

Financial Results for the Six Months Ended September 30, 2010

Fukoku Mutual Life Insurance Company (President: Yoshiteru Yoneyama) announces financial results for the six months ended September 30, 2010.

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Attached: Supplementary Materials for the Six Months Ended September 30, 2009

1. Business Highlights

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

(i) Policies in Force

	As of September 30, 2010				As of March 31, 2010			
	Number of policies		Amount		Number of policies		Amount	
	(Thousands)	Changes (% Pre-FYE)	(100 millions of yen)	Changes (% Pre-FYE)	(Thousands)	Changes (% YoY)	(100 millions of yen)	Changes (% YoY)
Individual insurance	2,960	99.8	277,806	97.4	2,965	96.6	285,159	94.3
Individual annuities	751	100.4	29,776	99.9	748	101.0	29,802	99.8
Subtotal	3,712	100.0	307,582	97.7	3,714	99.9	314,962	94.8
Group insurance	-	-	159,708	100.1	-	-	159,611	104.1
Group annuities	-	-	19,543	97.6	-	-	20,016	100.2

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 annuity 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

Six months ended September 30, 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	214	138.3	5,965	72.1	7,678	94.1	(1,713)	-
Individual annuities	19	66.9	615	62.9	629	63.6	(13)	-
Subtotal	234	127.1	6,581	71.2	8,307	90.8	(1,726)	-
Group insurance	-	-	209	50.5	209	50.5		
Group annuities	-	-	0	304.2	0	304.2		

Six months ended September 30, 2010	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	204	95.4	5,837	97.9	7,316	95.3	(1,478)	-
Individual annuities	18	97.6	622	101.1	638	101.4	(15)	-
Subtotal	223	95.6	6,460	98.2	7,954	95.7	(1,493)	-
Group insurance	-	-	362	173.4	362	173.4		
Group annuities	-	-	0	35.2	0	35.2		

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)

	Six months ended September 30, 2009		Six months ended September 30, 2010	
		Changes (% YoY)		Changes (% YoY)
Amount of surrender and lapse (100 millions of yen)	9,722	93.4	9,066	93.3
Surrender and lapse ratio (%)	2.93	(0.08)	2.88	(0.05)

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 September 30, 2010		As of March 31, 2010	
		Changes (%, Pre-FYE)		Changes (%, YoY)
Individual insurance	2,887	98.3	2,937	96.1
Individual annuities	1,260	100.7	1,252	101.5
Total	4,148	99.0	4,189	97.6
Medical coverage and living benefits	1,013	100.6	1,007	102.1

(ii) New Policies

(100 millions of yen except percentage)

	Six months ended September 30, 2009		Six months ended September 30, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Individual insurance	98	99.3	92	94.2
Individual annuities	30	69.7	28	93.8
Total	128	90.2	121	94.1
Medical coverage and living benefits	44	119.8	39	88.7

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. New policies include net increase by conversion.

(3) Selected Items of Statements of Operations

(100 millions of yen except percentage)

	Six months ended September 30, 2009		Six months ended September 30, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Premium and other income	3,104	87.3	3,495	112.6
Investment income	793	118.0	790	99.6
Claims and other payments	2,872	95.1	3,527	122.8
Investment expenses	413	164.2	260	63.1
Ordinary profits	127	38.3	400	314.3

(4) Total Assets

(100 millions of yen except percentage)

	As of September 30, 2010		As of March 31, 2010	
		Changes (%, Pre-FYE)		Changes (%, YoY)
Total assets	55,977	99.7	56,131	101.8

2. Investment Results of General Account Assets

(1) Asset Composition

	As of September 30, 2010		As of March 31, 2010	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	155,734	2.8	160,004	2.9
Monetary claims bought	1,495	0.0	1,752	0.0
Money held in trust	32,929	0.6	32,902	0.6
Securities	3,748,523	67.9	3,710,831	67.2
Domestic bonds	2,524,892	45.8	2,565,977	46.5
Domestic stocks	399,734	7.2	473,218	8.6
Foreign securities	775,095	14.0	622,073	11.3
Foreign bonds	607,650	11.0	446,913	8.1
Foreign stocks and other securities	167,445	3.0	175,160	3.2
Other securities	48,801	0.9	49,562	0.9
Loans	1,179,609	21.4	1,220,945	22.1
Policy loans	73,595	1.3	74,186	1.3
Ordinary loans	1,106,013	20.0	1,146,758	20.8
Real estate	274,866	5.0	275,831	5.0
Deferred tax assets	63,319	1.1	62,170	1.1
Others	62,807	1.1	57,421	1.0
Allowance for possible loan losses	(2,558)	(0.0)	(2,430)	(0.0)
Total	5,516,728	100.0	5,519,429	100.0
Foreign currency denominated assets	625,923	11.3	458,695	8.3

(2) Changes (Increase/Decrease) in Assets

	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash, deposits, call loans	(58,639)	(4,269)
Monetary claims bought	(169)	(256)
Money held in trust	(80)	26
Securities	125,744	37,691
Domestic bonds	94,515	(41,085)
Domestic stocks	26,476	(73,483)
Foreign securities	5,244	153,022
Foreign bonds	9,353	160,737
Foreign stocks and other securities	(4,108)	(7,714)
Other securities	(492)	(761)
Loans	(7,717)	(41,336)
Policy loans	(1,496)	(591)
Ordinary loans	(6,221)	(40,745)
Real estate	18,164	(964)
Deferred tax assets	(29,504)	1,149
Others	2,170	5,386
Allowance for possible loan losses	(2,637)	(128)
Total	47,330	(2,701)
Foreign currency denominated assets	(3,664)	167,228

(3) Investment Income

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Interest, dividends and other income	54,836	54,772
Interest from deposits	180	544
Interest and dividends from securities	34,635	34,853
Interest from loans	12,407	12,152
Income from real estate for rent	7,491	7,089
Other interest and dividends	121	132
Gains from money held in trust, net	-	163
Gains from trading securities, net	-	-
Gains on sales of securities	15,125	16,148
Gains on sales of domestic bonds	7,715	9,884
Gains on sales of domestic stocks	7,093	6,261
Gains on sales of foreign securities	315	1
Gains on redemption of securities	-	-
Gains from derivative instruments, net	-	7,833
Foreign exchange gains, net	-	-
Other investment income	70	115
Total	70,031	79,033

