Securities	614,120	1,215,631
Domestic bonds	383,862	790,607
Domestic stocks	305,672	297,824
Foreign securities	(80,496)	114,408
Foreign bonds	(65,501)	138,996
Foreign stocks and other securities	(14,995)	(24,588)
Other securities	(5,025)	(5,639)
Others	10,108	18,431
Real estate	20,526	(36,536)
Total (including others not listed above)	639,200	1,179,954

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 Law.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

4. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
(ASSETS)		
Cash and deposits	230,249	259,498
Cash	880	330
Bank deposits	229,369	259,168
Call loans	236,900	239,800
Monetary claims bought	291,115	294,324
Money held in trust	21,178	20,672
Securities	24,294,557	25,333,423
Government bonds	11,124,813	13,354,741
Local government bonds	313,283	311,133
Corporate bonds	2,312,471	2,187,285
Stocks	2,838,617	2,549,923
Foreign securities	7,370,161	6,614,982
Other securities	335,210	315,355
Loans	3,627,422	3,412,529
Policy loans	539,497	509,826
Ordinary loans	3,087,925	2,902,702
Ordinary loans	3,062,819	2,878,380
Trust loans	25,105	24,321
Tangible fixed assets	1,295,811	1,254,198
Land	843,018	809,048
Buildings	445,549	430,305
Leased assets	1,459	1,664
Construction in progress	2,219	9,747
Other tangible fixed assets	3,565	3,432
Intangible fixed assets	105,770	105,338
Software	72,249	71,923
Other intangible fixed assets	33,520	33,415
Reinsurance receivable	4,189	7,076
Other assets	282,565	243,177
Accounts receivable	19,216	26,839
Prepaid expenses	15,298	14,439
Accrued revenue	136,238	117,802
Deposits	42,697	40,508
Margin money for futures trading	21,786	7,682
Differential account for futures trading	2	1
Derivatives	17,472	5,892
Suspense payment	10,811	12,656
Other assets	19,042	17,353
Deferred tax assets	475,198	282,638
Customers' liabilities for acceptances and guarantees	17,826	20,074
Reserve for possible loan losses	(12,900)	(10,670)
Reserve for possible investment losses	(223)	(142)
Total assets	**30,869,661**	**31,461,940**

	As of March 31, 2011	As of March 31, 2012
(LIABILITIES)		
Policy reserves and others	28,190,891	28,529,906
Reserves for outstanding claims	197,695	130,386
Policy reserves	27,589,524	28,011,648
Reserve for policyholder dividends	403,671	387,871
Reinsurance payable	588	458
Subordinated bonds	149,129	148,652
Other liabilities	1,118,137	1,128,862
Collateral for securities lending transactions	439,443	405,816
Long-term debt and other borrowings	363,607	361,229
Corporate income tax payable	13,333	6,222
Accounts payable	29,100	53,232
Accrued expenses	42,089	47,573
Unearned revenue	1,163	1,229
Deposits received	54,659	53,588
Guarantee deposits received	32,489	31,869
Differential account for futures trading	53	43
Derivatives	132,656	155,358
Lease liabilities	1,459	1,664
Asset retirement obligations	4,019	3,551
Suspense receipt	3,975	7,406
Other liabilities	86	75
Reserve for employees' retirement benefits	418,312	432,022
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,147	2,521
Reserve for possible reimbursement of prescribed claims	1,100	1,000
Reserve for price fluctuations	80,453	74,453
Deferred tax liabilities for land revaluation	123,635	95,608
Acceptances and guarantees	17,826	20,074
Total liabilities	**30,103,223**	**30,433,560**
(NET ASSETS)		
Capital stock	210,200	210,200
Capital surplus	210,200	210,200
Legal capital surplus	210,200	210,200
Retained earnings	192,887	206,703
Legal retained earnings	5,600	5,600
Other retained earnings	187,287	201,103
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	17,962	19,352
Retained earnings brought forward	61,205	73,630
Treasury stock	(20,479)	(16,703)
Total shareholders' equity	592,808	610,399
Net unrealized gains (losses) on securities, net of tax	237,580	479,490
Deferred hedge gains (losses)	1,243	(44)
Reserve for land revaluation	(65,194)	(61,616)
Total of valuation and translation adjustments	173,629	417,829
Subscription rights to shares	-	150
Total net assets	**766,437**	**1,028,379**
Total liabilities and net assets	**30,869,661**	**31,461,940**

5. Non-Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
ORDINARY REVENUES	**4,308,466**	**4,398,207**
Premium and other income	3,056,555	3,056,096
Premium income	3,055,768	3,055,324
Reinsurance income	786	771
Investment income	922,686	974,046
Interest and dividends	698,159	691,988
Interest from bank deposits	5,229	5,949
Interest and dividends from securities	529,413	531,101
Interest from loans	86,019	80,885
Rental income	66,814	65,872
Other interest and dividends	10,682	8,178
Gains on money held in trust	-	522
Gains on sale of securities	212,245	259,461
Gains on redemption of securities	1,533	686
Derivative transaction gains	9,842	-
Reversal of reserve for possible loan losses	-	2,159
Other investment income	906	2,582
Gains on investment in separate accounts	-	16,646
Other ordinary revenues	329,224	368,063
Fund receipt for annuity rider of group insurance	974	814
Fund receipt for claim deposit payment	310,833	282,590
Reversal of reserves for outstanding claims	-	67,308
Other ordinary revenues	17,416	17,349
ORDINARY EXPENSES	**4,229,564**	**4,154,442**
Benefits and claims	2,625,013	2,508,726
Claims	765,003	748,564
Annuities	515,481	540,354
Benefits	505,918	473,412
Surrender values	636,936	605,198
Other refunds	200,540	140,168
Ceding reinsurance commissions	1,133	1,028
Provision for policy reserves and others	322,580	431,636
Provision for reserves for outstanding claims	48,012	-
Provision for policy reserves	264,685	422,124
Provision for interest on policyholder dividends	9,882	9,512
Investment expenses	429,594	363,380
Interest expenses	13,073	18,666
Losses on money held in trust	1,051	-
Losses on sale of securities	120,905	180,705
Losses on valuation of securities	179,621	44,713
Losses on redemption of securities	4,168	3,355
Derivative transaction losses	-	31,156
Foreign exchange losses	28,417	34,444
Provision for reserve for possible investment losses	-	17
Write-down of loans	410	58
Depreciation of rented real estate and others	15,207	15,078
Other investment expenses	34,665	35,185
Losses on investment in separate accounts	32,071	-
Operating expenses	424,686	415,611
Other ordinary expenses	427,688	435,087
Claim deposit payments	348,955	351,666
National and local taxes	25,226	24,454
Depreciation	34,219	36,034
Provision for reserve for employees' retirement benefits	8,673	13,710
Other ordinary expenses	10,614	9,221
ORDINARY PROFIT	**78,902**	**243,765**
EXTRAORDINARY GAINS	**40,101**	**7,589**
Gains on disposal of fixed assets	3,348	1,589
Reversal of reserve for possible loan losses	1,065	-
Reversal of reserve for possible investment losses	498	-
Gains on collection of loans and claims written off	189	-
Reversal of reserve for price fluctuations	35,000	6,000
EXTRAORDINARY LOSSES	**11,828**	**35,962**
Losses on disposal of fixed assets	4,415	2,582
Impairment losses on fixed assets	3,338	33,379
Effect of initial application of accounting standard for asset retirement obligations	4,074	-
Provision for reserve for policyholder dividends	**78,500**	**69,000**
Income before income taxes	**28,675**	**146,391**
Corporate income taxes-current	**25,956**	**24,798**
Corporate income tax-deferred	**(14,217)**	**103,968**
Total of corporate income taxes	**11,739**	**128,766**
Net income for the year	**16,936**	**17,624**

6. Non-Consolidated Statements of Changes in Net Assets

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Total changes for the year	-	-
Balance at the end of the year	210,200	210,200
Capital surplus		
Legal capital surplus		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Total changes for the year	-	-
Balance at the end of the year	210,200	210,200
Other capital surplus		
Balance at the beginning of the year	-	-
Changes for the year		
Disposal of treasury stock	-	(1,315)
Transfer from retained earnings to capital surplus	-	1,315
Total changes for the year	-	-
Balance at the end of the year	-	-
Total capital surplus		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Disposal of treasury stock	-	(1,315)
Transfer from retained earnings to capital surplus	-	1,315
Total changes for the year	-	-
Balance at the end of the year	210,200	210,200
Retained earnings		
Legal retained earnings		
Balance at the beginning of the year	5,600	5,600
Changes for the year		
Total changes for the year	-	-
Balance at the end of the year	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 year		
Total changes for the year	-	-
Balance at the end of the year	43,120	43,120
Fund for price fluctuation allowance		
Balance at the beginning of the year	55,000	65,000
Changes for the year		
Transfer to fund for price fluctuation allowance	10,000	-
Total changes for the year	10,000	-
Balance at the end of the year	65,000	65,000
Reserve for tax basis adjustments of real estate		
Balance at the beginning of the year	16,420	17,962
Changes for the year		
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate	-	1,520
Transfer to reserve for tax basis adjustments of real estate	1,673	8
Transfer from reserve for tax basis adjustments of real estate	(132)	(138)
Total changes for the year	1,541	1,390
Balance at the end of the year	17,962	19,352
Retained earnings brought forward		
Balance at the beginning of the year	64,157	61,205
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	16,936	17,624
Transfer to fund for price fluctuation allowance	(10,000)	-
Transfer from retained earnings to capital surplus	-	(1,315)
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate	-	(1,520)
Transfer to reserve for tax basis adjustments of real estate	(1,673)	(8)
Transfer from reserve for tax basis adjustments of real estate	132	138
Transfer from reserve for land revaluation	1,653	13,284
Total changes for the year	(2,951)	12,425
Balance at the end of the year	61,205	73,630
Total retained earnings		
Balance at the beginning of the year	184,297	192,887
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	16,936	17,624
Transfer from retained earnings to capital surplus	-	(1,315)
Transfer from reserve for land revaluation	1,653	13,284
Total changes for the year	8,590	13,815
Balance at the end of the year	192,887	206,703

	Year ended March 31, 2011	Year ended March 31, 2012
Treasury stock		
Balance at the beginning of the year	-	(20,479)
Changes for the year		
Purchase of treasury stock	(20,479)	-
Disposal of treasury stock	-	3,775
Total changes for the year	(20,479)	3,775
Balance at the end of the year	(20,479)	(16,703)
Total shareholders' equity		
Balance at the beginning of the year	604,697	592,808
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	16,936	17,624
Purchase of treasury stock	(20,479)	-
Disposal of treasury stock	-	2,459
Transfer from reserve for land revaluation	1,653	13,284
Total changes for the year	(11,889)	17,591
Balance at the end of the year	592,808	610,399
Valuation and translation adjustments		
Net unrealized gains (losses) on securities, net of tax		
Balance at the beginning of the year	461,158	237,580
Changes for the year		
Net changes of items other than shareholders' equity	(223,577)	241,909
Total changes for the year	(223,577)	241,909
Balance at the end of the year	237,580	479,490
Deferred hedge gains (losses)		
Balance at the beginning of the year	(2,008)	1,243
Changes for the year		
Net changes of items other than shareholders' equity	3,251	(1,287)
Total changes for the year	3,251	(1,287)
Balance at the end of the year	1,243	(44)
Reserve for land revaluation		
Balance at the beginning of the year	(63,540)	(65,194)
Changes for the year		
Net changes of items other than shareholders' equity	(1,653)	3,577
Total changes for the year	(1,653)	3,577
Balance at the end of the year	(65,194)	(61,616)
Total of valuation and translation adjustments		
Balance at the beginning of the year	395,609	173,629
Changes for the year		
Net changes of items other than shareholders' equity	(221,979)	244,199
Total changes for the year	(221,979)	244,199
Balance at the end of the year	173,629	417,829
Subscription rights to shares		
Balance at the beginning of the year	-	-
Changes for the year		
Net changes of items other than shareholders' equity	-	150
Total changes for the year	-	150
Balance at the end of the year	-	150
Total net assets		
Balance at the beginning of the year	1,000,307	766,437
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	16,936	17,624
Purchase of treasury stock	(20,479)	-
Disposal of treasury stock	-	2,459
Transfer from reserve for land revaluation	1,653	13,284
Net changes of items other than shareholders' equity	(221,979)	244,350
Total changes for the year	(233,869)	261,941
Balance at the end of the year	766,437	1,028,379

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

I. NOTES TO THE NON-CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 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 or discounts is 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 market value at the end of the fiscal year (for domestic stocks, the average value during March), with cost determined by the moving average method.

