

Financial Results for the Year Ended March 31, 2009

Fukoku Mutual Life Insurance Company (President: Tomofumi Akiyama) announces financial results for the year ended March 31, 2009.

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Attached: Supplementary Materials for the Year Ended March 31, 2009

Financial Summary for the Year Ended March 31, 2009

1. Business Highlights

(1) Policies in Force, New Policies and Surrendered and Lapsed Policies.

(i) Policies in Force

	As of March 31, 2008				As of March 31, 2009			
	Number of policies		Amount		Number of policies		Amount	
	(Thousands)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)	(Thousands)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)
Individual insurance	3,026	99.1	317,421	96.6	2,976	98.3	302,327	95.2
Individual annuities	717	103.6	29,388	101.8	741	103.3	29,864	101.6
Subtotal	3,744	100.0	346,809	97.0	3,717	99.3	332,191	95.8
Group insurance	—	—	151,461	106.4	—	—	153,365	101.3
Group annuities	—	—	20,235	100.7	—	—	19,975	98.7

Notes: 1. Policy amounts for individual annuities are equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payments have not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.

2. Policy amount in force for group annuities is equal to the amount of outstanding policy reserve.

(ii) New Policies

Year ended March 31, 2008	Total				New business		Net increase by conversion	
	Number of policies		Amount		Amount		Amount	
	(Thousands)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)
Individual insurance	371	95.0	21,136	85.8	20,092	88.4	1,044	55.2
Individual annuities	53	78.2	1,790	84.1	1,808	84.0	(17)	—
Subtotal	425	92.5	22,927	85.7	21,900	88.0	1,026	54.9
Group insurance	—	—	635	70.3	635	70.3		
Group annuities	—	—	88	15,719.4	88	15,719.4		

Year ended March 31, 2009	Total				New business		Net increase by conversion	
	Number of policies		Amount		Amount		Amount	
	(Thousands)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)
Individual insurance	325	87.6	16,221	76.7	16,259	80.9	(38)	—
Individual annuities	56	105.3	1,909	106.6	1,926	106.5	(17)	—
Subtotal	381	89.8	18,130	79.1	18,186	83.0	(55)	—
Group insurance	—	—	1,063	167.4	1,063	167.4		
Group annuities	—	—	0	0.9	0	0.9		

Notes: 1. Number of new policies is the sum of new business and policies after conversion.

2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.

3. Amount for group annuities is equal to the initial premium payment.

(iii) Surrendered and Lapsed Policies (Individual Insurance and Individual Annuities)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	Changes(% YoY)	Amount	Changes(% YoY)
Amount of surrender and lapses (100 millions of yen)	20,861	96.4	20,328	97.4
Surrender and lapse ratio(%)	5.85	(0.08)	5.86	0.01

Notes: 1. The amount of lapse is not offset by the amount of reinstatement which was once lapsed.

2. The column of "Changes" of surrender and lapse ratio are increase-decrease points over year.

(2) Annualized Premiums

(i) Policies in Force

(100 millions of yen except percentage)

	As of March 31, 2008		As of March 31, 2009	
		Changes (%, YoY)		Changes (%, YoY)
Individual insurance	3,236	96.2	3,057	94.5
Individual annuities	1,194	104.8	1,233	103.2
Total	4,431	98.4	4,290	96.8
Medical coverage and living benefits	979	102.4	987	100.8

(ii) New Policies

(100 millions of yen except percentage)

	Year ended March 31, 2008		Year ended March 31, 2009	
		Changes (%, YoY)		Changes (%, YoY)
Individual insurance	231	92.8	194	83.9
Individual annuities	91	72.7	82	90.0
Total	323	86.0	276	85.6
Medical coverage and living benefits	87	91.8	74	85.6

Notes: 1. Annualized premiums are calculated by using coefficients based on the premium payment method. (For single premium contracts, the amount is calculated by dividing the premium by the coverage period.)

2. Figures for medical coverage and living benefits represent portion of annualized premium corresponding to the medical benefits (hospitalization benefits and surgery benefits, etc.), living benefits (nursing care benefits, etc.) and premium waiver benefits, in which disability cause is excluded but causes such as specific illness are included.

3. Amounts of new policies include net increase by conversion.

(3) Selected Items of Statements of Operations

(100 millions of yen except percentage)

	Year ended March 31, 2008		Year ended March 31, 2009	
		Changes (%, YoY)		Changes (%, YoY)
Premium and other income	7,364	102.0	6,467	87.8
Investment income	1,462	99.2	1,667	114.0
Claims and other payments	6,019	115.8	5,965	99.1
Investment expenses	595	164.0	1,694	284.3
Ordinary profits	580	96.5	21	3.7

(4) Statements of Surplus

(100 millions of yen except percentage)

	Year ended March 31, 2008		Year ended March 31, 2009	
		Changes (%, YoY)		Changes (%, YoY)
Unappropriated surplus	556	98.4	566	101.8
Reserve for dividends to policyholders	318	89.7	178	56.0
Net surplus	109	100.0	109	100.0
Unappropriated surplus carried forward	128	127.4	278	216.3

Note: Unappropriated surplus for the years ended March 31, 2008 and 2009 included reversal of voluntary surplus reserve of ¥8 million and ¥7 million, respectively.

(5) Total Assets

(100 millions of yen except percentage)

	As of March 31, 2008		As of March 31, 2009	
		Changes (%, YoY)		Changes (%, YoY)
Total assets	57,252	97.2	55,144	96.3

2. Policies in Force by Coverage Type as of March 31, 2009

(Thousands of number, 100 millions of yen)

	Individual insurance		Individual annuities		Group insurance		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Death coverage								
Illness and accident	2,025	243,967	—	1,204	19,006	153,335	21,031	398,507
Accident	1,570	40,442	290	806	2,731	7,241	4,591	48,490
Others	—	—	—	—	0	7	0	7
Survival coverage	951	58,359	741	28,659	8	30	1,700	87,049
Hospitalization coverage								
Accident	1,492	87	—	—	1,168	4	2,661	91
Illness	1,486	86	—	—	—	—	1,486	86
Others	1,958	103	—	—	0	0	1,959	103
Injury coverage	1,540	—	4	—	2,171	—	3,716	—
Surgical coverage	3,325	—	—	—	—	—	3,325	—

(Thousands of number, 100 millions of yen)

	Group annuities		Worker's asset formation insurance and annuities		Total	
	Number	Amount	Number	Amount	Number	Amount
Survival coverage	11,573	19,975	19	352	11,593	20,328

(Thousands of number, millions of yen)

	Medical care insurance	
	Number	Amount
Hospitalization coverage	417	129

(Thousands of number, millions of yen)

	Group disability insurance	
	Number	Amount
Disability coverage	16	139

- Notes: 1. Number of group insurance, group annuities, worker's asset formation insurance and annuities, medical care insurance and group disability insurance show the number of insured.
2. Amounts in survival coverage for individual insurance and group insurance (other than annuity rider) show the sum of survival benefits, survival claims and nursing care benefits. Amounts in survival coverage for individual annuities, annuity rider for group insurance, worker's asset formation annuities (other than worker's asset formation funding annuities) show the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced. Amounts in survival coverage for group annuities, worker's asset formation insurance and worker's asset formation funding annuities show the amount of outstanding policy reserve.
3. Amounts in hospitalization coverage show daily hospitalization benefits.
4. Amount in hospitalization coverage for medical care insurance shows daily hospitalization benefits due to illness.
5. Amount for group disability insurance shows monthly disability benefits.

3. Investment Activities of General Account Assets for the Year Ended March 31, 2009

(1) Investment Activities for the Year Ended March 31, 2009

(i) Investment Environment

For the year ended March 31, 2009, Japanese economy has declined fast and sharply over second half of the fiscal year as the turmoil of European and U.S. financial market had impacted the worldwide economy. The condition of financial and capital markets was absolutely strict, against the expansion of the sense of crisis for the financial system in Europe and U.S. and the concern over the global economy.

As for the long-term interest rate, which once rose to more than 1.8% by 10-year government bond yield from May to June turned to downward trend against the concern over Japanese economy. It once reached 1.1% level, and stayed at 1.3 % level at the end of March.

Stock price, which started from 12,000 yen level, once rose to 14,000 yen level by the Nikkei Average, but it started to decline sharply in the end of October and reached below 7,000 yen temporarily. Although, unstable conditions continued, the pessimistic view about the future faded down, stock price recovered little, and stayed 8,109 yen at the end of March.

Yen, which depreciated against U.S. dollar and euro and reached 110 yen level against U.S. dollar and 169 yen level against euro over the summer, turned appreciating against other currencies rapidly from October, and once went below 90 yen against U.S. dollar and 120 yen against euro. But then yen depreciated against other currencies again, and reached 98 yen level against U.S. dollar and 129 yen level against euro at the end of March 2009.

On the European and U.S. financial markets, both FRB and ECB kept the monetary policy to easing, and increased the amount of money supply against

the glowing concerns in the financial environment. Under these conditions, long-term interest rate in U.S. which once rose to 4.2% level fell to the latter half of 2% level. German Bunds, the indicator of European long-term interest rate, also declined from 4.6% level to around 3.0% level.