(4) Investment Expenses

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Interest expenses	977	704
Losses from money held in trust, net	92	-
Losses from trading securities, net	477	3,114
Losses on sales of securities	16,485	5,552
Losses on sales of domestic bonds	89	21
Losses on sales of domestic stocks	5,407	2,829
Losses on sales of foreign securities	10,989	2,701
Losses on valuation of securities	1,877	4,077
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	1,725	3,874
Losses on valuation of foreign securities	152	202
Losses on redemption of securities	-	-
Losses from derivative instruments, net	12,226	-
Foreign exchange losses, net	972	2,080
Provision for allowance for possible loan losses	2,742	-
Write-off of loans	-	-
Depreciation of real estate for rent and other assets	2,595	2,393
Other investment expenses	2,871	2,400
Total	41,319	20,324

(5) Net Investment Income

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net investment income	28,712	58,709

(6) Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of September 30, 2010		As of March 31, 2010	
	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	236,829	(3,917)	111,220	(1,866)

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

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

(Millions of yen)

	As of September 30, 2010					As of March 31, 2010				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	424,302	451,718	27,415	27,439	23	430,883	433,717	2,834	5,212	2,377
Domestic bonds	378,254	403,528	25,273	25,273	-	382,130	383,997	1,866	4,110	2,243
Foreign bonds	46,048	48,190	2,141	2,165	23	48,753	49,720	967	1,101	134
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Policy-reserve-matching bonds	642,986	685,745	42,758	42,910	151	639,749	657,551	17,801	18,125	324
Investments in subsidiaries and affiliates	1,393	865	(527)	-	527	1,393	933	(459)	-	459
Available-for-sale securities	2,352,280	2,430,177	77,897	141,976	64,079	2,440,492	2,516,197	75,704	121,217	45,512
Domestic bonds	1,428,292	1,503,651	75,359	75,362	2	1,530,802	1,544,097	13,294	21,898	8,603
Domestic stocks	352,619	365,250	12,631	51,777	39,145	362,224	438,734	76,509	91,174	14,665
Foreign securities	531,697	522,253	(9,443)	13,576	23,020	504,887	492,109	(12,777)	6,589	19,367
Foreign bonds	353,199	356,701	3,501	10,820	7,319	323,137	318,842	(4,295)	3,895	8,191
Foreign stocks and other securities	178,497	165,552	(12,945)	2,756	15,701	181,749	173,267	(8,481)	2,693	11,175
Other securities	39,670	39,020	(650)	1,260	1,910	42,577	41,256	(1,321)	1,554	2,876
Money held in trust	-	-	-	-	-	-	-	-	-	-
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	3,420,962	3,568,506	147,544	212,326	64,782	3,512,519	3,608,400	95,881	144,555	48,674
Domestic bonds	2,449,532	2,592,924	143,392	143,546	153	2,552,683	2,585,645	32,962	44,134	11,171
Domestic stocks	352,619	365,250	12,631	51,777	39,145	362,224	438,734	76,509	91,174	14,665
Foreign securities	579,139	571,310	(7,829)	15,742	23,571	555,033	542,763	(12,269)	7,691	19,960
Foreign bonds	399,248	404,891	5,643	12,986	7,343	371,891	368,562	(3,328)	4,997	8,325
Foreign stocks and other securities	179,890	166,418	(13,472)	2,756	16,228	183,142	174,200	(8,941)	2,693	11,634
Other securities	39,670	39,020	(650)	1,260	1,910	42,577	41,256	(1,321)	1,554	2,876
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:

	As of September 30, 2010	As of March 31, 2010
Held-to-maturity debt securities	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Investments in subsidiaries and affiliates	26,132	26,132
Available-for-sale securities	18,631	17,157
Unlisted domestic stocks (except over-the-counter stocks)	8,351	8,351
Unlisted foreign stocks (except over-the-counter stocks)	500	500
Unlisted foreign bonds	-	-
Others	9,780	8,306
Total	44,763	43,290

(8) Fair Value Information on Money Held in Trust

(Millions of yen)

	As of September 30, 2010					As of March 31, 2010				
	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	32,929	32,929	-	-	-	32,902	32,902	-	-	-

* Money held in trust for trading purpose

(Millions of yen)

	As of September 30, 2010		As of March 31, 2010	
	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	31,929	(108)	31,902	0

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

(Millions of yen)

	As of September 30, 2010					As of March 31, 2010				
	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 September 30, 2010	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	744	174	-	-	-	919
Hedge accounting not applied	-	(365)	106	(2,104)	-	(2,363)
Total	744	(190)	106	(2,104)	-	(1,443)

As of March 31, 2010	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	826	(4,832)	-	-	-	(4,006)
Hedge accounting not applied	-	(1,901)	(93)	350	-	(1,644)
Total	826	(6,734)	(93)	350	-	(5,650)

Note: Gains and losses from applying fair value hedge accounting (currency related, losses of ¥952 million as of March 31, 2009 and gains of ¥3,539 million as of September 30, 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 September 30, 2010			
	Notional amount/ contract value		Fair value	Gains (losses)
		Over 1 year		
Over-the-counter transactions				
Interest rate swap contracts				
Receipt fixed, payment floating	43,122	33,077	759	759
Payment fixed, receipt floating	2,500	-	(14)	(14)
Total				744

	As of March 31, 2010			
	Notional amount/ contract value		Fair value	Gains (losses)
		Over 1 year		
Over-the-counter transactions				
Interest rate swap contracts				
Receipt fixed, payment floating	62,309	40,180	857	857
Payment fixed, receipt floating	2,500	-	(30)	(30)
Total				826

* Interest rate swap contracts by contractual maturity dates

(millions of yen)

	As of September 30, 2010		
	1 year or shorter	Over 1 year to 3 years	Over 3 years
Notional amount (receipts fixed, payments floating)	10,044	30,070	3,007
Average fixed rate (receipt)	1.28%	1.48%	2.17%
Average floating rate (payment)	0.47%	0.62%	0.89%
Notional amount (receipts floating, payments fixed)	2,500	-	-
Average floating rate (receipt)	0.65%	-	-
Average fixed rate (payment)	1.84%	-	-

	As of March 31, 2010		
	1 year or shorter	Over 1 year to 3 years	Over 3 years
Notional amount (receipts fixed, payments floating)	22,129	27,070	13,110
Average fixed rate (receipt)	1.14%	1.40%	1.70%
Average floating rate (payment)	0.55%	0.59%	0.79%
Notional amount (receipts floating, payments fixed)	2,500	-	-
Average floating rate (receipt)	0.67%	-	-
Average fixed rate (payment)	1.84%	-	-

(iii) Currency-related Transactions

(millions of yen)