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

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 March 31, 2012 amounted to ¥8,271,349 million. The market value of these bonds as of March 31, 2012 was ¥8,793,208 million.

(2) Risk Management Policy

The Company categorizes its insurance products into sub-groups by 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 are:

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

(3) Addition of Sub-group

Effective the year ended March 31, 2012, in order to conduct appropriate duration control, taking into account debt situation, and thus, promote more sophisticated ALM, the Company added non-participating single premium whole life insurance (without duty of medical disclosure) as a new sub-group. This addition did not have any impact on profits or losses of the Company for the year ended March 31, 2012.

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 Article 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 March 31, 2012 was ¥58,604 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 following method.

i. Buildings (excluding leasehold improvements and structures)

a. Acquired on or before March 31, 2007

Calculated by the previous straight-line method.

b. Acquired on or after April 1, 2007

Calculated by the straight-line method.

ii. Assets other than buildings

a. Acquired on or before March 31, 2007

Calculated by the previous declining balance method.

b. Acquired on or after April 1, 2007

Calculated by the declining balance method.

Estimated useful lives of major assets are as follows:

Buildings…………………… two to sixty years

Other tangible 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 that were 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 salvage values are depreciated in the five years following the year end when such assets are depreciated to their final depreciable limit.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses the straight-line method of amortization for intangible fixed assets excluding leased assets. Amortization of software for internal use is based on an 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 lessee is computed under the straight-line method assuming zero salvage value.

Finance lease 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 March 31, 2012 was ¥620,715 million.

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

The Company translated foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the 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 (hereafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereafter, "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 (hereafter, "obligors at risk of bankruptcy"), 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 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 amount written off during the fiscal year ended March 31, 2012 was ¥119 million.

8. Accounting of Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Company in August 2000, are included as loans in the non-consolidated balance sheet.

9. 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) is provided, based on the projected benefit obligations and pension assets as of March 31, 2012.

Actuarial differences are amortized by the straight-line method through a certain period of seven years starting from the following year, which is within the employees' average remaining service period.

(1) Funding status of the Company's employees' retirement benefits:

	(millions of yen)
a. Projected benefit obligations	¥ (661,273)
b. Pension assets	207,616
Retirement benefit trust included in the above pension assets	102,682
c. Unfunded benefit obligations (a + b)	(453,657)
d. Unrecognized actuarial differences	21,634
e. Reserve for employees' retirement benefits (c + d)	¥ (432,022)

(2) Assumptions used by the Company:

i. Method of periodic allocation of benefit obligations: straight-line method

ii. Discount rate: 1.7% per annum

iii. Estimated return on investment:

a. Defined benefit corporate pension: 1.7% per annum

b. Retirement benefit trust: 0.0% per annum

iv. Amortization period for actuarial differences: 7 years starting from the following fiscal year

10. 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 be recognized. Such reserve is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

11. 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 approval of the 105th general meeting of representative policyholders of the Company are provided.

12. 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.

13. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

14. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

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

(2) Hedging Instruments and Hedged Instruments

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

(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 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 and hedging instruments.

15. Calculation of National and Local Consumption Tax

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

16. 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 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, premium payments for which 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, additional provision for policy reserves for the fiscal year ended March 31, 2012 was ¥105,958 million.

17. Application of "Accounting Standard for Accounting Changes and Error Corrections"

The Company applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 issued on December 4, 2009) for making accounting changes and correcting past errors on or after April 1, 2011.

18. Revision of "Practical Guidelines on Accounting Standards for Financial Instruments"

The Company formerly presented (1) reversal of reserve for possible loan losses and (2) gains on collection of loans and claims written off as items under extraordinary gains. However, effective the fiscal year ended March 31, 2012, the Company started to present the two items under investment income due to the revision made to the form stipulated in Enforcement Regulation of the Insurance Business Act revised under "Cabinet Office Ordinance No.58" (October 31, 2011).

19. Securities Lending

Securities lent under lending agreements are included in the balance sheets. The total balance of securities lent as of March 31, 2012 was ¥490,077 million.

20. Problem Loans

The total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, was ¥21,770 million. The amounts of credits to bankrupt borrowers, delinquent loans, and restructured loans were ¥4,743 million, ¥15,574 million, and ¥1,452 million, respectively. The Company held no loans past due for three month or more as of March 31, 2012.

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 Law. 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 ¥50 million and ¥69 million, respectively.

21. 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 ¥1,115,683 million. Separate account liabilities were the same amount as separate account assets.

22. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies were ¥65,599 million and ¥4,226 million, respectively.

23. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2012

Insurance policy reserve	¥	317,947
Reserve for employees' retirement benefits		161,580
Losses on valuation of securities		27,091
Reserve for price fluctuations		23,142
Impairment losses		7,481
Others		24,152
Subtotal		561,396
Valuation allowances		(29,373)
Total	¥	532,023

Deferred tax liabilities:

Net unrealized gains on securities, net of tax	(220,984)
Reserve for tax basis adjustments of real estate	(8,561)
Dividends receivables from stocks	(6,594)
Others	(13,244)
Total	(249,384)
Net deferred tax assets	¥ 282,638

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2012

Statutory tax rate	36.09 %
(Adjustments)	
Decrease in deferred tax assets in relation to changes in tax rates	51.65 %
Others	0.22 %
Actual effective tax rate after considering deferred taxes	87.96 %

(3) Adjustment of the amount of deferred tax assets and deferred tax liabilities in relation to changes in effective statutory tax rate

Following the promulgation of "Act on Partial Revision for the Income Tax Act, etc. for Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake" (Act No. 117 of 2011), the Company changed its effective statutory tax rate for calculating its deferred tax assets and liabilities from 36.09% to 33.22% during the three fiscal years starting from April 1, 2012 and 30.67% effective the fiscal year starting from April 1, 2015 and thereafter.

As a result, its deferred tax assets as of March 31, 2012 decreased by ¥38,124 million and corporate income tax-deferred for the year ended March 31, 2012 increased by ¥75,616 million, both compared to those calculated with the previous effective statutory tax rate (36.09%).

24. Leased Computers

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

25. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(millions of yen)
Balance at the beginning of the year	¥ 403,671
Dividends paid during the year ended March 31, 2012	(94,311)
Interest accrual during the year ended March 31, 2012	9,512
Provision for reserve for policyholder dividends	69,000
Balance as of March 31, 2012	¥ 387,871

26. Stocks of Subsidiaries

The amount of stocks of subsidiaries the Company held as of March 31, 2012 was ¥340,139 million.

27. Organizational Change Surplus

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

28. Assets Pledged as Collateral / Secured Liabilities

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

		(millions of yen)
Securities (Government bonds)	¥	424,090
Securities (Foreign securities)		3,294
Cash/deposits		86
Total	¥	427,471

The amounts of secured liabilities were as follows:

		(millions of yen)
Cash collateral for securities lending transactions	¥	405,816
Loans payable		8
Total	¥	405,824

Among the amounts, "Securities (Government bonds)" for securities lending transactions as of March 31, 2012 was ¥394,756 million.

29. 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 "reserve for outstanding claims reinsured") was ¥9 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter "policy reserve reinsured") was ¥0 million.

30. Net Assets per Share

The amount of net assets per share of the Company was ¥104,001.86.

31. Asset Retirement Obligations

(1) Overview of Asset Retirement Obligation

The Company recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to the removal of (1) tangible fixed assets and (2) certain harmful substances in the tangible fixed assets and so recorded the asset retirement obligation.

(2) Calculation of Asset Retirement Obligation

The Company calculated the asset retirement obligation by (1) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and (2) applying discount rates ranging from 0.144% to 2.294%.

(3) Increase and Decrease in Asset Retirement Obligation

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2012:

		(millions of yen)
Beginning balance	¥	4,019
Time progress adjustments		46
Others		(514)
Ending balance	¥	3,551

32. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥2,300 million.

33. Subordinated Debt

As of March 31, 2012, long-term debt and other borrowings included subordinated debt of ¥350,000 million, the repayment of which is subordinated to other obligations.

34. Subordinated Bonds

Subordinated bonds of ¥148,652 million shown in liabilities were foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

35. 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 ¥58,920 million. These obligations will be recognized as operating expenses in the fiscal year in which they are paid.

II. NOTES TO THE NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2012

1. Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥10,884 million and ¥26,054 million, respectively.

2. Gains and Losses on Sale of Securities/Losses on Valuation of Securities

Gains on sale of securities included gains on sales of domestic bonds, domestic stocks, foreign securities and other securities of ¥92,098 million, ¥55,517 million, ¥93,889 million and ¥17,955 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥8,802 million, ¥55,177 million and ¥116,725 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥18,077 million and ¥26,635 million, respectively.

3. Reinsurance

In calculating the reversal of reserves for outstanding claims, a reversal of reserve for outstanding claims reinsured of ¥1 million was deducted as an adjustment. In calculating provision for policy reserves, reversal of reserve for outstanding claims reinsured of ¥0 million was added.

4. Gains/Losses on Money Held in Trust

Gains on money held in trust included gains on valuation of securities of ¥357 million.

5. Derivative Transaction Gains/Losses

Derivative transaction losses included valuation losses of ¥14,239 million.

6. Net Income and Diluted Net Income per Share

Net income and diluted net income per share for the fiscal year ended March 31, 2012 were ¥1,784.96 and ¥1,784.76, respectively.

7. Retirement Benefit Expenses

Retirement benefit expenses of the Company were ¥48,535 million and consisted of the following:

	(millions of yen)
Service cost	¥ 25,753
Interest cost	11,194
Estimated investment income	(1,772)
Amortization of unrecognized actuarial differences	13,360
Retirement benefit expenses	¥ 48,535

8. Impairment Losses on Fixed Assets

(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 reduced amount 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	Buildings	Total
			(millions of yen)		
Real estate for rent	Tomakomai City, Hokkaido and others	5	¥ 378	¥ 467	¥ 845
Real estate not in use	Ashigara-kami County, Kanagawa Prefecture and others	92	28,929	3,605	32,534
Total		97	¥ 29,307	¥ 4,072	¥ 33,379

(4) Calculation of Recoverable Value

Value in use or net sale value is used as 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 2.81% 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 is used as the net sale value.

III. NOTES TO THE NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2012

1. Treasury Stock

	(thousand of shares)
Number of treasury stock outstanding at the beginning of the fiscal year	139
Increase in treasury stock	-
Decrease in treasury stock	26
Number of treasury stock outstanding at the end of the fiscal year	113

26 thousand shares of decrease in treasury stock represents the sum of (1) shares purchased by the Stock Granting Trust (J-ESOP) under the Company’s incentive program granting middle management the purchased shares 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 Company’s Trust-type Employee Shareholding Incentive Plan (E-Ship®).