(2) Investment Policies

Fundamental policy of asset management of Fukoku Life is to achieve the high level of investment revenue to the future, in accordance with the principle of prudent and profitable investments, taking into consideration of the liability characteristic of life insurance products. Under this policy, we allocate our funds based on medium-to-long term view of the market to construct a portfolio capable of adequately responding to the ongoing developments and also to secure the liquidity of the asset. To explain concretely, we diversify our investment in foreign securities, equities and real estate within the permitted range of risk to improve the revenue, although yen-denominated interest bearing assets such as domestic bonds and loans are the cores of the portfolio. Moreover, in the present state of affairs that the financial and capital markets are extremely unstable, we chiefly secure the fund received from customers.

We limit our investments towards financial products, which lack liquidity or include obscure risks, to maintain the quality of the portfolio. We also closely monitor our assets on daily basis to reduce the investment risk, so that we are able to absorb the influence from the large volatility in the market.

(3) Investment Results

General account assets as of March 31, 2009 were ¥5,402.9 billion (down 3.7% from the previous fiscal year), a decrease of ¥207.5 billion from the end of the previous fiscal year, by the decline of net unrealized gains on securities.

We focused our asset management activities on safety more than profitability from the beginning of FY2008, and when the turmoil of worldwide financial markets became serious from October, we especially, wrestled with reducing risks that related to investments. To explain concretely, we reduced high risk assets, such as foreign securities and equities, and raised hedge ratio, to strengthen the resistance for downward correction. On the other hand, we diversify the fund managed by turnover of foreign securities and equities, mainly to call loan and domestic bonds.

As a result, the balance of domestic bonds increased ¥24.1 billion, to ¥2,468.8 billion (up 1.0% from the previous fiscal year).

The balance of equities decreased ¥183.0 billion, to ¥418.8 billion (down 30.4% from the previous fiscal year) by sale and decrease of net unrealized gains following the large decline of market equity prices.

The balance of foreign securities decreased ¥182.8 billion, to ¥574.6 billion (down 24.1% from the previous fiscal year) mainly on foreign bonds.

Loans increased ¥6.8 billion, to ¥1,161.2 billion (up 0.6% from the previous fiscal year), mainly by the increase of corporate loans.

Real estate increased ¥44.3 billion, to ¥246.2 billion, by replacing property to improve the revenue.

The balance of securitized financial products decreased ¥1.8 billion, to ¥9.8 billion. As the ratio of securitized financial products to general account assets is merely 0.18% (down 0.03% point from the previous fiscal year) and we have no direct holding of any Subprime-related products, the risk for the management is very limited.

Total investment income were ¥166.7 billion (up 14.0% from the previous fiscal year). Interest and dividends income decreased ¥7.9 billion, to ¥115.0 billion (down 6.5% from the previous fiscal year), mostly by the interest of foreign bonds decreasing from the effect of yen's appreciation. On the other

hand, gains on sales of securities increased ¥30.4 billion, to ¥51.4 billion (up 144.8% from the previous fiscal year) mainly of domestic bonds.

Total investment expenses were ¥144.3 billion (up 262.4% from the previous fiscal year). As we sold foreign securities and equities that accounted realized losses to cut a loss, losses on sales of securities increased ¥79.9 billion, to ¥95.4 billion (up 515.5% from the previous fiscal year). From the weak equity markets against turmoil in financial markets, we accounted ¥25.2 billion yen (up 825.1% from the previous fiscal year) for losses on valuation of securities mainly about equities.

As a result, the net of our investment activities which is the amount of investment income minus expenses were ¥22.3 billion (down 79.0% from the previous fiscal year).

(2) Asset Composition

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	170,647	3.0 %	206,849	3.8 %
Monetary claims bought	2,533	0.0	2,055	0.0
Money held in trust	57,527	1.0	33,053	0.6
Securities	3,854,704	68.7	3,513,882	65.0
Domestic bonds	2,444,686	43.6	2,468,826	45.7
Domestic stocks	601,937	10.7	418,889	7.8
Foreign securities	757,445	13.5	574,604	10.6
Foreign bonds	575,979	10.3	403,391	7.5
Foreign stocks and other securities	181,466	3.2	171,212	3.2
Other securities	50,635	0.9	51,562	1.0
Loans	1,231,963	22.0	1,238,205	22.9
Policy loans	77,540	1.4	76,967	1.4
Ordinary loans	1,154,423	20.6	1,161,237	21.5
Real estate	201,896	3.6	246,220	4.6
Deferred tax assets	36,106	0.6	110,422	2.0
Others	65,180	1.2	63,547	1.2
Allowance for possible loan losses	(10,052)	(0.2)	(11,290)	(0.2)
Total	5,610,506	100.0	5,402,946	100.0
Foreign currency denominated assets	686,887	12.2	441,710	8.2

(3) Changes (Increase/Decrease) in Assets

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash, deposits, call loans	13,537	36,202
Monetary claims bought	(332)	(477)
Money held in trust	(44,659)	(24,474)
Securities	(129,350)	(340,821)
Domestic bonds	13,567	24,140
Domestic stocks	(199,183)	(183,047)
Foreign securities	47,448	(182,841)
Foreign bonds	40,064	(172,587)
Foreign stocks and other securities	7,384	(10,253)
Other securities	8,817	927
Loans	(34,262)	6,241
Policy loans	(1,746)	(572)
Ordinary loans	(32,516)	6,813
Real estate	491	44,324
Deferred tax assets	36,106	74,316
Others	5,678	(1,632)
Allowance for possible loan losses	(652)	(1,238)
Total	(153,441)	(207,559)
Foreign currency denominated assets	50,661	(245,176)

(4) Investment Income

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Interest, dividends and other income	122,983	115,027
Interest from deposits	584	662
Interest and dividends from securities	83,910	75,050
Interest from loans	25,075	24,324
Income from real estate for rent	12,771	14,300
Other interest and dividends	641	689
Gains from money held in trust, net	—	—
Gains from trading securities, net	1,827	—
Gains on sales of securities	21,031	51,491
Gains on sales of domestic bonds	2,722	29,312
Gains on sales of domestic stocks	11,566	17,176
Gains on sales of foreign securities	6,743	5,002
Gains on redemption of securities	—	—
Gains from derivative instruments, net	—	—
Foreign exchange gains, net	—	—
Other investment income	373	212
Total	146,216	166,730

(5) Investment Expenses

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Interest expenses	2,466	1,974
Losses from money held in trust, net	6,251	3,912
Losses from trading securities, net	—	3,343
Losses on sales of securities	15,511	95,471
Losses on sales of domestic bonds	4,720	2,427
Losses on sales of domestic stocks	7,182	43,679
Losses on sales of foreign securities	3,608	49,363
Losses on valuation of securities	2,731	25,268
Losses on valuation of domestic bonds	—	—
Losses on valuation of domestic stocks	1,949	19,006
Losses on valuation of foreign securities	782	3,761
Others	—	2,500
Losses on redemption of securities	—	—
Losses from derivative instruments, net	961	110
Foreign exchange losses, net	443	2,348
Provision for allowance for possible loan losses	745	1,243
Write-off of loans	—	—
Depreciation of real estate for rent and other assets	4,753	4,226
Other investment expenses	5,965	6,450
Total	39,830	144,349

(6) Net Investment Income

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net investment income	106,385	22,381

(7) Other Information on Investments

(i) Investment Yield by Asset Categories

(%)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash, deposits, call loans	0.46	(0.12)
Monetary claims bought	1.27	(0.34)
Money held in trust	(8.43)	(9.10)
Securities	2.38	(0.26)
Domestic bonds	1.63	2.83
Domestic stocks	2.75	(4.44)
Foreign securities	4.71	(5.80)
Foreign bonds	5.36	(7.42)
Foreign stocks and other securities	2.50	(1.21)
Loans	1.95	1.90
Ordinary loans	1.76	1.72
Real estate	2.19	3.06
Total	1.95	0.41
Overseas investments	4.74	(5.97)

Notes: 1. Investment yield above are calculated by dividing the net investment income by the average daily balance on a book value basis.

2. Overseas investments represent the total of foreign currency denominated assets and yen denominated assets.

(ii) Average Daily Balance

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash, deposits, call loans	133,888	197,681
Monetary claims bought	4,338	6,203
Money held in trust	74,185	43,007
Securities	3,616,884	3,648,942
Domestic bonds	2,391,403	2,388,027
Domestic stocks	441,589	441,768
Foreign securities	733,971	752,721
Foreign bonds	566,396	556,368
Foreign stocks and other securities	167,574	196,352
Loans	1,253,662	1,225,718
Ordinary loans	1,175,328	1,149,299
Real estate	204,646	217,023
Total	5,449,697	5,519,049
Overseas investments	755,409	775,828

(iii) Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations
Trading securities	125,191	(9,708)	89,449	(6,204)

Note: The table above includes money held in trust for trading purpose.