	As of September 30, 2010				As of March 31, 2010			
	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								
Currency forward contracts								
Sold	313,695	-	313,653	42	223,264	-	229,606	(6,342)
US dollar	221,553	-	219,137	2,416	141,925	-	146,495	(4,569)
Euro	54,504	-	56,189	(1,685)	65,329	-	66,203	(874)
Canadian dollar	17,281	-	17,037	244	-	-	-	-
Australian dollar	11,937	-	12,667	(730)	16,008	-	16,907	(898)
British Pound	8,419	-	8,621	(202)	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Currency Options								
Sold								
Calls	23,642	-	129	53	17,302	-	211	(38)
Euro	[182]	-	129	53	[173]	-	211	(38)
US dollar	[23,642]	-	129	53	[12,600]	-	131	9
Puts	-	-	-	-	[141]	-	79	(47)
Euro	[-]	-	-	-	[4,702]	-	79	(47)
US dollar	[-]	-	-	-	[32]	-	-	-
Bought								
Calls	-	-	-	-	-	-	-	-
Puts	48,300	-	169	(286)	[-]	-	-	-
Euro	[455]	-	169	(286)	[40,365]	-	53	(322)
US dollar	[32,000]	-	135	(210)	[18,055]	-	39	(171)
US dollar	[346]	-	33	(75)	[22,310]	-	13	(151)
US dollar	[16,300]	-	33	(75)	[164]	-	13	(151)
Currency swap contracts								
Australian dollar	-	-	-	-	4,000	-	(31)	(31)
Australian dollar	-	-	-	-	4,000	-	(31)	(31)
Total				(190)				(6,734)

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 period.

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 September 30, 2010				As of March 31, 2010			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Exchange-traded transactions								
Yen stock index futures								
Sold	4,780	-	4,680	100	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Stock index options								
Sold								
Calls	-	-	-	-	[-]	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
Bought								
Calls	-	-	-	-	[-]	-	-	-
Puts	9,000	-	161	5	[9,500]	-	0	(93)
Puts	[155]	-	161	5	[93]	-	0	(93)
Total				106				(93)

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

(v) Bond-related Transactions

(millions of yen)

	As of September 30, 2010				As of March 31, 2010			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Exchange-traded transactions								
Yen bond futures								
Sold	148,486	-	150,591	(2,104)	90,193	-	89,843	350
Bought	-	-	-	-	-	-	-	-
Total				(2,104)				350

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

(millions of yen)

As of September 30, 2010			As of March 31, 2010		
Carrying value on the balance sheets	Fair value	Gains (losses)	Carrying value on the balance sheets	Fair value	Gains (losses)
162,266	243,866	81,599	162,335	247,781	85,445

Notes: 1. As of September 30, 2010, fair value is based on the appraisal value by the real-estate appraiser, the appraisal value for property tax and the road rate as of January 1, 2010.

2. As of March 31, 2010, fair value is based on the appraisal value by the real-estate appraiser, the appraisal value for property tax as of January 1, 2010 and the road rate as of January 1, 2009.

3. Non-consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
	Amount	Amount
Assets:		
Cash and deposits	49,932	69,110
Call loans	105,900	91,000
Monetary claims bought	1,495	1,752
Money held in trust	32,929	32,902
Securities	3,828,577	3,800,984
[Government bonds]	[1,797,489]	[1,887,071]
[Local government bonds]	[144,471]	[124,642]
[Corporate bonds]	[615,768]	[588,041]
[Stocks]	[426,009]	[505,012]
[Foreign securities]	[795,580]	[646,118]
Loans	1,179,609	1,220,945
Policy loans	73,595	74,186
Ordinary loans	1,106,013	1,146,758
Tangible fixed assets	278,240	279,476
Intangible fixed assets	7,578	7,454
Reinsurance receivables	15	279
Other assets	52,697	49,460
Deferred tax assets	63,319	62,170
Allowance for possible loan losses	(2,558)	(2,430)
Total assets	5,597,738	5,613,104
Liabilities:		
Policy reserves	5,195,636	5,225,501
Reserve for outstanding claims	21,769	25,342
Policy reserve	5,110,542	5,145,399
Reserve for dividends to policyholders	63,324	54,759
Reinsurance payables	88	117
Subordinated bonds	34,209	37,406
Other liabilities	49,645	41,921
Corporate income tax payable	11,310	1,291
Asset retirement obligations	2,816	-
Other liabilities	35,518	40,630
Reserve for employees' retirement benefits	50,006	49,776
Reserve for price fluctuation of securities	27,443	26,451
Deferred tax liabilities for revaluation reserve for land	19,976	19,983
Total liabilities	5,377,005	5,401,158
Net assets:		
Foundation funds	40,000	40,000
Accumulated foundation funds redeemed	46,000	46,000
Reserve for revaluation	112	112
Surplus	83,008	76,229
Legal reserve for future losses	2,249	2,187
Other surplus	80,758	74,042
Reserve for redemption of foundation funds	20,000	15,000
Reserve for dividend allowances	3,895	3,895
Reserve for advanced depreciation of real estate for tax purpose	296	303
Other reserves	767	767
Unappropriated surplus	55,799	54,075
Total foundation funds and surplus	169,120	162,341
Net unrealized gains (losses) on available-for-sale securities, net of tax	49,690	48,291
Deferred valuation gains (losses) under hedge accounting	484	538
Revaluation reserve for land, net of tax	1,436	773
Total valuation and translation adjustments	51,611	49,604
Total net assets	220,732	211,946
Total liabilities and net assets	5,597,738	5,613,104

4. Non-consolidated Statements of Operations

(Millions of yen)

	Six months ended	Six months ended
	September 30, 2009	September 30, 2010
	Amount	Amount
Ordinary revenues:		
Premium and other income	310,477	349,537
[Premium income]	[310,459]	[349,508]
Investment income	79,313	79,033
[Interest, dividends and other income]	[54,836]	[54,772]
[Gains from money held in trust, net]	[-]	[163]
[Gains on sales of securities]	[15,125]	[16,148]
[Gains from derivative instruments, net]	[-]	[7,833]
[Gains from separate accounts, net]	[9,281]	[-]
Other ordinary revenues	11,495	44,201
[Reversal of reserve for outstanding claims]	[4,241]	[3,572]
[Reversal of policy reserve]	[-]	[34,856]
Total ordinary revenues	401,286	472,771
Ordinary expenditures:		
Claims and other payments	287,252	352,757
[Claims]	[111,491]	[115,410]
[Annuities]	[42,385]	[44,494]
[Benefits]	[73,483]	[98,608]
[Surrenders]	[45,928]	[83,323]
[Other payments]	[13,812]	[10,774]
Provision for policy reserve and others	5,060	65
Provision for policy reserve	4,980	-
Interest on accumulated dividends to policyholders	79	65
Investment expenses	41,319	26,053
[Interest expenses]	[977]	[704]
[Losses from money held in trust, net]	[92]	[-]
[Losses from trading securities, net]	[477]	[3,114]
[Losses on sales of securities]	[16,485]	[5,552]
[Losses on valuation of securities]	[1,877]	[4,077]
[Losses from derivative instruments, net]	[12,226]	[-]
[Losses from separate accounts, net]	[-]	[5,728]
Operating expenses	43,316	42,954
Other ordinary expenditures	11,595	10,888
Total ordinary expenditures	388,544	432,719
Ordinary profits	12,742	40,052
Extraordinary gains:		
Gains on disposal of fixed assets	277	0
Reversal of allowance for possible loan losses	-	40
Total extraordinary gains	277	41
Extraordinary losses:		
Losses on disposal of fixed assets	29	28
Impairment losses	184	239
Provision for reserve for price fluctuation of securities	917	992
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	966
Total extraordinary losses	1,131	2,227
Surplus before income taxes	11,888	37,866
Income taxes:		
Current	2,621	11,946
Deferred	(1,958)	(1,919)
Total income taxes	662	10,027
Net surplus for the period	11,225	27,839

5. Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Foundation funds and surplus		
Foundation funds		
Balance at the end of previous fiscal year	40,000	40,000
Changes in the current period		
Financing of additional foundation funds	15,000	-
Redemption of foundation funds	(15,000)	-
Total changes in the current period	-	-
Balance at the end of current period	40,000	40,000
Accumulated foundation funds redeemed		
Balance at the end of previous fiscal year	31,000	46,000
Changes in the current period		
Additions to accumulated foundation funds redeemed	15,000	-
Total changes in the current period	15,000	-
Balance at the end of current period	46,000	46,000
Reserve for revaluation		
Balance at the end of previous fiscal year	112	112
Changes in the current period		
Total changes in the current period	-	-
Balance at the end of current period	112	112
Surplus		
Legal reserve for future losses		
Balance at the end of previous fiscal year	1,987	2,187
Changes in the current period		
Additions to legal reserve for future losses	200	62
Total changes in the current period	200	62
Balance at the end of current period	2,187	2,249
Other surplus		
Reserve for redemption of foundation funds		
Balance at the end of previous fiscal year	20,000	15,000
Changes in the current period		
Additions to reserve for redemption of foundation funds	10,000	5,000
Reversal of reserve for redemption of foundation funds	(15,000)	-
Total changes in the current period	(5,000)	5,000
Balance at the end of current period	15,000	20,000
Reserve for dividend allowances		
Balance at the end of previous fiscal year	3,895	3,895
Changes in the current period		
Total changes in the current period	-	-
Balance at the end of current period	3,895	3,895
Reserve for advanced depreciation of real estate for tax purpose		
Balance at the end of previous fiscal year	311	303
Changes in the current period		
Reversal of reserve for advanced depreciation of real estate for tax purpose	(7)	(7)
Total changes in the current period	(7)	(7)
Balance at the end of current period	303	296
Other reserves		
Balance at the end of previous fiscal year	767	767
Changes in the current period		
Total changes in the current period	-	-
Balance at the end of current period	767	767
Unappropriated surplus		
Balance at the end of previous fiscal year	56,660	54,075
Changes in the current period		
Additions to reserve for dividends to policyholders	(17,856)	(19,505)
Additions to legal reserve for future losses	(200)	(62)
Payment of interest on foundation funds	(716)	(892)
Net surplus for the current period	11,225	27,839
Additions to reserve for redemption of foundation funds	(10,000)	(5,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose	7	7
Reversal of revaluation reserve for land	(43)	(662)
Total changes in the current period	(17,583)	1,724
Balance at the end of current period	39,076	55,799

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

(Millions of yen)

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Total surplus		
Balance at the end of previous fiscal year	83,621	76,229
Changes in the current period		
Additions to reserve for dividends to policyholders	(17,856)	(19,505)
Payment of interest on foundation funds	(716)	(892)
Net surplus for the current period	11,225	27,839
Reversal of reserve for redemption of foundation funds	(15,000)	-
Reversal of revaluation reserve for land	(43)	(662)
Total changes in the current period	(22,391)	6,778
Balance at the end of current period	61,230	83,008
Total foundation funds and surplus		
Balance at the end of previous fiscal year	154,733	162,341
Changes in the current period		
Financing of additional foundation funds	15,000	-
Additions to reserve for dividends to policyholders	(17,856)	(19,505)
Additions to accumulated foundation funds redeemed	15,000	-
Payment of interest on foundation funds	(716)	(892)
Net surplus for the current period	11,225	27,839
Redemption of foundation funds	(15,000)	-
Reversal of reserve for redemption of foundation funds	(15,000)	-
Reversal of revaluation reserve for land	(43)	(662)
Total changes in the current period	(7,391)	6,778
Balance at the end of current period	147,342	169,120
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities, net of tax		
Balance at the end of previous fiscal year	(35,474)	48,291
Changes in the current period		
Net changes, excluding foundation funds and surplus	55,348	1,398
Total changes in the current period	55,348	1,398
Balance at the end of current period	19,873	49,690
Deferred valuation gains (losses) under hedge accounting		
Balance at the end of previous fiscal year	479	538
Changes in the current period		
Net changes, excluding foundation funds and surplus	98	(53)
Total changes in the current period	98	(53)
Balance at the end of current period	577	484
Revaluation reserve for land, net of tax		
Balance at the end of previous fiscal year	814	773
Changes in the current period		
Net changes, excluding foundation funds and surplus	46	662
Total changes in the current period	46	662
Balance at the end of current period	861	1,436
Total valuation and translation adjustments		
Balance at the end of previous fiscal year	(34,180)	49,604
Changes in the current period		
Net changes, excluding foundation funds and surplus	55,493	2,006
Total changes in the current period	55,493	2,006
Balance at the end of current period	21,312	51,611
Total net assets		
Balance at the end of previous fiscal year	120,553	211,946
Changes in the current period		
Financing of additional foundation funds	15,000	-
Additions to reserve for dividends to policyholders	(17,856)	(19,505)
Additions to accumulated foundation funds redeemed	15,000	-
Payment of interest on foundation funds	(716)	(892)
Net surplus for the current period	11,225	27,839
Redemption of foundation funds	(15,000)	-
Reversal of reserve for redemption of foundation funds	(15,000)	-
Reversal of revaluation reserve for land	(43)	(662)
Net changes, excluding foundation funds and surplus	55,493	2,006
Total changes in the current period	48,102	8,785
Balance at the end of current period	168,655	220,732

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 the Non-consolidated Balance Sheet

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 balance sheet date. 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 whose fair market values are deemed extremely difficult to obtain 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 (excluding lease assets)
 - 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 (excluding lease assets)
 - i) Acquired on or before March 31, 2007: Previous declining-balance method
 - ii) Acquired on or after April 1, 2007: Declining-balance method
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term

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 amount written-off as of September 30, 2010 was ¥8,174 million.