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Year ended March 31, 2011	Year ended March 31, 2012
Fundamental revenues		4,086,378	4,138,132
Premium and other income		3,056,555	3,056,096
Investment income		700,598	713,972
[Interest and dividends]		698,159	691,988
Other ordinary revenues		329,224	368,063
Fundamental expense		3,810,457	3,835,706
Benefits and claims		2,625,013	2,508,726
Provision for policy reserves and others		233,881	403,995
Investment expenses		99,186	72,285
Operating expenses		424,686	415,611
Other ordinary expenses		427,688	435,087
Fundamental profit	***A***	275,921	302,425
Capital gains		222,087	259,983
Gains on money held in trust		-	522
Gains on investments in trading securities		-	-
Gains on sale of securities		212,245	259,461
Derivative transaction gains		9,842	-
Foreign exchange gains		-	-
Others		-	-
Capital losses		329,996	291,019
Losses on money held in trust		1,051	-
Losses on investments in trading securities		-	-
Losses on sale of securities		120,905	180,705
Losses on valuation of securities		179,621	44,713
Derivative transaction losses		-	31,156
Foreign exchange losses		28,417	34,444
Others		-	-
Net capital gains	***B***	(107,908)	(31,035)
Fundamental profit plus net capital gains	***A + B***	168,012	271,390
Other one-time gains		25,000	79,090
Reinsurance income		-	-
Reversal of contingency reserve		25,000	79,000
Reversal of specific reserve for possible loan losses		-	90
Others		-	-
Other one-time losses		114,110	106,716
Ceding reinsurance commissions		-	-
Provision for contingency reserve		-	-
Provision for specific reserve for possible loan losses		-	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		410	58
Others		113,699	106,657
Other one-time profits	***C***	(89,110)	(27,625)
Ordinary profit	***A + B + C***	78,902	243,765

Note 1: "Others" in "Other one-time losses" for the fiscal year ended March 31, 2011 represents the amount of the additional policy reserves provided (113,699 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

2: "Others" in "Other one-time losses" for the fiscal year ended March 31, 2012 represents the sum of the amount of the additional policy reserves provided (106,640 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act, and the amount of provision for reserve for possible investment losses (17 million yen).

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
Claims against bankrupt and quasi-bankrupt obligors	5,387	4,792
Claims with collection risk	16,996	15,549
Claims for special attention	3,292	1,487
Subtotal (I)	25,676	21,829
[Percentage (I)/(II)]	[0.62%]	[0.55%]
Claims against normal obligors	4,122,851	3,920,815
Total (II)	4,148,527	3,942,644

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, 2011	As of March 31, 2012
Credits to bankrupt borrowers	(I)	5,034	4,743
Delinquent loans	(II)	17,349	15,574
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	3,255	1,452
Total ((I)+(II)+(III)+(IV))		25,639	21,770
[Percentage of total loans]		[0.71%]	[0.64%]

No 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 in the fiscal years ended March 31, 2011 and March 31, 2012 were 739 million yen and 50 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2011 and March 31, 2012 were 3,093 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, 2011	As of March 31, 2012
Total solvency margin	*(A)*	3,048,033	3,128,027
Common stock, etc. *1		576,808	594,550
Reserve for price fluctuations		80,453	74,453
Contingency reserve		502,093	423,093
General reserve for possible loan losses		4,480	2,411
Net unrealized gains on securities (before tax) × 90% *2		334,526	622,400
Net unrealized gains (losses) on real estate × 85% *2		17,447	(36,536)
Policy reserves in excess of surrender values		1,367,418	1,469,387
Qualifying subordinated debt		456,189	441,780
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(227,437)	(383,699)
Excluded items		(169,881)	(169,507)
Others		105,935	89,694
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	*(B)*	1,112,941	1,086,199
Insurance risk R_1		98,094	94,146
3rd sector insurance risk R_8		154,741	158,098
Assumed investment yield risk R_2		296,597	284,367
Guaranteed minimum benefit risk R_7 *3		6,215	5,874
Investment risk R_3		754,112	739,876
Business risk R_4		26,195	25,647
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		547.7%	575.9%

*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 as of March 31, 2012 are calculated based on Articles 86, 87, 161, 162 and 190 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.
Under Cabinet Office Ordinance No.23, 2010 and Notification of the Financial Services Agency No. 48, 2010, the standards for the calculation of solvency margin ratio is revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The figures as of March 31, 2011 are calculated by appliying the standards as of March 31, 2012 to the financial results as of March 31, 2011.

(Reference). Solvency Margin Ratio under the Old Standards

(millions of yen)

		As of March 31, 2011
Total solvency margin	(A)	3,314,721
Common stock, etc. *1		576,808
Reserve for price fluctuations		80,453
Contingency reserve		502,093
General reserve for possible loan losses		4,480
Net unrealized gains on securities (before tax) × 90% *2		334,526
Net unrealized gains (losses) on real estate × 85% *2		17,447
Policy reserves in excess of surrender values		1,367,418
Qualifying subordinated debt		456,189
Excluded items		(169,881)
Others		145,185
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	(B)	673,739
Insurance risk	R_1	98,094
3rd sector insurance risk	R_8	154,741
Assumed investment yield risk	R_2	123,947
Guaranteed minimum benefit risk	R_7 *3	6,094
Investment risk	R_3	475,887
Business risk	R_4	17,175
Solvency margin ratio $\dfrac{(A)}{(1/2)\times(B)}\times 100$		983.9%

*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 above 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 as of March 31, 2011.

11. Status of Separate Account for the Fiscal Year Ended March 31, 2012

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
Individual variable insurance	45,273	43,785
Individual variable annuities	153,869	142,821
Group annuities	976,992	929,076
Separate account total	1,176,136	1,115,683

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2011		As of March 31, 2012	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	201	1,015	191	940
Variable insurance (whole life)	47,495	294,700	46,835	290,505
Total	47,696	295,716	47,026	291,446

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen)

	As of March 31, 2011		As of March 31, 2012	
	Amount	%	Amount	%
Cash, deposits, and call loans	3	0.0	1	0.0
Securities	41,985	92.7	39,885	91.1
Domestic bonds	13,626	30.1	12,520	28.6
Domestic stocks	14,296	31.6	13,750	31.4
Foreign securities	14,062	31.1	13,615	31.1
Foreign bonds	5,048	11.2	4,889	11.2
Foreign stocks and other securities	9,014	19.9	8,725	19.9
Other securities	-	-	-	-
Loans	-	-	-	-
Others	3,284	7.3	3,898	8.9
Reserve for possible loan losses	-	-	-	-
Total	45,273	100.0	43,785	100.0

C. Investment gains and losses of separate account for individual variable insurance

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Interest and dividends	894	848
Gains on sale of securities	1,949	1,861
Gains on redemption of securities	-	-
Gains on valuation of securities	4,088	5,163
Foreign exchange gains	173	123
Derivative transaction gains	55	18
Other investment income	1	7
Losses on sale of securities	3,290	4,703
Losses on redemption of securities	-	-
Losses on valuation of securities	4,682	2,672
Foreign exchange losses	168	102
Derivative transaction losses	49	19
Other investment expenses	1	1
Net investment income	(1,029)	524

D. Fair value information on securities in separate account for individual variable insurance

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2011		As of March 31, 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	41,985	(593)	39,885	2,491

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

* Fair value information on money held in trust

The Company had no balance as of March 31, 2011 or March 31, 2012.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2011		As of March 31, 2012	
	Number	Amount	Number	Amount
Individual variable annuities	44,063	142,440	41,056	131,129

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

B. Breakdown of separate account assets for individual variable annuities

(millions of yen)

	As of March 31, 2011		As of March 31, 2012	
	Amount	%	Amount	%
Cash, deposits, and call loans	1,670	1.1	1,563	1.1
Securities	150,347	97.7	139,446	97.6
Domestic bonds	5,004	3.3	4,856	3.4
Domestic stocks	3,409	2.2	3,622	2.5
Foreign securities	5,777	3.8	5,562	3.9
Foreign bonds	2,001	1.3	2,012	1.4
Foreign stocks and other securities	3,776	2.5	3,550	2.5
Other securities	136,155	88.5	125,404	87.8
Loans	-	-	-	-
Others	1,851	1.2	1,811	1.3
Reserve for possible loan losses	-	-	-	-
Total	153,869	100.0	142,821	100.0

C. Investment gains and losses of separate account for individual variable annuities

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Interest and dividends	679	577
Gains on sales of securities	414	399
Gains on redemption of securities	-	-
Gains on valuation of securities	16,433	19,670
Foreign exchange gains	5	6
Derivative transaction gains	0	-
Other investment income	0	1
Losses on sales of securities	604	973
Losses on redemption of securities	1	-
Losses on valuation of securities	21,679	15,122
Foreign exchange losses	8	9
Derivative transaction losses	0	-
Other investment expenses	1,679	2,005
Net investment income	(6,438)	2,544

D. Fair value information on securities in separate account for individual variable annuities

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2011		As of March 31, 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	150,347	(5,245)	139,446	4,548

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

* Fair value information on money held in trust

The Company had no balance as of March 31, 2011 or March 31, 2012.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Ordinary revenues	4,571,556	4,931,781
Ordinary profit	81,199	225,920
Net income for the year	19,139	20,357
Comprehensive income	(201,763)	273,100

	As of March 31, 2011	As of March 31, 2012
Total assets	32,297,862	33,468,670
Solvency margin ratio	-	563.2%

(2) Scope of Consolidation and Application of Equity Method

	Year ended March 31, 2011	Year ended March 31, 2012
Number of consolidated subsidiaries	5	16
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	27	14

(3) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
ASSETS		
Cash and deposits	257,204	315,187
Call loans	244,700	249,200
Monetary claims bought	291,115	294,324
Money held in trust	62,838	48,266
Securities	25,597,752	27,038,793
Loans	3,627,991	3,413,620
Tangible fixed assets	1,296,105	1,254,685
Land	843,018	809,048
Buildings	445,572	430,318
Leased assets	1,474	1,681
Construction in progress	2,219	9,747
Other tangible fixed assets	3,821	3,889
Intangible fixed assets	104,173	211,055
Software	70,646	71,036
Goodwill	-	63,654
Other intangible fixed assets	33,527	76,364
Reinsurance receivable	45,764	41,751
Other assets	288,336	307,973
Deferred tax assets	477,206	284,562
Customers' liabilities for acceptances and guarantees	17,826	20,074
Reserve for possible loan losses	(12,928)	(10,684)
Reserve for possible investment losses	(223)	(142)
Total assets	**32,297,862**	**33,468,670**

	As of March 31, 2011	As of March 31, 2012
LIABILITIES		
Policy reserves and others	29,641,967	30,489,920
Reserves for outstanding claims	198,841	239,320
Policy reserves	29,039,453	29,862,729
Reserve for policyholder dividends	403,671	387,871
Reinsurance payable	1,278	12,681
Subordinated bonds	149,129	148,652
Other liabilities	1,126,459	1,188,105
Reserve for employees' retirement benefits	420,067	433,791
Reserve for retirement benefits of directors, executive officers and corporate auditors	3,168	2,538
Reserve for possible reimbursement of prescribed claims	1,100	1,000
Reserve for price fluctuations	80,596	74,831
Deferred tax liabilities	798	9,719
Deferred tax liabilities for land revaluation	123,635	95,608
Acceptances and guarantees	17,826	20,074
Total liabilities	**31,566,027**	**32,476,924**
NET ASSETS		
Capital stock	210,200	210,200
Capital surplus	210,200	210,200
Retained earnings	149,007	165,557
Treasury stock	(20,479)	(16,703)
Total shareholders' equity	548,928	569,253
Net unrealized gains (losses) on securities, net of tax	238,886	483,446
Deferred hedge gains (losses)	1,243	(44)
Reserve for land revaluation	(65,194)	(61,616)
Foreign currency translation adjustments	(3,765)	(8,535)
Total accumulated other comprehensive income	171,169	413,249
Subscription rights to shares	-	150
Minority interests	11,737	9,091
Total net assets	**731,835**	**991,745**
Total liabilities and net assets	**32,297,862**	**33,468,670**