(iv) Fair Value Information on Securities (with fair value, other than trading securities)

(Millions of yen)

	As of March 31, 2008					As of March 31, 2009				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	170,358	172,310	1,951	4,749	2,798	152,157	156,525	4,368	5,177	809
Domestic bonds	121,656	126,386	4,730	4,732	2	113,032	117,328	4,296	4,332	36
Foreign bonds	48,702	45,924	(2,778)	17	2,795	39,125	39,197	71	845	773
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Policy-reserve-matching bonds	598,156	612,619	14,463	14,720	256	628,570	644,212	15,641	16,131	489
Investments in subsidiaries and affiliates	1,393	1,201	(191)	—	191	1,393	954	(438)	—	438
Available-for-sale securities	2,780,701	2,961,505	180,803	235,264	54,460	2,678,173	2,622,561	(55,611)	77,291	132,903
Domestic bonds	1,672,609	1,724,874	52,264	54,592	2,328	1,705,656	1,727,224	21,568	28,906	7,338
Domestic stocks	423,694	565,598	141,903	161,588	19,685	403,395	385,582	(17,813)	45,495	63,309
Foreign securities	637,330	628,186	(9,143)	17,828	26,972	519,208	466,188	(53,020)	2,388	55,408
Foreign bonds	467,778	458,613	(9,165)	8,518	17,683	328,436	306,869	(21,567)	1,942	23,509
Foreign stocks and other securities	169,551	169,573	21	9,309	9,288	190,772	159,319	(31,452)	445	31,898
Other securities	47,066	42,847	(4,219)	1,255	5,474	49,912	43,566	(6,346)	501	6,847
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	3,550,609	3,747,636	197,026	254,734	57,707	3,460,294	3,424,254	(36,039)	98,600	134,640
Domestic bonds	2,392,422	2,463,879	71,457	74,045	2,587	2,447,258	2,488,764	41,506	49,370	7,863
Domestic stocks	423,694	565,598	141,903	161,588	19,685	403,395	385,582	(17,813)	45,495	63,309
Foreign securities	687,425	675,311	(12,114)	17,845	29,959	559,727	506,341	(53,386)	3,233	56,619
Foreign bonds	516,481	504,537	(11,944)	8,535	20,479	367,562	346,066	(21,495)	2,787	24,283
Foreign stocks and other securities	170,944	170,774	(170)	9,309	9,480	192,165	160,274	(31,891)	445	32,336
Other securities	47,066	42,847	(4,219)	1,255	5,474	49,912	43,566	(6,346)	501	6,847
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

Note: The table above includes assets, such as negotiable certificate of deposits, which are considered appropriate to deem as securities under the Financial Instruments and Exchange Law.

* Book value of securities without fair value are as follows:

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
Held-to-maturity debt securities	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy-reserve-matching bonds	—	—
Investments in subsidiaries and affiliates	16,132	26,132
Available-for-sale securities	38,494	25,671
Unlisted domestic stocks (except over-the-counter stocks)	20,206	7,174
Unlisted foreign stocks (except over-the-counter stocks)	500	500
Unlisted foreign bonds	—	—
Others	17,788	17,996
Total	54,627	51,803

(v) Fair Value Information on Money Held in Trust

(Millions of yen)

	As of March 31, 2008					As of March 31, 2009				
	Carrying value on balance sheets	Fair value	Gains/losses			Carrying value on balance sheets	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	57,527	57,527	—	—	—	33,053	33,053	—	—	—

* Money held in trust for trading purpose

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations
Money held in trust for trading purpose	56,527	(5,701)	32,053	520

* Money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale

(Millions of yen)

	As of March 31, 2008					As of March 31, 2009				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust for held-to-maturity	—	—	—	—	—	—	—	—	—	—
Money held in trust for policy-reserve-matching	—	—	—	—	—	—	—	—	—	—
Money held in trust for available-for-sale	—	—	—	—	—	—	—	—	—	—

(reference) Fair Value Information on Derivative Instruments (General Account)

(i) Gains and Losses on Derivatives

(Millions of yen)

As of March 31, 2008		Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
	Hedge accounting applied	639	—	—	—	—	639
	Hedge accounting not applied	—	(627)	—	—	—	(627)
Total		639	(627)	—	—	—	12
As of March 31, 2009		Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
	Hedge accounting applied	751	(954)	—	—	—	(203)
	Hedge accounting not applied	—	(2,393)	(4,600)	—	—	(6,993)
Total		751	(3,347)	(4,600)	—	—	(7,197)

Note: Gains and losses from applying fair value hedge accounting (currency-related, losses of ¥954 million as of March 31, 2009) included in gains and losses with hedge accounting applied, and gains and losses with hedge accounting not applied are reported in the statements of operations.

(ii) Interest-related Transactions

(Millions of yen)

	As of March 31, 2008				As of March 31, 2009					
	Notional amount/ contract value		Fair value	Gains (losses)	Notional amount/ contract value		Fair value	Gains (losses)		
	Over 1 year				Over 1 year					
Over-the-counter transactions										
	Interest rate swap contracts									
	Receipt fixed, payment floating		87,332	71,662	688	688	71,058	66,738	789	789
	Payment fixed, receipt floating		2,500	2,500	(48)	(48)	2,500	2,500	(38)	(38)
Total						639				751

* Interest rate swap contracts by contractual maturity dates

(Millions of yen)

	As of March 31, 2008			As of March 31, 2009		
	1 year or shorter	Over 1 year to 3 years	Over 3 years	1 year or shorter	Over 1 year to 3 years	Over 3 years
Notional amount (receipts fixed, payments floating)	15,670	26,786	44,876	4,320	44,623	22,115
Average fixed rate (receipt)	1.20%	1.16%	1.58%	1.26%	1.25%	1.80%
Average floating rate (payment)	1.42%	1.15%	1.23%	1.24%	0.94%	1.27%
Notional amount (receipts floating, payments fixed)	—	2,500	—	—	2,500	—
Average floating rate (receipt)	—	1.16%	—	—	1.05%	—
Average fixed rate (payment)	—	1.84%	—	—	1.84%	—

(iii) Currency-related Transactions

(Millions of yen)

	As of March 31, 2008				As of March 31, 2009			
	Notional amount/ contract value		Fair value	Gains (losses)	Notional amount/ contract value		Fair value	Gains (losses)
		Over 1 year				Over 1 year		
Over-the-counter transactions								
Currency forward contracts								
Sold	40,324	—	41,044	(719)	214,060	—	216,725	(2,665)
US dollar	13,787	—	14,009	(222)	124,325	—	125,222	(896)
Euro	21,670	—	22,106	(435)	89,734	—	91,503	(1,768)
Canadian Dollar	2,922	—	2,932	(9)	—	—	—	—
British Pound	1,943	—	1,995	(51)	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Currency Option								
Sold								
Calls	74,000	—			61,583	—		
US dollar	[491]	—	436	54	[653]	—	861	(207)
Australian dollar	[8,404]	—	2	49	[43,449]	—	232	162
Euro	[52]	—	2	20	[395]	—	601	(382)
Canadian Dollar	[3,880]	—	2	(51)	[219]	—	27	12
Puts	[57,596]	—	425	36	[5,600]	—	—	—
Euro	[373]	—	6	28	[39]	—	—	—
Canadian Dollar	[4,120]	—	2	28	[—]	—	—	—
Puts	[5,680]	—	2	28	[—]	—	—	—
Euro	[30]	—	2	28	[—]	—	—	—
Bought								
Calls	—	—	—	—	—	—	—	—
US dollar	[—]	—	—	—	[—]	—	—	—
Australian dollar	[84,040]	—	847	96	[57,040]	—	237	(416)
Euro	[751]	—	683	431	[653]	—	191	(203)
Canadian Dollar	[32,120]	—	—	—	[395]	—	4	(214)
Puts	[252]	—	126	(329)	[219]	—	41	1
Euro	[48,160]	—	37	(5)	[5,090]	—	—	—
Canadian Dollar	[456]	—	—	—	[39]	—	—	—
Puts	[3,760]	—	—	—	[—]	—	—	—
Euro	[43]	—	—	—	[—]	—	—	—
Currency swap contracts								
Australian dollar	4,000	4,000	(87)	(87)	4,000	4,000	(58)	(58)
Australian dollar	4,000	4,000	(87)	(87)	4,000	4,000	(58)	(58)
Total				(627)				(3,347)

Notes: 1. Figures in [] are option premiums which are included in balance sheets.

2. Forward exchange rates are used for exchange rates as of the end of fiscal year.

3. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.

(iv) Stock-related Transactions

(Millions of yen)

	As of March 31, 2008				As of March 31, 2009			
	Notional amount/ contract value		Fair value	Gains (losses)	Notional amount/ contract value		Fair value	Gains (losses)
		Over 1 year				Over 1 year		
Exchange-traded transactions								
Yen stock index futures								
Sold	—	—	—	—	38,703	—	43,303	(4,600)
Bought	—	—	—	—	—	—	—	—
Total				—				(4,600)

(v) Bond-related Transactions

As of March 31, 2008 and 2009, there were no bond-related transactions.

(reference) Fair Value of Real Estate (Land and Leaseholds)

(Millions of yen)

As of March 31, 2008			As of March 31, 2009		
Carrying value on the balance sheets	Fair value	Gains(losses)	Carrying value on the balance sheets	Fair value	Gains(losses)
106,895	266,035	159,139	142,001	269,274	127,273

Notes: 1. As of March 31, 2008, fair value is based on the appraisal value for property tax as of January 1, 2008 and the road rate as of January 1, 2007.