(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 Article 115 of the Insurance Business Law.

(9) Lease Transactions as a Lessee

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.

(10) Lease Transactions as a Lessor

For the finance lease transactions where the Company is a lessor, the lease fee is recorded in "interest, dividends and other income" at the time of receiving lease fee. The corresponding cost of the lease assets is recorded in "investment expenses", which is calculated by deducting an amount equivalent to the interest allocated over the lease term from the lease fee received.

(11) 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 items, valuation gains and losses on the foreign currency forward contracts are recorded in the statement 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 items, 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 the exchange rate on the trade date and the 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 fluctuations in the fair value or cash flows of hedged items and hedging instruments is mostly applied.

(12) 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 other assets and amortized equally over five years.

Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(13) Policy Reserve

Policy reserve is based on Article 116 of the Insurance Business Law, and the premium reserve at the balance sheet date 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.

(14) Software

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

(15) Deferred Assets

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

(16) 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).

2. Change in Accounting Policy

Effective for the six months ended September 30, 2010, the Company adopted "Accounting Standard for Asset Retirement obligations" (ASBJ Statement No.18 issued by the Accounting Standards Board of Japan on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement obligations (ASBJ Guidance No.21 issued by the Accounting Standards Board of Japan on March 31, 2008). As a result, tangible fixed asset increased by ¥1,770 million and the amount of asset retirement obligations recorded in balance sheet was ¥2,816 million. Ordinary profits decreased by ¥78 million and surplus before income taxes decreased by ¥1,045 million.

3. Financial Instruments

The carrying amounts, fair values and their related differences of major financial assets and liabilities are as follows:

	As of September 30, 2010		
	Carrying amount	Fair value	Difference
			(Millions of yen)
Call loans	105,900	105,900	—
Monetary claims bought:			
Claims treated as loans	1,495	1,535	39
Total monetary claims bought	1,495	1,535	39
Money held in trust:			
Trading securities	31,929	31,929	—
Total money held in trust	31,929	31,929	—
Securities:			
Trading securities	204,900	204,900	—

Held-to-maturity debt securities	424,302	451,718	27,415
Policy-reserve-matching bonds	642,986	685,745	42,758
Investments in subsidiaries and affiliates	1,393	865	(527)
Available-for-sale securities	<u>2,430,177</u>	<u>2,430,177</u>	<u>—</u>
Total securities	3,703,759	3,773,407	69,647
Loans:			
Policy loans.....	73,595	73,595	(0)
Ordinary loans	<u>1,106,013</u>	<u>1,142,876</u>	<u>36,863</u>
Total loans.....	1,179,609	1,216,472	36,863
Derivative instruments:			
Hedge accounting not applied	(2,363)	(2,363)	—
Hedge accounting applied	<u>919</u>	<u>919</u>	<u>—</u>
Total derivative instruments	(1,443)	(1,443)	—

(1) Call loans:

The fair values of call loans are based on their carrying values since fair values approximate carrying values due to their short maturities.

(2) Securities including deposits and monetary claims bought which are treated as securities based on “Accounting Standards for Financial Instruments” (ASBJ Statement No.10) and securities managed as trust assets in money held in trust:

The fair values of marketable securities are measured at the quoted market price at the balance sheet date. The fair values of other securities without the quoted market price are based on the prices reasonably calculated such as the prices offered by the information vendors or counterparty financial institutions. Investments in subsidiaries and affiliates, unlisted equity securities and investments in partnerships whereby partnership assets consist of unlisted equity securities whose fair values are deemed extremely difficult to obtain, are excluded from above securities. The carrying amounts of investments in subsidiaries and affiliates, unlisted equity securities and investments in partnerships as of September 30, 2010 were ¥26,132 million, ¥8,851 million and ¥9,780 million, respectively.

(3) Loans and monetary claims bought treated as loans:

The fair values of policy loans are deemed to approximate carrying values, considering estimated repayment period and interest rate conditions since their repayment deadline have not been set up due to the characteristics that the loan is limited to the amount of cash surrender values. Therefore, the carrying values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans and monetary claims bought treated as loans approximate the carrying values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans and monetary claims bought treated as loans are based on their carrying values. The fair values of fixed interest rate loans are measured by discounting the future cash flows to the present values. The fair values of loans receivable from legally bankrupt borrowers, substantially bankrupt borrowers and borrowers who are not currently bankrupt but have a high possibility of bankruptcy and monetary claims bought treated as loans are computed by deducting the amount of the allowance for doubtful accounts from the carrying values before direct write-offs.

(4) Derivative instruments:

- i) The fair values of the futures and options traded at the exchange are measured at the settlement price of the exchange.
- ii) The fair values of options and swaps traded over the counter are based on the quoted prices offered by counterparty financial institutions.
- iii) The fair values of foreign currency forward contracts are determined based on the spot exchange rate and forward contract rate.

4. Investment and Rental Property

The carrying amount and the fair value of investment and rental properties as of September 30, 2010 were ¥226,799 million and ¥294,797 million, respectively. The fair value is mainly based on the value

calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

The amount corresponding to asset retirement obligations included in the carrying amount of investment and rental properties was ¥1,473 million.

5. Loans Receivable

The amounts of credits to bankrupt borrowers, delinquent loans and restructured loans, which were included in loans, were ¥324 million, ¥1,198 million and ¥1,806 million, respectively and their total amounts were ¥3,329 million as of September 30, 2010. There was no balance of delinquent loans past 3 months or more as of September 30, 2010.

The direct write-offs related to loans decreased credits to bankrupt borrowers by ¥8,097 million and delinquent loans by ¥77 million as of September 30, 2010.

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.

6. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets totaled to ¥133,314 million as of September 30, 2010.

7. Separate Accounts

Total assets in separate accounts provided for in Article 118 of the Insurance Business Law were ¥82,441 million as of September 30, 2010. The amount of separate account liabilities was the same as separate account assets.

8. Reserve for Dividends to Policyholders

Changes in reserve for dividends to policyholders for the six months ended September 30, 2010 were as follows:

	(Millions of yen)
Balance at the end of previous fiscal year	¥ 54,759
Transfer from surplus in previous fiscal year	19,505
Dividends paid in the current period	(11,006)
Increase in interest	65
Balance at the end of the current period	<u>¥ 63,324</u>

9. Stocks of Subsidiaries

The amount of stocks of subsidiaries the Company held as of September 30, 2010 was ¥27,525 million.