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

[Consolidated Statements of Earnings]

(millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
ORDINARY REVENUES	4,571,556	4,931,781
Premium and other income	3,312,456	3,539,579
Investment income	922,787	1,035,662
Interest and dividends	698,753	698,627
Gains on investments in trading securities	-	822
Gains on sale of securities	212,360	259,619
Gains on redemption of securities	1,533	686
Derivative transaction gains	9,233	-
Reversal of reserve for possible loan losses	-	2,174
Other investment income	906	2,582
Gains on investment in separate accounts	-	71,149
Other ordinary revenues	336,313	356,539
ORDINARY EXPENSES	4,490,356	4,705,860
Benefits and claims	2,711,314	2,688,419
Claims	765,792	784,632
Annuities	517,331	541,770
Benefits	514,565	498,299
Surrender values	659,025	630,846
Other refunds	254,599	232,871
Provision for policy reserves and others	466,486	718,673
Provision for reserves for outstanding claims	48,531	-
Provision for policy reserves	408,071	709,161
Provision for interest on policyholder dividends	9,882	9,512
Investment expenses	444,681	380,315
Interest expenses	13,074	20,034
Losses on money held in trust	5,718	14,342
Losses on investments in trading securities	1,955	-
Losses on sale of securities	120,960	180,717
Losses on valuation of securities	179,622	44,713
Losses on redemption of securities	4,168	3,355
Derivative transaction losses	-	36,543
Foreign exchange losses	28,122	29,084
Provision for reserve for possible investment losses	-	17
Write-down of loans	410	58
Depreciation of rented real estate and others	15,207	15,078
Other investment expenses	35,320	36,370
Losses on investment in separate accounts	40,119	-
Operating expenses	434,859	471,061
Other ordinary expenses	433,015	447,390
Ordinary profit	81,199	225,920
EXTRAORDINARY GAINS	40,023	30,477
Gains on disposal of fixed assets	3,350	1,595
Reversal of reserve for possible loan losses	1,052	-
Reversal of reserve for possible investment losses	498	-
Gains on collection of loans and claims written off	189	-
Reversal of reserve for price fluctuations	34,932	5,765
Gain on step acquisition	-	23,116
Other extraordinary gains	1	0
EXTRAORDINARY LOSSES	11,526	36,348
Losses on disposal of fixed assets	4,113	2,631
Impairment losses on fixed assets	3,338	33,602
Effect of initial application of accounting standard for asset retirement obligations	4,074	-
Other extraordinary losses	0	114
Provision for reserve for policyholder dividends	78,500	69,000
Income before income taxes and minority interests	31,196	151,048
Corporate income taxes-current	26,514	29,597
Corporate income tax-deferred	(14,380)	104,024
Total of corporate income taxes	12,133	133,621
Income before minority interests	19,063	17,427
Minority interests in loss of subsidiaries	75	2,930
Net income for the year	19,139	20,357

[Consolidated Statements of Comprehensive Income]

(millions of yen)

	Year ended March 31,2011	Year ended March 31,2012
Income before minority interests	19,063	17,427
Other comprehensive income	(220,826)	255,673
Net unrealized gains (losses) on securities, net of tax	(223,366)	244,910
Deferred hedge gains (losses)	3,251	(1,287)
Reserve for land revaluation	-	16,861
Foreign currency translation adjustments	(815)	(4,207)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	102	(604)
Comprehensive income	(201,763)	273,100
Attributable to shareholders of the parent company	(201,708)	275,722
Attributable to minority interests	(54)	(2,622)

(5) Consolidated Statements of Cash Flows

(millions of yen)

	Year ended March 31,2011	Year ended March 31,2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes and minority interests	31,196	151,048
Depreciation of rented real estate and others	15,207	15,078
Depreciation	33,774	38,555
Impairment losses on fixed assets	3,338	33,602
Amortization of goodwill	-	3,352
Increase (decrease) in reserves for outstanding claims	48,531	(45,804)
Increase (decrease) in policy reserves	408,071	706,755
Provision for interest on policyholder dividends	9,882	9,512
Provision for (reversal of) reserve for policyholder dividends	78,500	69,000
Increase (decrease) in reserve for possible loan losses	(8,182)	(2,244)
Increase (decrease) in reserve for possible investment losses	(900)	(80)
Gains on collection of loans and claims written off	(189)	-
Write-down of loans	410	58
Increase (decrease) in reserve for employees’ retirement benefits	8,629	13,725
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(167)	(628)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	-	(100)
Increase (decrease) in allowance for policyholder dividends	(92,500)	-
Transfer from allowance for policyholder dividends to reserve for policyholder dividends	92,500	-
Increase (decrease) in reserve for price fluctuations	(34,932)	(5,765)
Interest and dividends	(698,753)	(698,627)
Securities related losses (gains)	132,933	(103,492)
Interest expenses	13,074	20,034
Foreign exchange losses (gains)	28,122	29,084
Losses (gains) on disposal of fixed assets	763	1,036
Equity in losses (income) of affiliates	(4,355)	(2,065)
Loss (gain) on step acquisitions	-	(23,116)
Decrease (increase) in reinsurance receivable	64	5,858
Decrease (increase) in other assets	(5,688)	5,773
Increase (decrease) in reinsurance payable	406	602
Increase (decrease) in other liabilities	(2,150)	3,046
Others, net	41,408	84,712
Subtotal	98,996	308,914
Interest and dividends received	723,309	744,172
Interest paid	(9,091)	(18,599)
Policyholder dividends paid	(106,426)	(94,311)
Others, net	78,482	(174,455)
Corporate income taxes paid	(3,732)	(35,650)
Net cash flows provided by operating activities	781,539	730,069
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(11,851)	(30,900)
Proceeds from sale and redemption of monetary claims bought	16,502	36,014
Purchases of money held in trust	(12,900)	(9,100)
Proceeds from decrease in money held in trust	-	9,300
Purchases of securities	(10,021,629)	(9,839,307)
Proceeds from sale and redemption of securities	9,035,758	9,131,880
Origination of loans	(389,518)	(419,187)
Proceeds from collection of loans	587,373	633,334
Others, net	48,715	(33,626)
Total of net cash provided by (used in) investment transactions	(747,550)	(521,592)
Total of net cash provided by (used in) operating activities and investment transactions	33,988	208,476
Acquisition of tangible fixed assets	(80,181)	(25,817)
Proceeds from sale of tangible fixed assets	6,829	4,792
Acquisition of intangible fixed assets	(21,165)	(21,652)
Proceeds from sale of intangible fixed assets	0	0
Acquisition of stock of subsidiaries resulting in change in scope of consolidation	-	(86,217)
Payments for execution of assets retirement obligations	(151)	(343)
Net cash flows used in investing activities	(842,218)	(650,831)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	55,597	-
Repayment of borrowings	(5,004)	(2,377)
Proceeds from issuing bonds	106,314	-
Repayment of financial lease obligations	(252)	(474)
Purchase of treasury stock	(20,479)	-
Proceeds from disposal of treasury stock	-	2,456
Cash dividends paid	(9,881)	(15,693)
Others, net	(12)	(24)
Net cash flows provided by (used in) financing activities	126,282	(16,113)
Effect of exchange rate changes on cash and cash equivalents	(1,006)	(642)
Net increase (decrease) in cash and cash equivalents	64,596	62,482
Cash and cash equivalents at the beginning of the year	437,308	501,904
Cash and cash equivalents at the end of the year	501,904	564,387

(6) Consolidated Statements of Changes in Net Assets

(millions of yen)

	Year ended March 31,2011	Year ended March 31,2012
Shareholders' equity		
Capital stock		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Total changes for the year	-	-
Balance at the end of the year	210,200	210,200
Capital surplus		
Balance at the beginning of the year	210,200	210,200
Changes for the year		
Disposal of treasury stock	-	(1,315)
Transfer from retained earnings to capital surplus	-	1,315
Total changes for the year	-	-
Balance at the end of the year	210,200	210,200
Retained earnings		
Balance at the beginning of the year	138,318	149,007
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	19,139	20,357
Transfer from retained earnings to capital surplus	-	(1,315)
Transfer from reserve for land revaluation	1,653	13,284
Others	(103)	0
Total changes for the year	10,689	16,549
Balance at the end of the year	149,007	165,557
Treasury stock		
Balance at the beginning of the year	-	(20,479)
Changes for the year		
Purchase of treasury stock	(20,479)	-
Disposal of treasury stock	-	3,775
Total changes for the year	(20,479)	3,775
Balance at the end of the year	(20,479)	(16,703)
Total shareholders' equity		
Balance at the beginning of the year	558,718	548,928
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	19,139	20,357
Purchase of treasury stock	(20,479)	-
Disposal of treasury stock	-	2,459
Transfer from retained earnings to capital surplus	-	-
Transfer from reserve for land revaluation	1,653	13,284
Others	(103)	0
Total changes for the year	(9,790)	20,325
Balance at the end of the year	548,928	569,253
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities, net of tax		
Balance at the beginning of the year	462,289	238,886
Changes for the year		
Net changes of items other than shareholders' equity	(223,403)	244,560
Total changes for the year	(223,403)	244,560
Balance at the end of the year	238,886	483,446
Deferred hedge gains (losses)		
Balance at the beginning of the year	(2,008)	1,243
Changes for the year		
Net changes of items other than shareholders' equity	3,251	(1,287)
Total changes for the year	3,251	(1,287)
Balance at the end of the year	1,243	(44)
Reserve for land revaluation		
Balance at the beginning of the year	(63,540)	(65,194)
Changes for the year		
Net changes of items other than shareholders' equity	(1,653)	3,577
Total changes for the year	(1,653)	3,577
Balance at the end of the year	(65,194)	(61,616)
Foreign currency translation adjustments		
Balance at the beginning of the year	(3,069)	(3,765)
Changes for the year		
Net changes of items other than shareholders' equity	(696)	(4,769)
Total changes for the year	(696)	(4,769)
Balance at the end of the year	(3,765)	(8,535)
Total accumulated other comprehensive income		
Balance at the beginning of the year	393,671	171,169
Changes for the year		
Net changes of items other than shareholders' equity	(222,501)	242,080
Total changes for the year	(222,501)	242,080
Balance at the end of the year	171,169	413,249
Subscription rights to shares		
Balance at the beginning of the year	-	-
Changes for the year		
Net changes of items other than shareholders' equity	-	150
Total changes for the year	-	150
Balance at the end of the year	-	150
Minority interests		
Balance at the beginning of the year	11,804	11,737
Changes for the year		
Net changes of items other than shareholders' equity	(66)	(2,646)
Total changes for the year	(66)	(2,646)
Balance at the end of the year	11,737	9,091
Total net assets		
Balance at the beginning of the year	964,193	731,835
Changes for the year		
Dividends	(10,000)	(15,776)
Net income for the year	19,139	20,357
Purchase of treasury stock	(20,479)	-
Disposal of treasury stock	-	2,459
Transfer from retained earnings to capital surplus	-	-
Transfer from reserve for land revaluation	1,653	13,284
Others	(103)	0
Net changes of items other than shareholders' equity	(222,568)	239,584
Total changes for the year	(232,358)	259,909
Balance at the end of the year	731,835	991,745

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2012

I. Principles of Consolidation

1. Scope of Consolidation

(1) Number of consolidated subsidiaries for the fiscal year ended March 31, 2012: 16

The consolidated financial statements include the accounts of the Parent Company and its sixteen consolidated subsidiaries, including:

The Dai-ichi Life Information Systems Co., Ltd.,
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 fiscal year ended March 31, 2012, Tower Australia Group Limited ("Tower"), formerly an equity method affiliate, and its twelve group companies were newly included in the scope of consolidation of the Parent Company as the Parent Company completed the acquisition of 100% ownership of Tower on May 11, 2011. Tower changed its name to TAL Limited on June 1, 2011.