2. As of March 31, 2009, fair value is based on the appraisal value by the real-estate appraiser, the appraisal value for property tax as of January 1, 2009 and the road rate as of January 1, 2008.

4. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009		As of March 31, 2008	As of March 31, 2009
Assets:			Liabilities:		
Cash and deposits	45,296	49,382	Policy reserves	5,262,578	5,221,451
Cash	128	134	Reserve for outstanding claims	26,415	28,220
Bank deposits	45,168	49,248	Policy reserve	5,181,780	5,135,913
Call loans	125,500	183,600	Reserve for dividends to policyholders	54,382	57,317
Monetary claims bought	2,533	2,055	Reinsurance payables	102	87
Money held in trust	57,527	33,053	Subordinated bonds	47,362	38,870
Securities	3,962,459	3,596,377	Other liabilities	44,733	39,550
Government bonds	1,782,029	1,746,556	Corporate income tax payable	9,316	107
Local government bonds	138,278	136,848	Accounts payable	3,274	1,680
Corporate bonds	560,305	616,227	Accrued expenses	10,931	9,975
Stocks	643,452	448,295	Unearned income	479	517
Foreign securities	787,019	596,372	Deposits received	5,043	5,050
Other securities	51,373	52,077	Guarantee deposits received	12,708	11,712
Loans	1,231,963	1,238,205	Derivatives	1,422	8,879
Policy loans	77,540	76,967	Suspense receipt	1,557	1,625
Ordinary loans	1,154,423	1,161,237	Reserve for employees' retirement benefits	49,504	49,293
Tangible fixed assets	205,952	250,065	Reserve for price fluctuation of securities	53,911	24,622
Land	106,720	141,825	Deferred tax liabilities for revaluation reserve for land	20,076	20,026
Buildings	94,416	98,937	Total liabilities	5,478,270	5,393,901
Construction in progress	759	5,457	Net assets:		
Other tangible fixed assets	4,056	3,845	Foundation funds	40,000	40,000
Intangible fixed assets	8,423	7,785	Accumulated foundation funds redeemed	31,000	31,000
Software	7,973	7,337	Reserve for revaluation	112	112
Other intangible fixed assets	449	448	Surplus	72,441	83,621
Reinsurance receivables	120	122	Legal reserve for future losses	1,787	1,987
Other assets	59,400	54,674	Other surplus	70,653	81,634
Accounts receivable	19,165	12,930	Reserve for redemption of foundation funds	10,000	20,000
Prepaid expenses	1,414	2,393	Reserve for dividend allowances	3,895	3,895
Accrued income	26,603	21,523	Reserve for advanced depreciation of real estate for tax purpose	319	311
Deposits	2,247	2,416	Other reserves	767	767
Differential account for futures trading	—	5,027	Unappropriated surplus	55,671	56,660
Derivatives	1,434	1,682	Total foundation funds and surplus	143,553	154,733
Suspense payment	4,560	4,340	Net unrealized gains (losses) on available- for-sale securities, net of tax	115,334	(35,474)
Other assets	3,974	4,360	Deferred valuation gains (losses) under hedge accounting	408	479
Deferred tax assets	36,106	110,422	Revaluation reserve for land, net of tax	(12,335)	814
Allowance for possible loan losses	(10,052)	(11,290)	Total valuation and translation adjustments	103,407	(34,180)
			Total net assets	246,961	120,553
Total assets	5,725,231	5,514,454	Total liabilities and net assets	5,725,231	5,514,454

5. Non-consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Ordinary revenues:		
Premium and other income	736,468	646,726
Premium income	736,241	646,500
Reinsurance income	226	226
Investment income	146,216	166,730
Interest, dividends and other income	122,983	115,027
Interest from deposits	584	662
Interest and dividends from securities	83,910	75,050
Interest from loans	25,075	24,324
Income from real estate for rent	12,771	14,300
Other interest and dividends	641	689
Gains from trading securities, net	1,827	—
Gains on sales of securities	21,031	51,491
Other investment income	373	212
Other ordinary revenues	23,774	68,227
Fund receipt from annuity rider	851	557
Fund receipt from deposit of claims paid	18,702	19,967
Reversal of reserve for outstanding claims	1,955	—
Reversal of policy reserve	—	45,866
Reversal of reserve for employees' retirement benefits	743	211
Others	1,521	1,624
Total ordinary revenues	906,459	881,685
Ordinary expenditures:		
Claims and other payments	601,926	596,550
Claims	235,444	205,663
Annuities	76,212	89,550
Benefits	144,598	151,181
Surrenders	120,386	109,976
Other payments	24,934	39,840
Reinsurance premiums	349	338
Provision for policy reserve and others	73,967	2,047
Provision for reserve for outstanding claims	—	1,804
Provision for policy reserve	73,766	—
Interest on accumulated dividends to policyholders	200	242
Investment expenses	59,595	169,435
Interest expenses	2,466	1,974
Losses from money held in trust, net	6,251	3,912
Losses from trading securities, net	—	3,343
Losses on sales of securities	15,511	95,471
Losses on valuation of securities	2,731	25,268
Losses from derivative instruments, net	961	110
Foreign exchange losses, net	443	2,348
Provision for allowance for possible loan losses	745	1,243
Depreciation of real estate for rent and other assets	4,753	4,226
Other investment expenses	5,965	6,450
Losses from separate accounts, net	19,765	25,086
Operating expenses	87,913	86,137
Other ordinary expenditures	24,978	25,349
Claim deposit payments	13,377	14,532
Taxes	5,100	4,957
Depreciation	6,149	5,583
Others	350	277
Total ordinary expenditures	848,381	879,520
Ordinary profits	58,077	2,164
Extraordinary gains:		
Gains on disposal of fixed assets	42	41,724
Reversal of reserve for price fluctuation of securities	—	29,289
Total extraordinary gains	42	71,014
Extraordinary losses:		
Losses on disposal of fixed assets	240	904
Impairment losses	398	514
Provision for reserve for price fluctuation of securities	3,845	—
Total extraordinary losses	4,484	1,418
Surplus before income taxes	53,635	71,760
Income taxes - current	18,905	3,645
Income taxes - deferred	(10,655)	11,251
Total of income taxes	8,249	14,896
Net surplus for the year	45,385	56,863

Notes to the Non-consolidated Financial Statements

I. Presentation of the Non-consolidated Financial Statements

1. Basis of Presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Fukoku Mutual Life Insurance Company (the "Company") in accordance with the provisions set forth in the Insurance Business Law of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been eliminated. As a result, total in yen shown herein do not necessarily agree with the sum of the individual amounts.

II. Notes to Balance Sheets

1. Significant Accounting Policies

(1) Valuation Methods of Securities

The valuation of securities, including bank deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:

- i) Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.
- ii) Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.
- iii) Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" (Industry Audit Committee Report No.21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).
- iv) Investments in subsidiaries and affiliates are stated at cost, cost being determined by the moving average method.
- v) Available-for-sale securities with fair market value are stated at fair market value based on the market prices at the end of fiscal year. Costs of their sales are determined by the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.

Available-for-sale securities with no fair market value are stated at cost, cost being determined by the moving average method, except for public and corporate bonds including foreign bonds, of which the difference between acquisition cost and face value is considered to be an adjustment of interest. Such bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method.

(2) Valuation Methods of Derivative Instruments

Derivative instruments are stated at fair market value.

(3) Revaluation of Land

The Company revalued the land for business purposes based on the Law for Revaluation of Land (Law No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a

separate component of net assets and the related tax is recorded as deferred tax liabilities for revaluation reserve for land.

- Date of revaluation: March 31, 2002
- Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Law:

Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement Ordinance of the Law for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.

(4) Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is calculated by the following methods.

- Buildings
 - i) Acquired on or before March 31, 1998: Previous declining-balance method
 - ii) Acquired on or after April 1, 1998 but on or before March 31, 2007: Previous straight-line method
 - iii) Acquired on or after April 1, 2007: Straight-line method
- Assets other than buildings
 - i) Acquired on or before March 31, 2007: Previous declining-balance method
 - ii) Acquired on or after April 1, 2007: Declining-balance method

Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.

(5) Foreign Currency Translation

Foreign currency-denominated assets and liabilities, except for investments in subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.

(6) Allowance for Possible Loan Losses

Allowance for possible loan losses is provided in accordance with the Company's standards of self-assessment and write-offs and reserves on credit quality:

- i) For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amount of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- ii) For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy, the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- iii) For the credits of borrowers other than the above, the Company provides the amounts calculated by multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.

All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses are provided based on the results of these assessments.

For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of

guarantees is written-off directly from the borrower's balance as the estimated uncollectible amounts. The amounts written-off as of March 31, 2008 and 2009 were ¥875 million and ¥852 million, respectively.

(7) Reserve for Employees' Retirement Benefits

The Company adopts accounting standards for employees' retirement benefits (Business Accounting Council dated June 16, 1998) and accounts for the reserve for employees' retirement benefits based on the projected benefit obligation and plan assets at the balance sheet date.