10. Pledged Assets and Secured Debts

Assets pledged as collateral as of September 30, 2010 were ¥20,588 million of securities and ¥86 million of money held in trust. Secured debts as of September 30, 2010 were ¥4,581 million.

11. Policy Reserves for the Reinsurance Contracts

Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Law (hereinafter called "reserve for outstanding claims for ceded reinsurance") was ¥32 million as of September 30, 2010.

Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Law (hereinafter called "policy reserve for ceded reinsurance") was ¥32 million as of September 30, 2010.

12. Commitment Line

As of September 30, 2010, there were unused commitment line agreements under which the Company is the lender of ¥4,571 million.

13. Subordinated Bonds

Repayments of subordinated bonds are subordinated to other obligations.

14. Contribution to Policyholders Protection Corporation

The future contribution to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Law was estimated at ¥10,770 million as of September 30, 2010. The contribution was charged as operating expenses in the year in which it was paid.

III. Notes to Non-consolidated Statement of Operations

1. Gains on Sales of Securities

Major items of gains on sales of securities for the six months ended September 30, 2010 were as follows:

	(Millions of yen)
Domestic bonds	¥ 9,884
Domestic stocks and others.....	6,261
Foreign securities	1

2. Losses on Sales of Securities

Major items of losses on sales of securities for the six months ended September 30, 2010 were as follows:

	(Millions of yen)
Domestic bonds	¥ 21
Domestic stocks and others.....	2,829
Foreign securities	2,701

3. Losses on Valuation of Securities

Major items of losses on valuation of securities for the six months ended September 30, 2010 were as follows:

	(Millions of yen)
Domestic stocks and others.....	¥ 3,874
Foreign securities	202

4. Policy Reserves for the Reinsurance Contracts

For the six months ended September 30, 2010, provision for reserve for outstanding claims for ceded reinsurance considered in calculation of reversal of reserve for outstanding claims was ¥0 million and provision for policy reserve for ceded reinsurance considered in calculation of reversal of policy reserve was ¥2 million.

5. Interest, Dividends and Other Income

Breakdown of interest, dividends and other income for the six months ended September 30, 2010 was as follows:

	(Millions of yen)
Interest on deposits	¥ 544
Interest and dividends on securities	34,853
Interest on loans	12,152
Income from real estate for rent.....	7,089
Other interest and dividends.....	132
Total	<u>¥54,772</u>

6. Breakdown of Ordinary Profits (Fundamental Profit)

(Millions of Yen)

		Six months ended September 30, 2009	Six months ended September 30, 2010
Fundamental profit	A	32,947	33,434
Capital gains		15,125	23,994
Gains from money held in trust, net		-	13
Gains from trading securities, net		-	-
Gains on sales of securities		15,125	16,148
Gains from derivative instruments, net		-	7,833
Foreign exchange gains, net		-	-
Other capital gains		-	-
Capital losses		33,417	17,319
Losses from money held in trust, net		174	-
Losses from trading securities, net		1,680	5,607
Losses on sales of securities		16,485	5,552
Losses on valuation of securities		1,877	4,077
Losses from derivative instruments, net		12,226	-
Foreign exchange losses, net		972	2,080
Other capital losses		-	-
Net capital gains (losses)	B	(18,292)	6,675
Fundamental profit plus net capital gains (losses)	A+B	14,655	40,110
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Others		-	-
Other one-time losses		1,913	57
Reinsurance premiums		-	-
Provision for contingency reserve		288	57
Provision for specific allowance for possible loan losses		1,625	-
Allowance for specified overseas loans		-	-
Write-off of loans		-	-
Others		-	-
Other one-time gains (losses)	C	(1,913)	(57)
Ordinary profits	A+B+C	12,742	40,052

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): ¥81 million in respect of the six months ended September 30, 2009 and ¥150 million in respect of the six months ended September 30, 2010.

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): ¥1,203 million in respect of the six months ended September 30, 2009 and ¥2,493 million in respect of the six months ended September 30, 2010.

Breakdown of Fundamental Profit

(100 millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Fundamental profit	329	334
Loading profit	38	24
Mortality and morbidity profit	385	368
Negative spread	(94)	(58)

7. Disclosed Claims Based on Categories of Obligors

	As of September 30, 2010	(Millions of yen) As of March 31, 2010
Claims against bankrupt and quasi-bankrupt obligors	362	819
Claims with collection risk	1,168	1,660
Claims for special attention	1,806	166
Subtotal	3,337	2,646
[Percentage of total]	[0.28%]	[0.22%]
Claims against normal obligors	1,181,798	1,224,154
Total	1,185,136	1,226,801

- 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.

8. Risk-monitored Loans

	As of September 30, 2010	(Millions of yen) As of March 31, 2010
Credits to bankrupt borrowers	324	352
Delinquent loans	1,198	2,119
Delinquent loans past three months or more	-	-
Restructured loans	1,806	166
Total	3,329	2,638
[Percentage of total loans]	[0.28%]	[0.22%]

- 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 ¥8,097 million as of September 30, 2009, and ¥8,097 million as of March 31, 2010. The amounts written-off related to delinquent loans were ¥77 million as of September 30, 2010 and ¥938 million as of March 31, 2010.
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.

9. Solvency Margin Ratio

	As of September 30, 2010	(Millions of yen) As of March 31, 2010
Total solvency margin (A)	650,502	628,750
Foundation funds and surplus	158,570	141,571
Reserve for price fluctuation of securities	27,443	26,451
Contingency reserve	145,716	145,658
Allowance for possible loan losses	1,945	2,000
Net unrealized gains on available-for-sale securities x 90% (multiplied by 100% if losses)	70,107	68,134
Net unrealized gains on real estate x 85%	83,379	88,973
Excess amount of policy reserve based on full-time Zillmer method	100,269	97,609
Qualifying subordinated debt	34,209	37,406
Excluded items	(10,000)	(10,000)
Others	38,861	30,944
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	105,744	111,510
Insurance risk R_1	28,677	29,032
3rd sector insurance risk R_8	9,438	9,433
Assumed investment yield risk R_2	18,673	18,793
Investment risk R_3	77,074	82,868
Business risk R_4	2,677	2,802
Minimum guarantee risk R_7	12	12
Solvency margin ratio $\frac{(A)}{1/2 \times (B)} \times 100$	1230.3%	1127.6%

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" represent the capital increase to the subsidiary, Fukoku Shinrai Life Insurance Co., Ltd.