Two subsidiaries of TDLA are excluded from the scope of consolidation as TDLA disposed of its interest in the companies in March, 2012.

(2) Number of non-consolidated subsidiaries for the fiscal year ended March 31, 2012: 12

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 twelve non-consolidated subsidiaries had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income, retained earnings, cash flows, and others.

(3) Specified Purpose Companies subject to disclosure

(i) Securitization of Subordinated Obligations

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 company ("SPC"), 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 and writes down future possible losses associated with the shares, if necessary, in its financial statements 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 (September 30, 2011) were ¥30,359 million and ¥30,087 million, respectively. The Parent Company held no ordinary shares in this company and it had neither directors, officers, nor employees transferred from the Parent Company.

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

	Amounts as of March 31, 2012 (millions of yen)		Fiscal year ended March 31, 2012 (millions of yen)
Subordinated obligation	¥ 30,000	Interest expenses ..	¥ 619

(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 as of March 31, 2012. The Parent Company had three SPCs as of March 31, 2012, and the Parent Company 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 significantly, 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 December 31, 2011 and January 31, 2012) amounted to ¥139,037 million and ¥94,520 million, respectively.

As of March 31, 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 March 31, 2012 (millions of yen)		Fiscal year ended March 31, 2012 (millions of yen)
Investment in anonymous association	¥ 28,237	Dividends	¥ 2,044
Preferred investments	¥ 2,900	Dividends	¥ 147

2. Application of the Equity Method

(1) Number of non-consolidated subsidiaries under the equity method for the fiscal year ended March 31, 2012: 0

(2) Number of affiliated companies under the equity method for the fiscal year ended March 31, 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 Co., Ltd.
Star Union Dai-ichi Life Insurance Company Limited

Effective the fiscal year ended March 31, 2012, Tower (currently TAL Limited) and its twelve group companies were excluded from the scope of the equity method accounting of the Parent Company as the Parent Company completed its acquisition of 100% ownership of Tower on May 11, 2011.

(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. Year-end Dates of Consolidated Subsidiaries

The closing date of domestic consolidated subsidiaries is March 31, whereas that of consolidated overseas subsidiaries is December 31 or March 31. Financial information as of those closing dates is used to prepare the consolidated financial statements, although the 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.

4. Amortization of Good Will and Negative Good Will

Goodwill and negative goodwill are amortized over a period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount is immaterial.

II. NOTES TO THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 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 or discounts is 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 March 31, 2012 (for domestic stocks, the average value during March), with cost determined by the moving average method.

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

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 March 31, 2012 amounted to ¥8,375,688 million. The market value of these bonds as of March 31, 2012 was ¥8,898,007 million.

(2) Risk management policy

The Parent Company and its certain subsidiary categorize their insurance products into sub-groups by 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 sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The insurance groups of the Parent Company are:

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

with the exception of certain types.

The insurance groups of the subsidiary of the Parent Company are:

i. individual life insurance and individual annuity (Yen-denominated)

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

iii. individual life insurance and individual annuity (Australian dollar-denominated),

with the exception of certain types and contracts.

(3) Addition of sub-group

Effective the fiscal year ended March 31, 2012, in order to conduct appropriate duration control, taking into account the debt situation, and, thus, promote more sophisticated ALM, the Parent Company added non-participating single premium whole life insurance (without duty of medical disclosure) as a new sub-group and a certain subsidiary of the Parent Company added 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) as new sub-groups. These additions did not have any impact on profits and losses of the Parent Company for the year ended March 31, 2012.

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 Article 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 March 31, 2012 was ¥58,604 million, which includes ¥18,199 million negative excess (deficiency) attributable to real estate for rent.

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 following method.

i. Buildings (excluding leasehold improvements and structures)
   a. Acquired on or before March 31, 2007
      Calculated by the previous straight-line method
   b. Acquired on or after April 1, 2007
      Calculated by the straight-line method

ii. Assets other than buildings
   a. Acquired on or before March 31, 2007
      Calculated by the previous declining balance method
   b. Acquired on or after April 1, 2007
      Calculated by the declining balance method

Estimated useful lives of major assets are as follows:

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

Tangible fixed assets other than land and building 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 assets that were 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 salvage values are depreciated in the five years following the year end when such assets were depreciated to their final depreciable limit.

Depreciation of tangible 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.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Parent Company uses the straight-line method of amortization for intangible fixed assets excluding leased assets. Amortization of software for internal use is based on an estimated useful life of 4 to 8 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 salvage 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 March 31, 2012 was ¥621,752 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 at the end of the year. 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 fiscal year. Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

At certain consolidated subsidiaries and affiliated companies of the Parent Company, changes in market values of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two, and changes in fair value due to changes in market prices in their denominated 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 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 (hereafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereafter, "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 (hereafter, "obligors at risk of bankruptcy"), 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 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 amount written off during the fiscal year ended March 31, 2012 was ¥119 million.

8. Accounting of Beneficial Interests in Securitized Mortgage Loans

The trust beneficial interests, mostly obtained in the securitization of mortgage loans originated by the Parent Company in August 2000, amounted to ¥24,321 million as of March 31, 2012 and are included as loans in the consolidated balance sheet.

9. 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) is provided, based on the projected benefit obligations and pension assets as of March 31, 2012.

Gains/losses on plan amendments are amortized by the straight-line method through a certain period of 3 years, which is within the employees' average remaining service period.

Actuarial differences are amortized by the straight-line method through a certain period of 3 or 7 years, starting from the following year, which is within the employees' average remaining service period.

(1) Funding status of the employees' retirement benefits:

		(millions of yen)
a.	Projected benefit obligations	¥ (665,149)
b.	Pension assets	209,541
	Retirement benefit trust included in the above pension assets	102,682
c.	Unfunded benefit obligations (a + b)	(455,607)
d.	Unrecognized actuarial differences	21,803
e.	Unrecognized losses on plan amendments	12
f.	Reserve for employees' retirement benefits (c + d + e)	(433,791)

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

(2) Assumptions used by the Parent Company:

i Method of periodic allocation of benefit obligations: straight-line method

ii Discount rate: 1.7 or 1.8% per annum

iii Estimated return on investment:

a. Defined benefit corporate pension: 1.0 or 1.7% per annum

b. Retirement benefit trust: 0.0% per annum

iv Amortization period for actuarial differences: 3 or 7 years starting from the following fiscal year

v Amortization period for gains on plan amendments: 3 years

10. 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 be recognized. Such reserve is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

11. 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 approval of 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 is provided.

12. 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 possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

13. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

14. 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 for interest rate swaps and the deferral hedge method are used for cash flow hedges of certain loans, government and corporate bonds, and loans and bonds payable; (2) foreign currency swaps, the currency allotment method by foreign currency forward contracts and deferred hedges, are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated loans, loans payable, bonds payable, term deposits and stock (forecasted transaction); and (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.

(2) Hedging Instruments and Hedged Instruments

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

(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 and hedging instruments.

15. 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. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Law, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

16. 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:

i. 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).

ii. 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 by the Parent Company on or before March 31, 1996, premium payments for which 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 provision for policy reserves for the year ended March 31, 2012 was ¥105,958 million.

17. Application of "Accounting Standard for Accounting Changes and Error Corrections"

The Parent Company applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 issued on December 4, 2009) for making accounting changes and correcting past errors on or after April 1, 2011.

18. Revision of "Practical Guidelines on Accounting Standards for Financial Instruments"

The Parent Company formerly presented (1) reversal of reserve for possible loan losses and (2) gains on collection of loans and claims written off as items under extraordinary gains. However, effective the fiscal year ended March 31, 2012, the Parent Company started to present the two items under investment income due to the revision made to the forms stipulated in Enforcement Regulation of the Insurance Business Act revised under "Cabinet Office Ordinance No. 58" (October 31, 2011).

19. Financial Instruments and Others

(Financial Instruments)

1. Financial Instruments

(1) Policies in Utilizing Financial Instrument

In an effort to manage our investment assets in a manner appropriate to our liabilities, which arise from the insurance policies we underwrite, we engage in asset liability management, or ALM, which considers the long-term balance between assets and liabilities in an effort to ensure stable returns. With this strategy, the Parent Company and certain of its consolidated subsidiaries set fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Parent Company holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Parent Company and certain of its consolidated subsidiaries use derivatives primarily to hedge the risks associated with their existing asset portfolio and supplement our investment objectives. Moreover, they utilize derivatives to mitigate the risks associated with guaranteed minimum benefits.

With respect to financing, the Parent Company has raised capital directly from the capital markets by issuing subordinated bonds and securitizing subordinated loans as well as indirectly from banks in order to strengthen its capital base and to invest such capital in growth areas. To avoid impacts from interest-rate fluctuations, the Parent Company utilizes derivative transactions in hedging some such financial liabilities and adopts hedge accounting.

(2) Financial Instruments Used and Their Risks

Securities included in financial assets of the Parent Company and certain of its consolidated subsidiaries, mainly stocks and bonds, are categorized by their investment objectives such as held-to-maturity, policy-reserve-matching and available-for-sale. Loans are exposed to credit risk arising from the defaults of obligors. Such securities and loans are exposed to market fluctuation risk, credit risk, and interest-rate risk.

In certain circumstances, the Parent Company and its certain consolidated subsidiaries might be exposed to liquidity risk, in which they cannot access the financial market and make timely payments of principal, interest or other amounts. Also, some of our loans payable and bonds payable which are floating interest rate based and denominated in foreign currency, and thus, they are exposed to interest-rate risk and foreign currency risk.

They utilize interest rate swaps to hedge interest rate risk associated with its loans receivable and payable and adopt hedge accounting.

In addition, they utilize foreign currency forward contracts and currency options to hedge foreign currency risks associated with foreign currency-denominated bonds and foreign currency-denominated short-term deposits. The Parent Company also utilizes currency swaps to hedge foreign currency risks associated with foreign currency-denominated debts and adopts hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Opinion on the establishment of accounting standards for financial instruments", the Parent Company and certain of its consolidated subsidiaries have established investment policy and procedure guidelines and clarifies the risk of underlying assets to be hedged and derivative instruments to be used, and conducts pre- and post-effectiveness tests of the transactions.

(3) Risk Management

The risk management system of the Parent Company and certain of its domestic consolidated subsidiaries is as follows:

(i) Market Risk Management

Under the internal investment policy and risk management policy, they manage market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, they categorize their portfolio into sub-groups by investment purpose and manage them taking into account each of their risk characteristics.