(8) Reserve for Price Fluctuation of Securities

Reserve for price fluctuation of securities is calculated in accordance with the ruling in Article 115 of the Insurance Business Law.

(9) Lease Transactions

For the year ended March 31, 2008, finance lease transactions that do not transfer ownership to the lessee were accounted for in a manner similar to accounting treatment for ordinary rental transactions.

For the year ended March 31, 2009, finance lease transactions that do not transfer ownership to the lessee whose commencement day was on or before March 31, 2008 continued to be accounted for in a manner similar to accounting treatment for ordinary rental transactions. For finance lease transaction where the Company is lessor, the lease fee was recorded in "interest, dividends and other income" and the amount after deduction of the amount equivalent to interest allocated over the lease term from lease fee was recorded in "other investment expenses" as the cost of the corresponding lease assets, at time of receiving lease fee.

(10) Accounting for Hedge Activities

Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No.10 issued by the Accounting Standards Board of Japan on August 11, 2006).

For the foreign currency forward contracts against the exchange rate fluctuations in the value of foreign currency-denominated bonds classified as available-for-sale securities, which qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged item, valuation gains and losses on the foreign currency forward contracts are recorded in the statements of operations.

For the interest rate swaps against the interest rate fluctuations regarding loans, which qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged item, valuation gains and losses on the interest rate swaps are deferred until the maturity of the hedged transactions.

Deposits denominated in foreign currencies for which forward foreign exchange contracts are used to hedge the foreign currency fluctuations are translated at the contract rates if the forward contracts qualify for specific hedge accounting. In this case, exchange differences between exchange rate on trade date and forward contract rate are allocated to each fiscal year from the date contracted to the date settled.

For judging the effectiveness of hedge used, ratio analysis of comparing the cash flow fluctuation of hedged item with the same of hedging instruments is mostly applied.

(11) Accounting for Consumption Taxes

The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Law, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(12) Policy Reserve

Policy reserve is based on Article 116 of the Insurance Business Law, and the premium reserve at the end of fiscal year is calculated by the following method:

In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No. 48, 1996) is applied.

In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

(13) Software

The software for internal use is amortized based on straight-line method over the estimated useful lives.

(14) Deferred Assets

Discount on bonds is amortized equally over the period for which interest on bonds is fixed. This amount is deducted from bonds.

(15) Policy-reserve-matching Bonds

Of the bonds corresponding to the sub-groups which are set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry". (Industry Audit Committee Report No.21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).

The amounts of policy-reserve-matching bonds recorded on the balance sheets and the market value of these bonds were ¥598,156 million and ¥612,619 million as of March 31, 2008 and ¥628,570 million and ¥644,212 million as of March 31, 2009, respectively.

2. Changes in Accounting Policy

- (1) Effective for the year ended March 31, 2009, the Company adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No.13 issued by the Accounting Standards Board of Japan on March 30, 2007). As a result, ordinary profits decreased by ¥2 million, compared to the previous methods.
- (2) Effective for the year ended March 31, 2008, in accordance with the revision of Corporate Tax Law, depreciation of tangible fixed assets acquired on or after April 1, 2007 is calculated by the straight-line method and the declining-balance method stipulated in the revised law. As a result, ordinary profits decreased by ¥45 million, compared to the previous methods.

The tangible fixed assets acquired on or before March 31, 2007 that are depreciated to their final depreciable limit are depreciated equally over five years for their remaining book value. As a result, ordinary profits decreased by ¥71 million.

3. Loans Receivable

The total amounts of credits to bankrupt borrowers, delinquent loans, delinquent loans past 3 months or more and restructured loans, which were included in loans, were ¥11,032 million and ¥10,749 million as of March 31, 2008 and 2009, respectively.

- i) The balances of credits to bankrupt borrowers were ¥492 million and ¥471 million as of March 31, 2008 and 2009, respectively.
- ii) The balances of delinquent loans were ¥10,539 million and ¥10,277 million as of March 31, 2008 and 2009, respectively.
- iii) There were no balances of delinquent loans past 3 months or more as of March 31, 2008 and 2009.
- iv) There were no balances of restructured loans as of March 31, 2008 and 2009.

Credits to bankrupt borrowers represent loans, excluding the balances already written-off, which meet the conditions prescribed in Article 96 Paragraph 1 Item 3 and 4 of the Enforcement Regulations of the Corporate Tax Law. Moreover, accruing interest of these loans is not recorded as income after determining that principal or interest on these loans is unlikely to be collected due to the significant delay in repayment of principal or interest payment or for some other reasons.

Delinquent loans are credits whose accruing interest is not recorded as income due to the same reasons as described above, and exclude credits to bankrupt borrowers and loans for which interest payments have been suspended and rescheduled to assist and support the borrowers in the restructuring of their business.

Delinquent loans past 3 months or more are loans for which interest payment or repayment of principal are delinquent for 3 months or more from the due date under the terms of the related loan agreements, excluding those loans classified as credits to bankrupt borrowers and delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemptions, rescheduling of due date of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans and delinquent loans past 3 months or more.

The direct write-offs related to loans decreased credits to bankrupt borrowers described above by ¥87 million and ¥66 million as of March 31, 2008 and 2009, respectively.

The direct write-offs related to loans decreased delinquent loans described above by ¥787 million and ¥786 million as of March 31, 2008 and 2009, respectively.

4. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets totaled to ¥122,527 million and ¥124,586 million as of March 31, 2008 and 2009, respectively.

5. Separate Accounts

Total assets in separate accounts provided for in Article 118 of the Insurance Business Law were ¥117,591 million and ¥113,498 million as of March 31, 2008 and 2009, respectively. The amounts of liabilities were the same as these figures.

6. Receivables from / Payables to Subsidiaries

The total amounts of receivables from / payables to subsidiaries were ¥3,642 million and ¥1,479 million as of March 31, 2008, and ¥3,579 million and ¥1,281 million as of March 31, 2009, respectively.

7. Monetary Claims to Directors

Monetary claims to directors as of March 31, 2007 and 2008 were ¥16 million and ¥12 million, respectively.

8. Income Taxes

Deferred tax assets and deferred tax liabilities as of March 31, 2008 were ¥106,636 million and ¥67,693 million, respectively. Valuation allowance for deferred tax assets was ¥2,836 million.

Major components of deferred tax assets were ¥60,587 million of policy reserves, ¥19,521 million of reserve for price fluctuation of securities and ¥17,925 million of reserve for employees' retirement benefits and major component of deferred tax liabilities was ¥65,469 million of net unrealized gains on available-for-sale securities as of March 31, 2008.

The statutory tax rate and the actual effective tax rates for the year ended March 31, 2008 were 36.2% and 15.4%, respectively. The major difference between the statutory tax rate and the actual effective tax rate was (21.5%) of reserve for dividends to policyholders.

Deferred tax assets and deferred tax liabilities as of March 31, 2009 were ¥115,089 million and ¥1,939 million, respectively. Valuation allowance for deferred tax assets was ¥2,727 million.

Major components of deferred tax assets were ¥57,150 million of policy reserves, ¥20,136 million of net unrealized losses of available-for-sale securities and ¥17,849 million of reserve for employees' retirement benefits as of March 31, 2009.

The statutory tax rate and the actual effective tax rates for the year ended March 31, 2009 were 36.2% and 20.8%, respectively. The major differences between the statutory tax rate and the actual effective tax rate were (9.0%) of reserve for dividends to policyholders and (6.6%) of revaluation reserve for land.

9. Reserve for Dividends to Policyholders

Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,	
	2008	2009
		(Millions of yen)
Balance at the end of previous fiscal year.....	¥ 52,872	¥ 54,382
Transfer from surplus in previous fiscal year.....	35,525	31,868
Dividends paid in fiscal year	(34,216)	(29,176)
Increase in interest	200	242
Balance at the end of fiscal year	<u>¥ 54,382</u>	<u>¥ 57,317</u>

10. Stocks of Subsidiaries

The amounts of stocks of subsidiaries the Company held as of March 31, 2008 and 2009 were ¥17,525 million and ¥27,525 million, respectively.

11. Pledged Assets and Secured Debts

Assets pledged as collateral as of March 31, 2008 were ¥15,145 million of securities and ¥19 million of money held in trust. Secured debts as of March 31, 2008 was ¥4,660 million.

Assets pledged as collateral as of March 31, 2009 were ¥25,959 million of securities. Secured debts as of March 31, 2009 was ¥4,645 million.

12. Policy Reserves for the Reinsurance Contracts

Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Item 1 of the Enforcement Regulation of the Insurance Business Law (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥31 million and ¥55 million as of March 31, 2008 and 2009, respectively.

Policy reserve for the reinsurance contracts provided in accordance with Article 71 Item 1 of the Enforcement Regulation of the Insurance Business Law (hereinafter called "policy reserve for ceded reinsurance") were ¥29 million and ¥30 million as of March 31, 2008 and 2009, respectively.

13. Adjustment Items for Redemption of Foundation Funds and Appropriation of Net Surplus

Adjustment items for redemption of foundation funds and appropriation of net surplus defined in Article 30 Paragraph 2 of the Enforcement Regulation of the Insurance Business Law were ¥115,855 million and ¥1,406 million as of March 31, 2008 and 2009, respectively.