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

10. Status of Separate Account

(1) Separate Account Assets by Products

	As of September 30, 2010		(Millions of yen) As of March 31, 2010	
	Amount		Amount	
Individual variable insurance	-		-	
Individual variable annuities	556		640	
Group annuities	81,884		94,567	
Total	82,441		95,207	

(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

	As of September 30, 2010		(Millions of yen) As of March 31, 2010	
	Number	Amount	Number	Amount
Individual annuities	190	623	196	667

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

	As of September 30, 2010		(Millions of yen) As of March 31, 2010	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	98	17.6	105	16.4
Securities	458	82.4	534	83.6
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	458	82.4	534	83.6
Loans	-	-	-	-
Others	-	-	-	-
Allowance for possible loan losses	-	-	-	-
Total	556	100.0	640	100.0

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

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
	Amount	Amount
Interest, dividends and other income	0	1
Gains on sales of securities	-	-
Gains on valuation of securities	113	29
Gains on redemption of securities	-	-
Gains from derivative instruments	-	-
Foreign exchange gains, net	-	-
Other investment income	-	-
Losses on sales of securities	1	2
Losses on valuation of securities	42	68
Losses on redemption of securities	-	-
Losses from derivative instruments	-	-
Foreign exchange losses, net	-	-
Other investment expenses	-	-
Net investment income	69	(40)

(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 September 30, 2010		As of March 31, 2010	
	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	458	(39)	534	101

Note: The company had 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 September 30, 2010		As of March 31, 2010	
	Carrying value on balance sheet	Net valuation gains/losses included in the statement of operations	Carrying value on balance sheet	Net valuation gains/losses included in the statement of operations
Trading securities	316,883	(8,552)	201,372	18,639

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 September 30, 2010					As of March 31, 2010				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	424,302	451,718	27,415	27,439	23	430,883	433,717	2,834	5,212	2,377
Domestic bonds	378,254	403,528	25,273	25,273	-	382,130	383,997	1,866	4,110	2,243
Foreign bonds	46,048	48,190	2,141	2,165	23	48,753	49,720	967	1,101	134
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Policy-reserve-matching bonds	642,986	685,745	42,758	42,910	151	639,749	657,551	17,801	18,125	324
Investments in subsidiaries and affiliates	1,393	865	(527)	-	527	1,393	933	(459)	-	459
Available-for-sale securities	2,352,280	2,430,177	77,897	141,976	64,079	2,440,492	2,516,197	75,704	121,217	45,512
Domestic bonds	1,428,292	1,503,651	75,359	75,362	2	1,530,802	1,544,097	13,294	21,898	8,603
Domestic stocks	352,619	365,250	12,631	51,777	39,145	362,224	438,734	76,509	91,174	14,665
Foreign securities	531,697	522,253	(9,443)	13,576	23,020	504,887	492,109	(12,777)	6,589	19,367
Foreign bonds	353,199	356,701	3,501	10,820	7,319	323,137	318,842	(4,295)	3,895	8,191
Foreign stocks and other securities	178,497	165,552	(12,945)	2,756	15,701	181,749	173,267	(8,481)	2,693	11,175
Other securities	39,670	39,020	(650)	1,260	1,910	42,577	41,256	(1,321)	1,554	2,876
Money held in trust	-	-	-	-	-	-	-	-	-	-
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	3,420,962	3,568,506	147,544	212,326	64,782	3,512,519	3,608,400	95,881	144,555	48,674
Domestic bonds	2,449,532	2,592,924	143,392	143,546	153	2,552,683	2,585,645	32,962	44,134	11,171
Domestic stocks	352,619	365,250	12,631	51,777	39,145	362,224	438,734	76,509	91,174	14,665
Foreign securities	579,139	571,310	(7,829)	15,742	23,571	555,033	542,763	(12,269)	7,691	19,960
Foreign bonds	399,248	404,891	5,643	12,986	7,343	371,891	368,562	(3,328)	4,997	8,325
Foreign stocks and other securities	179,890	166,418	(13,472)	2,756	16,228	183,142	174,200	(8,941)	2,693	11,634
Other securities	39,670	39,020	(650)	1,260	1,910	42,577	41,256	(1,321)	1,554	2,876
Money held in trust	-	-	-	-	-	-	-	-	-	-
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

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

· Held-to-maturity Debt Securities

(Millions of yen)

	As of September 30, 2010			As of March 31, 2010		
	Carrying value on the balance sheet	Fair value	Differences	Carrying value on the balance sheet	Fair value	Differences
Securities whose fair value exceeds the carrying value on the balance sheet	420,875	448,315	27,439	133,237	138,449	5,212
Domestic bonds	378,254	403,528	25,273	92,709	96,820	4,110
Foreign bonds	42,621	44,787	2,165	40,527	41,629	1,101
Money claims bought	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-
Securities whose fair value does not exceed the carrying value on the balance sheet	3,427	3,403	(23)	297,646	295,268	(2,377)
Domestic bonds	-	-	-	289,420	287,177	(2,243)
Foreign bonds	3,427	3,403	(23)	8,225	8,091	(134)
Money claims bought	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-

· Policy-reserve-matching Bonds

(Millions of yen)

	As of September 30, 2010			As of March 31, 2010		
	Carrying value on the balance sheet	Fair value	Differences	Carrying value on the balance sheet	Fair value	Differences
Bonds whose fair value exceeds the carrying value on the balance sheet	630,489	673,399	42,910	613,468	631,594	18,125
Domestic bonds	630,489	673,399	42,910	613,468	631,594	18,125
Foreign bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-
Bonds whose fair value does not exceed the carrying value on the balance sheet	12,497	12,345	(151)	26,280	25,956	(324)
Domestic bonds	12,497	12,345	(151)	26,280	25,956	(324)
Foreign bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-

· Available-for-sale Securities

(Millions of yen)

	As of September 30, 2010			As of March 31, 2010		
	Book value	Carrying value on the balance sheet	Differences	Book value	Carrying value on the balance sheet	Differences
Securities whose carrying value on the balance sheet exceeds the book value	1,847,074	1,989,051	141,976	1,249,403	1,370,621	121,217
Domestic bonds	1,402,003	1,477,365	75,362	744,823	766,721	21,898
Domestic stocks	127,389	179,167	51,777	230,605	321,780	91,174
Foreign securities	301,186	314,763	13,576	256,161	262,750	6,589
Foreign bonds	248,570	259,390	10,820	172,238	176,134	3,895
Foreign stocks	52,616	55,372	2,756	83,922	86,615	2,693
Other securities	16,495	17,755	1,260	17,813	19,368	1,554
Money held in trust	-	-	-	-	-	-
Money claims bought	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-
Securities whose carrying value on the balance sheet does not exceed the book value	505,205	441,125	(64,079)	1,191,088	1,145,576	(45,512)
Domestic bonds	26,288	26,286	(2)	785,979	777,375	(8,603)
Domestic stocks	225,229	186,083	(39,145)	131,619	116,953	(14,665)
Foreign securities	230,511	207,490	(23,020)	248,725	229,358	(19,367)
Foreign bonds	104,629	97,310	(7,319)	150,899	142,707	(8,191)
Foreign stocks	125,881	110,180	(15,701)	97,826	86,651	(11,175)
Other securities	23,175	21,265	(1,910)	24,764	21,888	(2,876)
Money held in trust	-	-	-	-	-	-
Money claims bought	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-