(a) Interest rate risk

They keep track of interest rates and durations of their assets and liabilities, monitor their internal analyses on duration gap and interest rate sensitivity, and periodically report them to their boards of directors. They utilize interest rate swaps to hedge some of interest rate risk associated with their financial assets.

(b) Currency risk

They keep track of currency composition of their financial assets and liabilities, conduct sensitivity analyses, and periodically report them to their boards of directors. They utilize derivatives such as foreign currency forward contracts and currency options to hedge some of the currency risk.

(c) Fluctuation in market values

They define risk management policies for each component of their overall portfolio, including securities, and specific risk management procedures. In such policies and procedures, they set and manage upper limits of each asset balance and risk exposure.

Such management conditions are periodically reported by their Risk Management sections to their boards of directors, etc.

(d) Derivative transactions

For derivative transactions, they have established internal check system by segregating (i) executing department, (ii) department which engages in assessment of hedge effectiveness, and

(iii) back-office. Additionally, in order to limit speculative use of derivatives, they have put restrictions on utilization purpose such as hedging and establishes position limits for each asset class.

They also utilize derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of variable annuities. In accordance with its internal regulations to manage the risks associated with their guaranteed minimum maturity benefits, they (i) assess hedge effectiveness of derivative transactions, (ii) manage gains and losses from derivative transactions on a daily basis, and (iii) periodically check their progress on reducing the risk associated with their guaranteed minimum maturity benefits and measure VaR (value-at-risk).

The risk management section is in charge of managing overall risks including risks associated with their guaranteed minimum maturity benefits, and periodically report the status of such management to their Boards of Directors, etc.

(ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, they have established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk taking is restricted since front offices make investment within those caps. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to their Boards of Directors and other management. Additionally, the internal audit section has checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section which periodically calculates current exposures.

In each of certain overseas consolidated subsidiaries, an investment committee established by the Board of Directors of the Parent Company develops its investment policy, and periodically checks the compliance and the status of each risk, thus enabling the subsidiary to manage its risks in conformity with the risk characteristics.

(4) Supplementary Explanation for Fair Values of Financial Instruments

As well as the values based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in “2. Fair Values of Financial Instruments”, the contract value itself does not indicate market risk related to derivative transactions.

2. Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2012 were as follows.

The following table does not include financial instruments whose fair values were extremely difficult to be recognized. (Please refer to (Note 2))

As of March 31, 2012	Carrying amount		Fair value		Gains (Losses)	
			(millions of yen)			
(1) Cash and deposits	¥	315,187	¥	315,204	¥	17
(2) Call loans		249,200		249,200		-
(3) Monetary claims bought		294,324		294,324		-
(4) Money held in trust		48,266		48,266		-
(5) Securities						
1. Trading securities		2,581,400		2,581,400		-
2. Held-to-maturity bonds		135,828		141,079		5,250
3. Policy-reserve-matching bonds		8,375,688		8,898,007		522,318
4. Stocks of subsidiaries and affiliates		1,932		1,932		-
5. Securities available for sale		14,761,239		14,761,239		-
(6) Loans		3,413,620				
Reserve for possible loan losses (*1)		(8,812)				
		3,404,808		3,498,821		94,013
Total assets	¥	30,167,876	¥	30,789,476	¥	621,599
(1) Bonds payable	¥	148,652	¥	155,194	¥	6,542
(2) Long-term borrowings		380,327		367,611		(12,716)
Total liabilities	¥	528,980	¥	522,805	¥	(6,174)
Derivative transactions (* 2)						
1. Hedge accounting not applied		[14,235]		[14,235]		-
2. Hedge accounting applied		[138,756]		[137,321]		1,434
Total derivative transactions	¥	[152,992]	¥	[151,557]	¥	1,434

(*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 net base. Figures in [ ] are net debts.

(Note1) Notes to Methods for Calculating Fair Values 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 due date and their fair value is close to 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 rationally 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 price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. The fair value of derivative instruments within money held in trust is based on the exchange-traded prices, etc.

(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 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 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 “3. Securities” below.

(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 fair value is close to the carrying amount on the balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without a due date, because of their characteristics that the exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account 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 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 Instruments

Breakdown of derivative instruments 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.). Fair values of the instruments are based on the exchange-traded prices and the prices presented by counterparty financial institution, etc.

(Note2) Available-for-sale securities whose fair values are extremely difficult to be recognized at market value are as follows and are not included in the market value of (5) Securities

As of March 31, 2012	Carrying amount (millions of yen)
1. Unlisted domestic stocks (*1)(*2)	¥ 160,745
2. Unlisted foreign stocks (*1)(*2)	16,459
3. Other foreign securities (*1)(*2)	916,996
4. Other securities (*1)(*2)	88,502
Total	¥1,182,703

(*1) 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) We recorded impairment losses of ¥830 million for the year ended March 31, 2012.

(Note3) Scheduled redemptions of money held in trust and securities with maturities

As of March 31, 2012	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
		(millions of yen)		
Cash and deposits	¥ 314,687	¥ 300	¥ 200	¥ -
Call loans	249,200	-	-	-
Monetary claims bought	919	11,425	900	262,691
Money held in trust (*1)	483	-	-	-
Securities				
Held-to-maturity bonds (bonds)	-	50,400	-	47,900
Held-to-maturity bonds (foreign bonds)	-	41,095	-	-
Policy-reserve-matching bonds (bonds)	16,136	620,386	236,695	7,453,470
Policy-reserve-matching bonds (foreign bonds)	-	23,000	31,767	3,674
Available-for-sale securities with maturities (bonds)	202,497	1,684,551	2,379,342	2,775,935
Available-for-sale securities with maturities (foreign securities)	127,631	1,619,116	1,047,553	1,805,067
Available-for-sale securities with maturities (other securities)	39,733	24,426	17,321	23,099
Loans (*2)	387,432	1,177,273	793,054	472,117

(*1) Money held in trust without maturities amounted to ¥47,783 million and was not included.
(*2) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥17,993 million and were not included. Also, ¥565,239 million of loans without maturities were not included.

(Note4) Scheduled maturities of bonds payable and long term borrowings

As of March 31, 2012	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
			(millions of yen)			
Bonds payable(*1)	-	41,095	-	-	-	-
Long term borrowings(*2)	2	30,002	1	19,098	0	0

(*1) ¥107,562 million of bonds payable without maturities were not included.
(*2) ¥331,221 million of long term borrowings without maturities were not included.

3. Securities

(1) Trading Securities

	As of March 31 2012
	(millions of yen)
Gains (losses) on valuation of trading securities	¥ 89,603

(2) Held-to-maturity Securities:

As of March 31, 2012	Carrying amount	Market value	Unrealized gains (losses)
		(millions of yen)	
Held-to-maturity securities with unrealized gains:			
(1) Bonds	¥ 94,524	¥ 96,999	¥ 2,474
1. Government bonds	94,524	96,999	2,474
2. Local government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	41,303	44,079	2,775
1. Foreign bonds	41,303	44,079	2,775
Subtotal	¥ 135,828	¥ 141,079	¥ 5,250
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	¥ 135,828	¥ 141,079	¥ 5,250

(3) Policy-reserve-matching Bonds:

As of March 31, 2012	Carrying amount	Market value	Unrealized gains (losses)
		(millions of yen)	
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	¥ 8,015,770	¥ 8,538,824	¥ 523,053
1. Government bonds	7,528,520	8,032,442	503,921
2. Local government bonds	192,491	199,446	6,955
3. Corporate bonds	294,758	306,935	12,177
(2) Foreign securities	37,160	37,668	507
1. Foreign bonds	37,160	37,668	507
Subtotal	¥ 8,052,931	¥ 8,576,493	¥ 523,561
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	¥ 299,937	¥ 298,892	¥ (1,044)
1. Government bonds	295,694	295,054	(639)
2. Local government bonds	-	-	-
3. Corporate bonds	4,243	3,838	(404)
(2) Foreign securities	22,819	22,621	(198)
1. Foreign bonds	22,819	22,621	(198)
Subtotal	¥ 322,757	¥ 321,514	¥ (1,242)
Total	¥ 8,375,688	¥ 8,898,007	¥ 522,318

(4) Available-for-sale Securities:

As of March 31, 2012	Carrying amount	Purchase cost	Unrealized gains (losses)
		(millions of yen)	
Available for sale securities with gains:			
(1) Bonds	¥ 7,078,074	¥ 6,794,699	¥ 283,375
1. Government bonds	5,184,182	4,972,746	211,435
2. Local Government bonds	121,595	116,314	5,281
3. Corporate bonds	1,772,296	1,705,638	66,658
(2) Domestic stocks	1,355,047	889,514	465,533
(3) Foreign securities	4,334,987	4,117,939	217,048
1. Foreign bonds	4,187,956	3,991,235	196,720
2. Other foreign securities	147,031	126,703	20,327
(4) Other Securities	330,546	306,526	24,019
Subtotal	¥ 13,098,657	¥ 12,108,680	¥ 989,976
Available for sale securities with losses:			
(1) Bonds	¥ 273,060	¥ 286,468	¥ (13,407)
1. Government bonds	96,634	96,715	(80)
2. Local Government bonds	4	4	(0)
3. Corporate bonds	176,422	189,749	(13,326)
(2) Domestic stocks	617,513	785,222	(167,709)
(3) Foreign securities	1,003,037	1,098,264	(95,226)
1. Foreign bonds	708,774	762,126	(53,351)
2. Other foreign securities	294,263	336,138	(41,875)
(4) Other Securities	78,294	89,691	(11,396)
Subtotal	¥ 1,971,907	¥ 2,259,647	¥ (287,740)
Total	¥ 15,070,564	¥ 14,368,327	¥ 702,236

Note. Figures in the chart above include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheets, respectively. The aggregate purchase cost and carrying amount of such certificates of deposits were ¥15,000 million and ¥15,000 million, respectively, as of March 31, 2012. The aggregate purchase cost and carrying amount of such trust beneficiary rights were ¥275,893 million and ¥294,324 million, respectively, as of March 31, 2012.

(5) Held-to-maturity Securities Sold:

The Parent Company and its consolidated subsidiaries sold no held-to-maturity securities during the year ended March 31, 2012.

(6) Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the year ended March 31, 2012 were as follows:

Year ended March 31, 2012	Amounts sold	Realized gains	Realized losses
		(millions of yen)	
(1) Bonds	¥ 812,327	¥ 47,817	¥ -
1. Government bonds	812,327	47,817	-
2. Local government bonds	-	-	-
3. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
1. Foreign bonds	-	-	-
2. Other foreign securities	-	-	-
Total	¥ 812,327	¥ 47,817	¥ -

(7) Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2012 were as follows:

Year ended March 31, 2012	Amounts sold	Realized gains	Realized losses
		(millions of yen)	
(1) Bonds	¥ 1,645,408	¥ 44,429	¥ 8,802
1. Government bonds	1,415,930	37,775	4,119
2. Local Government bonds	-	-	-
3. Corporate bonds	229,477	6,654	4,682
(2) Domestic stocks	298,115	55,516	55,177
(3) Foreign securities	4,071,073	93,900	116,737
1. Foreign bonds	4,034,770	90,075	108,993
2. Other foreign securities	36,302	3,824	7,743
(4) Other Securities	17,332	17,956	-
Total	¥ 6,031,928	¥ 211,801	¥ 180,717

(8) Securities Written Down:

The Parent Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with market values (1) when the market value of such securities declines by 50% or more of its purchase cost or (2) when the market value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amount written down from the balance of available-for-sale securities with market value for the year ended March 31, 2012 was ¥43,882 million.