14. Commitment Line

As of March 31, 2008 and 2009, there were unused commitment line agreements under which the Company is the lender of ¥1,681 million and ¥1,481 million, respectively.

15. Subordinated Bonds

Repayments of subordinated bonds are subordinated to other obligations.

16. Assets Denominated in Foreign Currencies

Assets denominated in foreign currencies as of March 31, 2008 and 2009 totaled to ¥716,763 million and ¥463,674 million, respectively. The principal foreign currency asset amounts were 2,401 million euros and US\$2,584 million as of March 31, 2008, and 1,551 million euros and US\$2,465 million as of March 31, 2009, respectively.

Liabilities denominated in foreign currencies as of March 31, 2008 and 2009 totaled to ¥48,542 million and ¥39,840 million, respectively. The foreign currency liability amounts as of March 31, 2008 and 2009 were 306 million euros.

17. Contribution to Policyholders Protection Corporation

The future contributions to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law were estimated at ¥11,302 million and ¥11,059 million as of March 31, 2008 and 2009, respectively. The contributions were charged as operating expenses in the year in which they were paid.

18. Reserve for Employees' Retirement Benefits

(1) The reserve for employees' retirement benefits as of March 31, 2008 and 2009 were calculated as follows:

	As of March 31,	
	2008	2009
	(Millions of yen)	
a. Projected benefit obligation	¥ (71,776)	¥ (71,981)
b. Fair value of pension plan assets	18,307	15,016
c. Unfunded benefit obligation (a+b)	(53,469)	(56,965)
d. Unrecognized actuarial differences	3,758	7,499
e. Unrecognized prior service cost	206	172
f. Reserve for employees' retirement benefits (c+d+e)	<u>¥ (49,504)</u>	<u>¥ (49,293)</u>

(2) Gross amount of retirement benefit expenses for the years ended March 31, 2007 and 2008 were as follows:

	Year ended March 31,	
	2008	2009
	(Millions of yen)	
Service cost	¥ 3,400	¥ 3,218
Interest cost	1,472	1,434
Expected return on plan assets	(964)	(640)
Recognized actuarial differences	523	779
Amortization of prior service cost	34	34
	<u>¥ 4,465</u>	<u>¥ 4,826</u>

(3) The assumptions used in calculation of the above information were as follows:

	Year ended March 31,	
	2008	2009
• Method of attributing the projected benefits to periods of service	Straight-line basis	Straight-line basis
• Discount rate	2.0%	2.0%
• Expected rate of return on pension plan assets	4.5%	3.5%
• Recognition period of actuarial differences	10 years	10 years
• Amortization period of prior service cost	10 years	10 years

III. Notes to Statements of Operations

1. Transactions with Subsidiaries

The total amounts of revenues and expenditures in connection with subsidiaries were ¥694 million and ¥8,023 million for the year ended March 31, 2008, and ¥1,032 million and ¥7,170 million for the year ended March 31, 2009, respectively.

2. Gains on Sales of Securities

Major items of gains on sales of securities were as follows:

	Year ended March 31,	
	2008	2009
		(Millions of yen)
Domestic bonds	¥ 2,722	¥ 29,312
Domestic stocks and other	11,566	17,176
Foreign securities	6,743	5,002

3. Losses on Sales of Securities

Major items of losses on sales of securities were as follows:

	Year ended March 31,	
	2008	2009
		(Millions of yen)
Domestic bonds	¥ 4,720	¥ 2,427
Domestic stocks and other	7,182	43,679
Foreign securities	3,608	49,363

4. Losses on Valuation of Securities

Major items of losses on valuation of securities were as follows:

	Year ended March 31,	
	2008	2009
		(Millions of yen)
Domestic stocks and other	¥ 1,949	¥ 21,507
Foreign securities	782	3,761

5. Policy Reserves for the Reinsurance Contracts

For the year ended March 31, 2008, reversal of reserve for outstanding claims for ceded reinsurance considered in calculation of reversal of reserve for outstanding claims was ¥12 million and reversal of policy reserve for ceded reinsurance considered in calculation of provision for policy reserve was ¥2 million.

For the year ended March 31, 2009, provision for reserve for outstanding claims for ceded reinsurance considered in calculation of provision for reserve for outstanding claims was ¥24 million and provision for policy reserve for ceded reinsurance considered in calculation of reversal of policy reserve was ¥0 million.

6. Gains / Losses from Trading Securities

Major items of gains / losses from trading securities were as follows:

	Year ended March 31,	
	2008	2009
		(Millions of yen)
Interest, dividends and other income.....	¥ 3,798	¥ 2,645
Gains/(Losses) on sales of trading securities.....	1,920	734
Gains/(Losses) on valuation of trading securities..	(4,006)	(6,724)

7. Losses from Money Held in Trust

Losses from money held in trust for the years ended March 31, 2008 and 2009 included valuation losses of ¥5,701 million and valuation gains of ¥520 million, respectively.

8. Losses from derivative Instruments

Losses from derivative instruments for the years ended March 31, 2008 and 2009 included valuation gains of ¥95 million and valuation losses of ¥6,298 million, respectively.

9. Impairment of Fixed Assets

For the year ended March 31, 2009, impairment losses of fixed assets was as follows:

(1) Method of grouping

Real estate and other assets used for insurance business operations are classified as one asset group as a whole. Other assets such as lease property and unused real estate are classified as one group individually.

(2) Background of recognizing the impairment losses

As a result of decline in profitability due to decrease of rental income and decline of market value of land, the Company reduced the book value of lease property and unused real estate to recoverable amount. The amounts reduced were recognized as impairment losses included in extraordinary losses.

(3) Asset groups recognized impairment losses and losses by fixed assets

Asset	Impairment losses		
	Land	Buildings and others	Total
			(Millions of yen)
(i) Lease property	¥ 205	¥ 40	¥ 245
(ii) Unused real estate ...	55	213	269
Total (i)+(ii).....	<u>¥ 260</u>	<u>¥ 254</u>	<u>¥ 514</u>

(4) Calculation method of recoverable amount

Recoverable amount is based on net sales value. Net sales value is determined based on appraisal value, posted price or road rate.

6. Breakdown of Ordinary Profits (Fundamental Profit)

(Millions of yen)

		Year ended March 31, 2008	Year ended March 31, 2009
Fundamental profit	A	89,675	75,666
Capital gains		21,031	51,491
Gains from money held in trust, net		—	—
Gains from trading securities, net		—	—
Gains on sales of securities		21,031	51,491
Gains from derivative instruments, net		—	—
Foreign exchange gains, net		—	—
Other capital gains		—	—
Capital losses		28,768	133,619
Losses from money held in trust, net		7,149	4,430
Losses from trading securities, net		1,970	5,989
Losses on sales of securities		15,511	95,471
Losses on valuation of securities		2,731	25,268
Losses from derivative instruments, net		961	110
Foreign exchange losses, net		443	2,348
Other capital losses		—	—
Net capital gains (losses)	B	(7,736)	(82,127)
Fundamental profit plus net capital gains (losses)	A+B	81,939	(6,460)
Other one-time gains		—	9,339
Reinsurance income		—	—
Reversal of contingency reserve		—	9,339
Others		—	—
Other one-time losses		23,862	714
Reinsurance premiums		—	—
Provision for contingency reserve		23,743	—
Provision for specific allowance for possible loan losses		118	714
Allowance for specified overseas loans		—	—
Write-off of loans		—	—
Others		—	—
Other one-time gains (losses)	C	(23,862)	8,625
Ordinary profits	A+B+C	58,077	2,164

Notes: 1. The following amounts in respect of gains / losses from money held in trust have been excluded from capital gains / losses and included in fundamental profit due to their income nature (being interest and dividend income): ¥898 million in respect of the year ended March 31, 2008 and ¥518 million in respect of the year ended March 31, 2009.

2. The following amounts in respect of gains / losses from trading securities have been excluded from capital gains / losses and included in fundamental profit due to their income nature (being interest and dividend income): ¥3,798 million in respect of the year ended March 31, 2008 and ¥2,645 million in respect of the year ended March 31, 2009.