4. Money Held in Trust

Money Held in Trust for Trading:

	As of March 31, 2012
	(millions of yen)
Carrying amount on the consolidated balance sheet	¥ 48,266
Gains (losses) on valuation of money held in trust	(14,507)

20. Real Estate for Rent

The Parent Company owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the year ended March 31, 2012 was ¥26,757 million. The rental income was included in investment income and the rental expense was included in investment expenses. The Parent Company recorded extraordinary loss of ¥7,945 million for impairment loss on rental real estate.

The carrying amount and the market value of such rental real estate as of March 31, 2012 were as follows:

Carrying amount			
Beginning balance	Net change during year	Ending balance	Market value
	(millions of yen)		
¥ 844,127	¥ (3,416)	¥ 840,711	¥ 819,920

Note 1. The carrying amount of rental real estate on the consolidated balance sheets was net of acquisition costs after deducting accumulated depreciation and impairments.

2. Net change in the carrying amount includes cost of acquisition of the real estate for ¥14,644 million and the depreciation expense of ¥15,069 million during the year ended March 31, 2012.
3. The Parent Company calculates the market value of the majority of the rental real estate based on real estate appraisal standards by the independent appraiser, and others based on the internal but reasonable estimates.

21. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheets. The total balance of securities lent as of March 31, 2012 was ¥490,077 million.

22. Problem Loans

The total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, was to ¥21,770 million. The amounts of credits to bankrupt borrowers, delinquent loans, and restructured loans were ¥4,743 million, ¥15,574 million, and ¥1,452 million, respectively. The Parent Company held no loans past due for three month or more as of March 31, 2012.

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 Law. 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 ¥50 million and ¥69 million, respectively.

23. 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 ¥2,450,415 million. Separate account liabilities were the same amount as the separate account assets.

24. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2012

		(millions of yen)
Deferred tax assets:		
Insurance policy reserve	¥	337,527
Reserve for employees' retirement benefits		162,237
Losses on valuation of securities		27,091
Reserve for price fluctuations		23,258
Tax losses carried forward		14,536
Others		37,197
Subtotal		601,849
Valuation allowances		(60,007)
Total	¥	541,842
Deferred tax liabilities:		
Net unrealized gains on securities, net of tax	¥	(222,978)
Other intangible fixed assets		(12,882)
Reserve for tax basis adjustments of real estate		(8,561)
Dividends receivable from stocks		(6,594)
Others		(15,981)
Total	¥	(266,998)
Net deferred tax assets	¥	274,843

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2012

Statutory tax rate	36.09%
(Adjustments)	
Decrease in deferred tax assets in relation to tax rate change	50.12%
Others	2.25%
Actual effective tax rate after considering deferred taxes	88.46%

(3) Adjustment of deferred tax assets and deferred tax liabilities in relation to changes in effective statutory tax rate

Following the promulgation of "Act on Partial Revision for the Income Tax Act, etc. for Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake" (Act No. 117 of 2011), the Parent Company changed its effective statutory tax rate for calculating its deferred tax assets and liabilities from 36.09% to 33.22% during the three fiscal years starting from April 1, 2012 and 30.67% effective the fiscal year starting from April 1, 2015 and thereafter.

As a result, its deferred tax assets as of March 31, 2012 decreased by ¥38,124 million and corporate income tax-deferred for the fiscal year ended March 31, 2012 increased by ¥75,616 million, both compared to those calculated with the previous effective statutory tax rate (36.09%).

25. Leased Computers

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

26. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

		(millions of yen)
Balance at the beginning of the year ……………………………………….	¥	403,671
Dividends paid during the year ended March 31, 2012 ………... …………		(94,311)
Interest accrual during the year ended March 31, 2012 ………... …………		9,512
Provision for reserve for policyholder dividends …………………………..		69,000
Balance as of March 31, 2012 ……………………………………………...	¥	387,871

27. Stocks of Subsidiaries

The amount of stocks of and stakes in non-consolidated subsidiaries and affiliated companies the Parent Company held as of March 31, 2012 was as follows:

		(millions of yen)
Stocks …………………………..	¥	42,766
Capital ………………………….		2,126
Total ……………………………	¥	44,892

28. Organizational Change Surplus

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

29. Assets Pledged as Collateral / Secured Liabilities

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

		(millions of yen)
Securities (Government bonds) …………………………	¥	432,624
Securities (Foreign securities) …………………………..		3,294
Securities (Corporate bonds) ………………………….....		526
Cash/deposits ……………………………………………		86
Securities and cash/deposits pledged as collateral ……...	¥	436,532

The amounts of secured liabilities were as follows:

		(millions of yen)
Cash collateral for securities lending transactions ……..	¥	405,816
Loans payable ………………………………………...		8
Secured liabilities ……………………………………….	¥	405,824

Among the amounts, "Securities (Government bonds)" for securities lending transactions as of March 31, 2012 was ¥394,756 million.

30. Reinsurance

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 ¥19 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations was ¥5,923 million.

31. Net Assets per Share

The amount of net assets per share of the Parent Company as of March 31, 2012 was ¥99,376.82.

32. Stock Options

(1) The account used to record expenses associated with issuing stock options and the amount expensed
Operating expenses: ¥150 million

(2) Details of the stock options granted for the fiscal year ended March 31, 2012

(i) Details of the stock options

	Series 1 Stock Acquisition Rights
Granted persons	10 directors (except outside directors) and 16 executive officers
Class and total number *1	1,698 shares of common stock
Granted date	August 16, 2011
Conditions on acquisition rights to be effective	The acquisition rights become effective on the above granted date.
Required length of service	N/A
Exercise period	From August 17, 2011 to August 16, 2041 A granted person may exercise stock options only within 10 days from the day immediately following the date on which she/he loses the status as both a director and an executive officer of the Company.

*1. The total number of stock options is translated to the number of common stocks for better understanding.

(ii) Figures relating to the stock options
The following table covers stock options which exist for the fiscal year ended March 31, 2012 and the total number of stock options is translated to the number of common stocks.

(a) Number of the stock options

	Series 1 Stock Acquisition Rights
Stock options before the acquisition rights become effective	
Outstanding at the beginning of the fiscal year	-
Granted	1,698
Forfeited	-
Vested	1,698
Outstanding at the end of the fiscal year	-
Exercisable stock options	
Outstanding at the beginning of the fiscal year	-
Vested	1,698
Exercised	-
Forfeited	-
Outstanding at the end of the fiscal year	1,698

(b) Price information

	Series 1 Stock Acquisition Rights
Exercise price	¥1 per stock option
Average stock price at exercise	-
Fair value per stock option at the granted date	¥88,521

(3) Valuation method used for estimating fair value of stock options
Stock options granted for the fiscal year ended March 31, 2012 were valued as follows:

(a) Valuation method

Black-Scholes Model

(b) Assumptions

	Series 1 Stock Acquisition Rights
Expected volatility *1	38.966%
Expected durations *2	3 years
Expected dividends *3	¥1,600
Risk-free interest rate *4	0.208%

*1. Computed based on the closing prices of common stock from April 1, 2010 to August 15, 2011.
*2. Computed based on the average period of services from the granted date to expected exercise date.
*3. Computed based on the expected dividend for the fiscal year ended March 31, 2012.
*4. Based on yields of Japanese government bonds for a term corresponding to the expected durations.

(4) Method to estimate the number of stock options vested

Only the actual number of forfeited stock options is considered, because it is difficult to rationally estimate the number of stock options to be forfeited in the future.

33. Consolidation as a Result of Acquisition of Tower

(1) Overview of business combination

(i) Name and engaged business of the acquired company

- Company name: Tower Australia Group Limited (currently TAL Limited ("TAL"))
- Engaged business: Insurance and insurance-related business *1

*1. TAL was established as a holding company, subsidiaries of which operate insurance and insurance-related businesses.

(ii) Purpose of the acquisition

Making TAL a wholly owned subsidiary, the Parent Company aims to (a) strengthen its operating base significantly in Australia, and (b) promote geographical diversification of its earnings, etc.

(iii) Completion date of the transaction

The transaction was completed on May 11, 2011.

(iv) Acquisition scheme

Purchase of shares of Tower in cash *2

*2. The Parent Company acquired TAL (Tower at the point of the acquisition) by utilizing a friendly acquisition scheme called a "Scheme of Arrangement", in which the transaction became effective when (a) 75% or more voting rights and the majority of TAL's shareholders who attended the meeting of shareholders (including proxies) approved the transaction and (b) the Parent Company completed the transaction by paying AUD 4.00 per share for Tower's shareholders with Australian court approval.

(v) Name of acquired company after combination

Tower Australia Group Limited (currently TAL Limited)

(vi) The Parent Company's percentage of share holdings after completion of the transaction

- Share of existing voting rights before the date of business combination: 28.96%
- Share of additional voting rights acquired on the date of business combination: 71.04%
- Share of voting rights after completion of the transaction: 100%

(vii) Controlling company

Consolidated subsidiaries of the Parent Company hold more than 50% stake in TAL and, therefore, the Parent Company controls the decision-making body of TAL.

(2) Financial performance of acquired company recognized in consolidated statement of income of the Parent Company
The Parent Company recognized TAL's financial performances between April 1, 2011 and March 31, 2012.

(3) Breakdown of acquisition cost

		(millions of yen)
Acquisition price (costs associated with purchase of share of Tower in cash)	¥	104,860
Other direct costs (fees to outside advisors, etc.)		818
Total acquisition cost	¥	105,678

(4) Difference between revalued acquisition price and the sum of actual costs associated with step acquisitions
The difference between (i) the revalued acquisition price of Tower (100%) at the date of transaction and (ii) the sum of the actual costs associated with step acquisitions (28.96% before the transaction and 71.04% at the date of transaction) was ¥23,116 million.

(5) Goodwill
(i) Amount of goodwill
AUD 786 million

(ii) Reason to recognize goodwill
The acquisition price exceeded the net amount of Tower's assets and liabilities identified by the Parent Company at the completion date of the transaction.

(iii) Amortization of goodwill
Goodwill associated with the acquisition is amortized over a period of 20 years under the straight-line method.

(6) The amounts of assets and liabilities consolidated at the completion date of the transaction

	(millions of yen)
Total assets	¥438,644
Securities included in the above "Total assets"	237,125
Total liabilities	¥286,407
Policy reserves and others included in the above "Total liabilities"	209,671

34. Asset Retirement Obligations

(1) Overview of Asset Retirement Obligation

The Parent Company recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to the removal of (1) tangible fixed assets and (2) certain harmful substances in the tangible fixed assets and so recorded the asset retirement obligation.

(2) Calculation of Asset Retirement Obligation

The Parent Company calculated the asset retirement obligation by (1) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and (2) applying discount rates ranging from 0.144% to 2.294%.

(3) Increase and Decrease in Asset Retirement Obligation

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2012:

		(millions of yen)
Beginning balance	¥	4,019
Time progress adjustments		46
Others		(514)
Ending balance	¥	3,551

35. Commitment Line

There were unused commitment line agreements under which the Parent Company is the lender of ¥2,300 million.

36. Subordinated Debt

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

37. Subordinated Bonds

Subordinated bonds of ¥148,652 million shown in liabilities were foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

38. 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 ¥60,468 million as of March 31, 2012. These obligations will be recognized as operating expenses in the years in which they are paid.

III. NOTES TO CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2012

1. Net Income per Share

Net income per share and diluted net income per share for the year ended March 31, 2012 were ¥2,061.78 and ¥2,061.55, respectively.

2. Retirement Benefit Expenses

Retirement benefit expenses of the Parent Company and its consolidated subsidiaries for the fiscal years ended March 31, 2012 were ¥48,888 million and consisted of the following:

	Year ended March 31, 2012
	(millions of yen)
a. Service cost	¥ 26,053
b. Interest cost	11,257
c. Estimated investment income	(1,789)
d. Amortization of unrecognized actuarial differences	13,356
e. Amortization of unrecognized gains on plan amendments	9
f. Retirement benefit expenses (a + b + c + d + e)	¥ 48,888

Retirement benefit expenses of the consolidated subsidiaries which applied the simplified method in calculating their projected benefit obligations are included in the item a.

3. Impairment Losses on Fixed Assets

Details on the Parent Company's impairment losses on fixed assets for the fiscal year ended March 31, 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 reduced amount 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	Buildings	Total
				(millions of yen)	
Real estate for rent	Tomakomai City, Hokkaido and others	5	¥ 378	¥ 467	¥ 845
Real estate not in use	Ashigara-kami County, Kanagawa Prefecture and others	92	28,929	3,605	32,534
Total		97	¥ 29,307	¥ 4,072	¥ 33,379

(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 2.81% 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 is used as the net sales value.

IV. NOTES TO CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2012

1. Other Comprehensive Income

The amounts recycled and tax effect amounts related to other comprehensive income were as follows:

	(millions of yen)
Net unrealized gains (losses) on securities, net of tax	
Amount incurred during the fiscal year ended March 31, 2012	¥ 289,877
Amount recycled	34,331
Before tax adjustment	324,209
Tax effect	(79,299)
Net unrealized gains (losses) on securities, net of tax	244,910
Deferred hedge gains (losses)	
Amount incurred during the fiscal year ended March 31, 2012	(2,817)
Amount recycled	(75)
Amount adjusted for asset acquisition cost	901
Before tax adjustment	(1,991)
Tax effect	704
Deferred hedge gains (losses)	(1,287)
Reserve for land revaluation	
Amount incurred during the fiscal year ended March 31, 2012	-
Amount recycled	-
Before tax adjustment	-
Tax effect	16,861
Reserve for land revaluation	16,861
Foreign currency translation adjustments	
Amount incurred during the fiscal year ended March 31, 2012	(4,207)
Amount recycled	-
Before tax adjustment	(4,207)
Tax effect	-
Foreign currency translation adjustments	(4,207)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	
Amount incurred during the fiscal year ended March 31, 2012	300
Amount recycled	(905)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(604)
Total other comprehensive income	¥ 255,673

V. NOTES TO CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2012

1. Type and Number of Shares Outstanding

	At the beginning of the fiscal year	Increase during the year	Decrease during the year	At the end of the fiscal year
		(thousand of shares)		
Common stock …………………………………	10,000	-	-	10,000
Treasury stock *1……………………………	139	-	26	113

*1: 26 thousand shares of decrease in treasury stock represents the sum of (1) shares purchased by the Stock Granting Trust (J-ESOP) under the Company's incentive program granting middle management the purchased shares 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 Company's Trust-type Employee Shareholding Incentive Plan (E-Ship®).

2. Stock Acquisition Rights

Issuer	Details	Balance at the end of the period (million of yen)
The Parent Company	Stock acquisition rights in the form of stock options	¥150

3. Dividend on Ordinary Shares

(1) Dividends paid during the fiscal year ended March 31, 2012

Date of resolution	June 27, 2011 (at the Ordinary General Meeting of Shareholders)
Type of shares	Common stocks
Total dividends	¥15,776 million
Dividends per share	¥1,600
Record date	March 31, 2011
Effective date	June 28, 2011
Dividend resource	Retained earnings

Note: Total dividends do not include ¥223 million of dividends to the J-ESOP trust and the E-ship trust, as the Parent Company recognizes the shares held by those trusts as treasury stock.

(2) Dividends, the record date of which is March 31, 2012, to be paid out in the fiscal year ending March 31, 2013

Date of resolution	June 25, 2012 (at the Ordinary General Meeting of Shareholders to be held)
Type of shares	Common stocks
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 do not include ¥181 million of dividends to the J-ESOP trust and the E-ship trust, as the Parent Company recognizes the shares held by those trusts as treasury stock.

VI. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 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 sheet: 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 March 31, 2012 was as follows:

	(millions of yen)
Cash and cash deposits (a)	¥ 315,187
Call loans (b)	249,200
Cash and cash equivalents (a + b)	¥ 564,387

3. Breakdown of Assets and Liabilities of Newly Consolidated Subsidiaries as a Result of the Acquisition of Shares

Associated with the consolidation of TAL Limited as a result of the acquisition of share of TAL, the breakdown of the assets and liabilities of TAL at the beginning of the consolidation, and the relationship between the acquisition price and net cash flow for the acquisition were as follows:

	(millions of yen)
Assets	¥ 369,467
Cash and cash deposits included in the above assets	23,279
Goodwill	69,176
Liabilities	(286,407)
Policy reserves and others included in the above liabilities	(209,671)
Acquisition price of shares of TAL (a)	152,236
Gain on step acquisition (b)	(23,116)
Acquisiton cost before acquisition (c)	(19,623)
Cash and cash equivalents of TAL (d)	(23,279)
Net cash flow for the acquisition of share of TAL (a+b+c+d)	¥ 86,217

(7) Risk-Monitored Loans

(millions of yen)

		As of March 31, 2011	As of March 31, 2012
Credits to bankrupt borrowers	(I)	5,034	4,743
Delinquent loans	(II)	17,349	15,574
Loans past due for three months or more	(III)	-	-
Restructured loans	(IV)	3,255	1,452
Total	((I)+(II)+(III)+(IV))	25,639	21,770
[Percentage of total loans]		[0.71%]	[0.64%]

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 in the fiscal years ended March 31, 2011 and March 31, 2012 were 739 million yen and 50 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2011 and March 31, 2012 were 3,093 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.

(Reference) Disclosed claims based on categories of obligors

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
Claims against bankrupt and quasi-bankrupt obligors	5,387	4,792
Claims with collection risk	16,996	15,549
Claims for special attention	3,292	1,487
Subtotal	25,676	21,829
Claims against normal obligors	4,123,420	3,921,906
Total	4,149,096	3,943,735

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.

(8) Consolidated Solvency Margin Ratio

(millions of yen)

		As of March 31, 2012
Total solvency margin	(A)	3,096,077
Common stock, etc. *1		453,417
Reserve for price fluctuations		74,831
Contingency reserve		480,251
Catastrophe loss reserve		-
General reserve for possible loan losses		2,425
Net unrealized gains on securities (before tax) × 90% *2		628,174
Net unrealized gains (losses) on real estate × 85% *2		(36,536)
Policy reserves in excess of surrender values		1,527,129
Qualifying subordinated debt		441,780
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(525,037)
Excluded items		(40,052)
Others		89,694
Total risk $[\{(R_1^2+R_5^2)^{1/2}+R_8+R_9\}^2+(R_2+R_3+R_7)^2]^{1/2}+R_4+R_6$	(B)	1,099,355
Insurance risk	R_1	101,911
General insurance risk	R_5	-
Catastrophe risk	R_6	-
3rd sector insurance risk	R_8	164,238
Small amount and short-term insurance risk	R_9	-
Assumed investment yield risk	R_2	287,440
Guaranteed minimum benefit risk	R_7 *3	28,829
Investment risk	R_3	723,443
Business risk	R_4	26,117
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		563.2%

*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 above 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.

(9) 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, 2011	As of March 31, 2012
Total solvency margin *(A)*	215,850	207,088
Common stock, etc.	115,329	86,770
Reserve for price fluctuations	143	378
Contingency reserve	36,403	57,157
General reserve for possible loan losses	28	17
Net unrealized gains on securities (before tax) × 90% *	1,979	5,023
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	61,965	57,741
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)*	43,847	47,284
Insurance risk R_1	0	0
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	250	3,073
Guaranteed minimum benefit risk R_7	21,829	21,923
Investment risk R_3	20,490	20,910
Business risk R_4	1,277	1,377
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	984.5%	875.9%

*: Multiplied by 100% if losses.

Note 1. The figures as of March 31, 2012 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.
Under Cabinet Office Ordinance No.23, 2010 and Notification of the Financial Services Agency No. 48, 2010, the standards for the calculation of solvency margin ratio is revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The figures as of March 31, 2011 are calculated by appliying the standards as of March 31, 2012 to the financial results as of March 31, 2011.
2. Guaranteed minimum benefit risk is calculated by standard method.

(Reference). Solvency Margin Ratio under the Old Standards

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

		As of March 31, 2011
Total solvency margin	*(A)*	215,850
Common stock, etc.		115,329
Reserve for price fluctuations		143
Contingency reserve		36,403
General reserve for possible loan losses		28
Net unrealized gains on securities (before tax) × 90% *		1,979
Net unrealized gains (losses) on real estate × 85% *		-
Policy reserves in excess of surrender values		61,965
Qualifying subordinated debt		-
Excluded items		-
Others		-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	*(B)*	27,150
Insurance risk	R_1	0
3rd sector insurance risk	R_8	-
Assumed investment yield risk	R_2	111
Guaranteed minimum benefit risk	R_7	42,212
Investment risk	R_3	(15,964)
Business risk	R_4	790
Solvency margin ratio $\dfrac{(A)}{(1/2)\times(B)}\times 100$		1,590.0%

*: Multiplied by 100% if losses.

Note 1. The above 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, as of March 31, 2011.
2. Guaranteed minimum benefit risk is calculated by standard method.
3. Derivative trades attributable to money held in trust and investments in foreign securities (investment trusts) are used to mitigate guaranteed minimum benefit risk on individual variable annuities. Derivative transactions reduced guaranteed minimum benefit risk by 19,823 million yen in the fiscal year ended March 31, 2011 and this amount is included in "Investment risk" above.

(10) Segment Information

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

13. Selected Financial Information by Insurance Product

(millions of yen)

	Individual insurance and annuities	Group insurance	Group annuities	Others	Total
Policies in force at the beginning of the fiscal year	151,718,951	52,336,698	6,041,711	-	-
Policies in force at the end of the fiscal year	146,135,492	50,491,532	6,065,980	-	-
Net increase in policies in force	(5,583,458)	(1,845,166)	24,269	-	-
Ordinary revenues	-	-	-	-	4,398,207
a. Premium and other income	2,072,088	154,902	784,400	44,704	3,056,096
Premium	2,072,090	154,128	784,400	44,704	3,055,324
b. Ordinary revenues other than a. above	-	-	-	-	1,342,110
Ordinary expenses	-	-	-	-	4,154,442
c. Benefits and claims	1,520,076	84,685	855,117	48,846	2,508,726
Claims	660,982	82,377	-	5,204	748,564
Annuities	201,513	1,026	329,467	8,346	540,354
Benefits	185,869	176	284,041	3,324	473,412
Surrender values	425,882	138	147,279	31,897	605,198
d. Ordinary expenses other than c. above	-	-	-	-	1,645,715
Provision for policy reserves	483,291	143	24,269	(6,579)	422,124
Net surplus from operations/ ordinary profit	-	-	-	-	243,765

Note: 1. Categorization of insurance products:
'Others' are the sum of financial insurance, financial annuities, medical care insurance, group disability insurance and reinsurance written.
2. Policies in force:
a. 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.
b. Policies in force of group insurance include those of annuity riders attached to group insurance, which are the sum of (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.
c. Policies in force of group annuities are equal to the amount of outstanding corresponding policy reserve.
3. Profit and loss items:
a. 'Premium and other income' shows the sum of premium and reinsurance income.
b. 'Benefits and claims' shows the sum of claims, annuities, benefits, surrender values, other payments and reinsurance premium.