Breakdown of Fundamental Profit

(100 millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Fundamental profit	896	756
Loading profit	156	134
Mortality and morbidity profit	774	737
Negative spread	(33)	(116)

7. Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the year ended March 31, 2008	For the year ended March 31, 2009
Foundation funds and surplus		
Foundation funds		
Balance at the end of previous fiscal year	40,000	40,000
Changes in the current fiscal year		
Total changes in the current fiscal year	—	—
Balance at the end of current fiscal year	40,000	40,000
Accumulated foundation funds redeemed		
Balance at the end of previous fiscal year	31,000	31,000
Changes in the current fiscal year		
Total changes in the current fiscal year	—	—
Balance at the end of current fiscal year	31,000	31,000
Reserve for revaluation		
Balance at the end of previous fiscal year	112	112
Changes in the current fiscal year		
Total changes in the current fiscal year	—	—
Balance at the end of current fiscal year	112	112
Surplus		
Legal reserve for future losses		
Balance at the end of previous fiscal year	1,587	1,787
Changes in the current fiscal year		
Additions to legal reserve for future losses	200	200
Total changes in the current fiscal year	200	200
Balance at the end of current fiscal year	1,787	1,987
Other surplus		
Reserve for redemption of foundation funds		
Balance at the end of previous fiscal year	—	10,000
Changes in the current fiscal year		
Additions to reserve for redemption of foundation funds	10,000	10,000
Total changes in the current fiscal year	10,000	10,000
Balance at the end of current fiscal year	10,000	20,000
Reserve for dividend allowances		
Balance at the end of previous fiscal year	3,895	3,895
Changes in the current fiscal year		
Total changes in the current fiscal year	—	—
Balance at the end of current fiscal year	3,895	3,895
Reserve for advanced depreciation of real estate for tax purpose		
Balance at the end of previous fiscal year	343	319
Changes in the current fiscal year		
Reversal of reserve for advanced depreciation of real estate for tax purpose	(23)	(8)
Total changes in the current fiscal year	(23)	(8)
Balance at the end of current fiscal year	319	311
Reserve for directors' retirement allowances		
Balance at the end of previous fiscal year	2,770	—
Changes in the current fiscal year		
Reversal of reserve for directors' retirement allowances	(2,770)	—
Total changes in the current fiscal year	(2,770)	—
Balance at the end of current fiscal year	—	—
Other reserves		
Balance at the end of previous fiscal year	767	767
Changes in the current fiscal year		
Total changes in the current fiscal year	—	—
Balance at the end of current fiscal year	767	767
Unappropriated surplus		
Balance at the end of previous fiscal year	53,771	55,671
Changes in the current fiscal year		
Additions to reserve for dividends to policyholders	(35,525)	(31,868)
Additions to legal reserve for future losses	(200)	(200)
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	45,385	56,863
Additions to reserve for redemption of foundation funds	(10,000)	(10,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose	23	8
Reversal of reserve for directors' retirement allowances	2,770	—
Reversal of revaluation reserve for land	161	(13,098)
Total changes in the current fiscal year	1,899	988
Balance at the end of current fiscal year	55,671	56,660

7. Non-consolidated Statements of Changes in Net Assets (Continued)

(Millions of yen)

	For the year ended March 31, 2008	For the year ended March 31, 2009
Total surplus		
Balance at the end of previous fiscal year	63,135	72,441
Changes in the current fiscal year		
Additions to reserve for dividends to policyholders	(35,525)	(31,868)
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	45,385	56,863
Reversal of revaluation reserve for land	161	(13,098)
Total changes in the current fiscal year	9,305	11,180
Balance at the end of current fiscal year	72,441	83,621
Total foundation funds and surplus		
Balance at the end of previous fiscal year	134,247	143,553
Changes in the current fiscal year		
Additions to reserve for dividends to policyholders	(35,525)	(31,868)
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	45,385	56,863
Reversal of revaluation reserve for land	161	(13,098)
Total changes in the current fiscal year	9,305	11,180
Balance at the end of current fiscal year	143,553	154,733
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities, net of tax		
Balance at the end of previous fiscal year	273,377	115,334
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	(158,043)	(150,809)
Total changes in the current fiscal year	(158,043)	(150,809)
Balance at the end of current fiscal year	115,334	(35,474)
Deferred valuation gains (losses) under hedge accounting		
Balance at the end of previous fiscal year	(152)	408
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	560	70
Total changes in the current fiscal year	560	70
Balance at the end of current fiscal year	408	479
Revaluation reserve for land, net of tax		
Balance at the end of previous fiscal year	(12,204)	(12,335)
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	(130)	13,149
Total changes in the current fiscal year	(130)	13,149
Balance at the end of current fiscal year	(12,335)	814
Total valuation and translation adjustments		
Balance at the end of previous fiscal year	261,020	103,407
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	(157,612)	(137,588)
Total changes in the current fiscal year	(157,612)	(137,588)
Balance at the end of current fiscal year	103,407	(34,180)
Total net assets		
Balance at the end of previous fiscal year	395,268	246,961
Changes in the current fiscal year		
Additions to reserve for dividends to policyholders	(35,525)	(31,868)
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	45,385	56,863
Reversal of revaluation reserve for land	161	(13,098)
Net changes, excluding foundation funds and surplus	(157,612)	(137,588)
Total changes in the current fiscal year	(148,307)	(126,407)
Balance at the end of current fiscal year	246,961	120,553

8. Non-consolidated Statements of Surplus

(Millions of Yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Unappropriated surplus	55,671	56,660
Reversal of voluntary surplus reserve	8	7
Reversal of reserve for advanced depreciation of real estate for tax purpose	8	7
Total	55,679	56,667
Appropriation of surplus	42,784	28,772
Reserve for dividends to policyholders	31,868	17,856
Net surplus	10,916	10,916
Legal reserve for future losses	200	200
Interest payment for foundation funds	716	716
Voluntary surplus reserve	10,000	10,000
Reserve for redemption of foundation funds	10,000	10,000
Unappropriated surplus carried forward	12,894	27,894

Note: Net surplus is calculated by deducting reserve for dividends to policyholders from the sum of unappropriated surplus and reversal of voluntary surplus reserve.

9. Disclosed Claims Based on Categories of Obligors

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
Claims against bankrupt and quasi-bankrupt obligors	636	637
Claims with collection risk	10,536	10,498
Claims for special attention	—	—
Subtotal	11,173	11,136
[Percentage of total]	[0.90%]	[0.89%]
Claims against normal obligors	1,227,598	1,233,357
Total	1,238,771	1,244,493

- Notes: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganisation 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 favour 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.

10. Risk-monitored Loans

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
Credits to bankrupt borrowers	492	471
Delinquent loans	10,539	10,277
Delinquent loans past three months or more	—	—
Restructured loans	—	—
Total	11,032	10,749
[Percentage of total loans]	[0.90%]	[0.87%]

- Notes: 1. For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees is written-off directly from the borrower's balance as the estimated uncollectible amounts. The amounts written-off related to credits to bankrupt borrowers were ¥87 million as of March 31, 2008 and ¥66 million as of March 31, 2009. The amounts written-off related to delinquent loans were ¥787 million as of March 31, 2008 and ¥786 million as of March 31, 2009.
2. Credits to bankrupt borrowers represent loans which are subject to bankruptcy, corporate reorganisation or rehabilitation or other similar, including but not limited to foreign, proceedings. Accruing interest of these loans is not recorded as income after determining that principal or interest on these loans is unlikely to be collected due to the significant delay in repayment of principal or interest payment or for some other reasons.
3. Delinquent loans are credits whose accruing interest is not recorded as income due to the same reasons as described in note 2 above, and exclude credits to bankrupt borrowers and loans for which interest payments have been suspended and rescheduled to assist and support the borrowers in the restructuring of their business.
4. Delinquent loans past three months or more are loans for which interest payment or repayment of principal are delinquent for three months or more from the due date under the terms of the related loan agreements, excluding those loans classified as credits to bankrupt borrowers and delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemptions, rescheduling of due date of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans and delinquent loans past three months or more.

11. Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
Total solvency margin (A)	788,210	533,712
Foundation funds and surplus	110,267	135,748
Reserve for price fluctuation of securities	53,911	24,622
Contingency reserve	154,500	145,160
Allowance for possible loan losses	4,250	4,779
Net unrealized gains on available - for - sale securities x 90% (multiplied by 100% if losses)	162,723	(55,611)
Net unrealized gains on real estate x 85%	141,848	125,897
Excess amount of policy reserve based on full-time Zillmer method	86,752	94,391
Qualifying subordinated debt	47,362	38,870
Excluded items	—	(10,000)
Others	26,594	29,854
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	137,444	105,844
Insurance risk R_1	29,977	29,468
3rd sector insurance risk R_8	9310	9,360
Assumed investment yield risk R_2	19,616	19,110
Investment risk R_3	108,581	76,443
Business risk R_4	3,349	2,687
Minimum guarantee risk R_7	11	15
Solvency margin ratio $\frac{(A)}{1/2 \times (B)} \times 100$	1,146.9%	1,008.4 %

Notes: 1. Above figures are calculated based on Articles 86 and 87 of the Enforcement Regulation of the Insurance Business Law and Ministry of Finance Ordinance No. 50, 1996. ("Excess amount of policy reserve based on full-time Zillmer method is calculated based on Article 1 Paragraph 3-1 of Ordinance No.50.)

2. "Excluded items" as of March 31, 2009 represent the capital increase to the subsidiary, Fukokushinrai Life Insurance Co., Ltd.

3. "Minimum guarantee risk" is calculated by standard method.

12. Status of Separate Account

(1) Separate Account Assets by Products

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
	Amount	Amount
Individual variable insurance	—	—
Individual variable annuities	887	637
Group annuities	116,704	112,861
Total	117,591	113,498

(2) Individual Variable Insurance (Separate Account)

The company has not sold the individual variable insurance.

(3) Individual Variable Annuities (Separate Account)

(i) Policies in Force

(Millions of yen except number of policies)

	As of March 31, 2008		As of March 31, 2009	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	225	838	209	764

(ii) Breakdown of Separate Account Assets for Individual Variable Annuities

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	149	16.8	122	19.1
Securities	738	83.2	515	80.9
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and other securities	—	—	—	—
Other securities	738	83.2	515	80.9
Loans	—	—	—	—
Others	—	—	—	—
Allowance for possible loan losses	—	—	—	—
Total	887	100.0	637	100.0

(iii) Investment Income and Expenses of Separate Account for Individual Variable Annuities

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
	Amount	Amount
Interest, dividends and other income	31	2
Gains on sales of securities	—	—
Gains of redemption of securities	—	—
Gains on valuation of securities	74	15
Foreign exchange gains, net	—	—
Gains from derivative instruments	—	—
Other investment income	—	—
Losses on sales of securities	—	4
Losses on redemption of securities	—	—
Losses on valuation of securities	259	175
Foreign exchange losses, net	—	—
Losses from derivative instruments	—	—
Other investment expenses	—	—
Net investment income	(153)	(161)

(iv) Fair Value Information on Securities in Separate Account for Individual Variable Annuities

* Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations
Trading securities	738	(185)	515	(159)

Note: The company has no balances of money held in trust and derivative instruments.

(reference) Fair Value Information on Securities (Total of General Account and Separate Account)

Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009	
	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations	Carrying value on balance sheets	Net valuation gains/losses included in the statements of operations
Trading securities	232,946	(29,175)	171,944	(22,151)

Note: The table above includes money held in trust for trading purpose.

Fair Value Information on Securities (with fair value, other than trading securities)

(Millions of yen)

	As of March 31, 2008					As of March 31, 2009				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	170,358	172,310	1,951	4,749	2,798	152,157	156,525	4,368	5,177	809
Domestic bonds	121,656	126,386	4,730	4,732	2	113,032	117,328	4,296	4,332	36
Foreign bonds	48,702	45,924	(2,778)	17	2,795	39,125	39,197	71	845	773
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Policy-reserve-matching bonds	598,156	612,619	14,463	14,720	256	628,570	644,212	15,641	16,131	489
Investments in subsidiaries and affiliates	1,393	1,201	(191)	—	191	1,393	954	(438)	—	438
Available-for-sale securities	2,780,701	2,961,505	180,803	235,264	54,460	2,678,173	2,622,561	(55,611)	77,291	132,903
Domestic bonds	1,672,609	1,724,874	52,264	54,592	2,328	1,705,656	1,727,224	21,568	28,906	7,338
Domestic stocks	423,694	565,598	141,903	161,588	19,685	403,395	385,582	(17,813)	45,495	63,309
Foreign securities	637,330	628,186	(9,143)	17,828	26,972	519,208	466,188	(53,020)	2,388	55,408
Foreign bonds	467,778	458,613	(9,165)	8,518	17,683	328,436	306,869	(21,567)	1,942	23,509
Foreign stocks and other securities	169,551	169,573	21	9,309	9,288	190,772	159,319	(31,452)	445	31,898
Other securities	47,066	42,847	(4,219)	1,255	5,474	49,912	43,566	(6,346)	501	6,847
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	3,550,609	3,747,636	197,026	254,734	57,707	3,460,294	3,424,254	(36,039)	98,600	134,640
Domestic bonds	2,392,422	2,463,879	71,457	74,045	2,587	2,447,258	2,488,764	41,506	49,370	7,863
Domestic stocks	423,694	565,598	141,903	161,588	19,685	403,395	385,582	(17,813)	45,495	63,309
Foreign securities	687,425	675,311	(12,114)	17,845	29,959	559,727	506,341	(53,386)	3,233	56,619
Foreign bonds	516,481	504,537	(11,944)	8,535	20,479	367,562	346,066	(21,495)	2,787	24,283
Foreign stocks and other securities	170,944	170,774	(170)	9,309	9,480	192,165	160,274	(31,891)	445	32,336
Other securities	47,066	42,847	(4,219)	1,255	5,474	49,912	43,566	(6,346)	501	6,847
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

Note: The table above includes assets, such as negotiable certificate of deposits, which are considered appropriate to deem as securities under the Financial Instruments and Exchange Law.

* Book value of securities without fair value are as follows:

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
Held-to-maturity debt securities	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy-reserve-matching bonds	—	—
Investments in subsidiaries and affiliates	16,132	26,132
Available-for-sale securities	38,494	25,671
Unlisted domestic stocks (except over-the-counter stocks)	20,206	7,174
Unlisted foreign stocks (except over-the-counter stocks)	500	500
Unlisted foreign bonds	—	—
Others	17,788	17,996
Total	54,627	51,803

(reference) Fair Value Information on Derivative Instruments (Total of General Account and Separate Account)

(i) Gains and Losses on Derivatives

(Millions of yen)

As of March 31, 2008		Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
	Hedge accounting applied	639	—	—	—	—	639
	Hedge accounting not applied	—	(627)	—	—	—	(627)
Total		639	(627)	—	—	—	12
As of March 31, 2009		Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
	Hedge accounting applied	751	(954)	—	—	—	(203)
	Hedge accounting not applied	—	(2,393)	(4,600)	—	—	(6,994)
Total		751	(3,348)	(4,600)	—	—	(7,197)

Note: Gains and losses from applying fair value hedge accounting (currency-related, losses of ¥954 million as of March 31, 2009) included in gains and losses with hedge accounting applied, and gains and losses with hedge accounting not applied are reported in the statements of operations.

(ii) Interest-related Transactions

(Millions of yen)

	As of March 31, 2008				As of March 31, 2009				
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	
Over-the-counter transactions									
	Interest rate swap contracts								
	Receipt fixed, payment floating	87,332	71,662	688	688	71,058	66,738	789	789
	Payment fixed, receipt floating	2,500	2,500	(48)	(48)	2,500	2,500	(38)	(38)
Total					639				751

* Interest rate swap contracts by contractual maturity dates

(Millions of yen)

	As of March 31, 2008			As of March 31, 2009		
	1 year or shorter	Over 1 year to 3 years	Over 3 years	1 year or shorter	Over 1 year to 3 years	Over 3 years
Notional amount (receipts fixed, payments floating)	15,670	26,786	44,876	4,320	44,623	22,115
Average fixed rate (receipt)	1.20%	1.16%	1.58%	1.26%	1.25%	1.80%
Average floating rate (payment)	1.42%	1.15%	1.23%	1.24%	0.94%	1.27%
Notional amount (receipts floating, payments fixed)	—	2,500	—	—	2,500	—
Average floating rate (receipt)	—	1.16%	—	—	1.05%	—
Average fixed rate (payment)	—	1.84%	—	—	1.84%	—

(iii) Currency-related Transactions

(Millions of yen)

	As of March 31, 2008				As of March 31, 2009			
	Notional amount/ contract value		Fair value	Gains (losses)	Notional amount/ contract value		Fair value	Gains (losses)
		Over 1 year				Over 1 year		
Over-the-counter transactions								
Currency forward contracts								
Sold	40,324	—	41,044	(719)	214,070	—	216,735	(2,665)
US dollar	13,787	—	14,009	(222)	124,325	—	125,222	(896)
Euro	21,670	—	22,106	(435)	89,734	—	91,503	(1,768)
British Pound	1,943	—	1,995	(51)	9	—	9	(0)
Canadian Dollar	2,922	—	2,932	(9)	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Currency Option								
Sold								
Calls	74,000	—	—	—	61,583	—	—	—
US dollar	[491]	—	436	54	[653]	—	861	(207)
Australian dollar	[52]	—	2	49	[395]	—	232	162
Euro	[23]	—	2	20	[219]	—	601	(382)
Canadian Dollar	[373]	—	425	(51)	[39]	—	27	12
Puts	[43]	—	6	36	[—]	—	—	—
Euro	[30]	—	2	28	[—]	—	—	—
Canadian Dollar	[5,680]	—	2	28	[—]	—	—	—
Bought								
Calls	—	—	—	—	—	—	—	—
US dollar	[84,040]	—	847	96	[653]	—	237	(416)
Australian dollar	[751]	—	683	431	[395]	—	191	(203)
Euro	[252]	—	—	—	[219]	—	4	(214)
Canadian Dollar	[—]	—	126	(329)	[39]	—	41	1
Puts	[43]	—	37	(5)	[—]	—	—	—
Canadian Dollar	[—]	—	—	—	[—]	—	—	—
Currency swap contracts								
Australian dollar	4,000	4,000	(87)	(87)	4,000	4,000	(58)	(58)
Australian dollar	4,000	4,000	(87)	(87)	4,000	4,000	(58)	(58)
Total				(627)				(3,348)

Notes: 1. Figures in [] are option premiums which are included in balance sheets.

2. Forward exchange rates are used for exchange rates as of the end of fiscal year.

3. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.

(iv) Stock-related Transactions

(Millions of yen)

	As of March 31, 2008				As of March 31, 2009			
	Notional amount/ contract value		Fair value	Gains (losses)	Notional amount/ contract value		Fair value	Gains (losses)
		Over 1 year				Over 1 year		
Exchange-traded transactions								
Yen stock index futures								
Sold	—	—	—	—	38,703	—	43,303	(4,600)
Bought	—	—	—	—	—	—	—	—
Total				—				(4,600)

(v) Bond-related Transactions

As of March 31, 2008 and 2009 there were no bond-related transactions.