* Book value of securities whose market value are deemed extremely difficult to obtain are as follows:

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Investments in subsidiaries and affiliates	26,132	26,132
Available-for-sale securities	18,631	17,157
Unlisted domestic stocks (except over-the-counter stocks)	8,351	8,351
Unlisted foreign stocks (except over-the-counter stocks)	500	500
Unlisted foreign bonds	-	-
Others	9,780	8,306
Total	44,763	43,290

(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 September 30, 2010	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	744	174	-	-	-	919
Hedge accounting not applied	-	(365)	106	(2,104)	-	(2,363)
Total	744	(190)	106	(2,104)	-	(1,443)

As of March 31, 2010	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	826	(4,832)	-	-	-	(4,006)
Hedge accounting not applied	-	(1,901)	(93)	350	-	(1,644)
Total	826	(6,734)	(93)	350	-	(5,650)

Note: Gains and losses from applying fair value hedge accounting (currency-related, gains of ¥174 million as of September 30, 2010 and losses of ¥4,832 million as of March 31, 2010) 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) Hedge Accounting not Applied

· Interest-related Transactions

No ending balance as of September 30, 2010 and March 31, 2010.

· Currency-related Transactions

(Millions of yen)

	As of September 30, 2010				As of March 31, 2010			
	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								
Currency forward contracts								
Sold	182,481	-	182,613	(132)	76,897	-	78,406	(1,509)
US dollar	125,641	-	124,445	1,196	39,835	-	40,932	(1,096)
Euro	28,688	-	29,922	(1,234)	37,061	-	37,473	(412)
Canadian dollar	17,281	-	17,037	244	-	-	-	-
British pound	8,419	-	8,621	(202)	-	-	-	-
Australian dollar	2,450	-	2,586	(135)	-	-	-	-
Singapore dollar	0	-	0	0	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Currency Options								
Sold								
Calls	23,642	-	129	53	17,302	-	211	(38)
Euro	[182]	-	129	53	[173]	-	131	9
US dollar	[182]	-	-	-	[141]	-	79	(47)
Puts	-	-	-	-	[32]	-	-	-
Bought								
Calls	-	-	-	-	[-]	-	-	-
Puts	48,300	-	169	(286)	40,365	-	53	(322)
Euro	[455]	-	135	(210)	[375]	-	39	(171)
US dollar	[346]	-	33	(75)	[211]	-	13	(151)
US dollar	[16,300]	-	-	-	[164]	-	-	-
Currency swap contracts								
Australian dollar	-	-	-	-	4,000	-	(31)	(31)
Australian dollar	-	-	-	-	4,000	-	(31)	(31)
Total				(365)				(1,901)

Notes: 1. Figures in [] are option premiums which are included in balance sheet.
2. Forward exchange rates are used for exchange rates as of the end of fiscal year.

· Stock-related Transactions

(Millions of yen)

	As of September 30, 2010				As of March 31, 2010			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Exchange-traded transactions								
Yen stock index futures								
Sold	4,780	-	4,680	100	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Yen stock index options								
Sold								
Calls	-	-	-	-	[-]	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
Bought								
Calls	-	-	-	-	[-]	-	-	-
Puts	9,000	-	161	5	[9,500]	-	0	(93)
Puts	[155]	-	-	-	[93]	-	-	-
Total				106				(93)

Note: Figures in [] are option premiums which are included in balance sheet.

· Bond-related Transactions

(Millions of yen)

	As of September 30, 2010				As of March 31, 2010			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Exchange-traded transactions								
Yen bond futures								
Sold	148,486	-	150,591	(2,104)	90,193	-	89,843	350
Bought	-	-	-	-	-	-	-	-
Total				(2,104)				350

(iii) Hedge Accounting Applied

· Interest-related Transactions

[As of September 30, 2010]

(Millions of yen)

Method of hedge accounting	Hedging instruments	Hedged items	Notional amount / contract value		Fair value
				Over 1 year	
Deferral hedge method	Interest rate swap contracts	Loans			
	Receipt fixed, payment floating		43,122	33,077	759
	Payment fixed, receipt floating		2,500	-	(14)
Total					

* Interest rate swap contracts by contractual maturity dates

(Millions of yen)

	1 year or shorter	Over 1 year to 3 years	Over 3 years
Notional amount (receipts fixed, payments floating)	10,044	30,070	3,007
Average fixed rate (receipt)	1.28%	1.48%	2.17%
Average floating rate (payment)	0.47%	0.62%	0.89%
Notional amount (receipts floating, payments fixed)	2,500	-	-
Average floating rate (receipt)	0.65%	-	-
Average fixed rate (payment)	1.84%	-	-

[As of March 31, 2010]

(Millions of yen)

Method of hedge accounting	Hedging instruments	Hedged items	Notional amount / contract value		Fair value
				Over 1 year	
Deferral hedge method	Interest rate swap contracts	Loans			
	Receipt fixed, payment floating		62,309	40,180	857
	Payment fixed, receipt floating		2,500	-	(30)
Total					

* Interest rate swap contracts by contractual maturity dates

(Millions of yen)

	1 year or shorter	Over 1 year to 3 years	Over 3 years
Notional amount (receipts fixed, payments floating)	22,129	27,070	13,110
Average fixed rate (receipt)	1.14%	1.40%	1.70%
Average floating rate (payment)	0.55%	0.59%	0.79%
Notional amount (receipts floating, payments fixed)	2,500	-	-
Average floating rate (receipt)	0.67%	-	-
Average fixed rate (payment)	1.84%	-	-

· Currency-related Transactions

[As of September 30, 2010]

(Millions of yen)

Method of hedge accounting	Hedging instruments	Hedged items	Notional amount / contract value		Fair Value
				Over 1 year	
Fair value hedge method	Currency forward contracts	Foreign currency-denominated bonds			
	Sold		131,214	-	131,039
	US dollar		95,911	-	94,691
	Euro		25,816	-	26,266
	Australian dollar		9,486	-	10,081
	Bought		-	-	-
Total					

[As of March 31, 2010]

(Millions of yen)

Method of hedge accounting	Hedging instruments	Hedged items	Notional amount / contract value		Fair Value
				Over 1 year	
Fair value hedge method	Currency forward contracts	Foreign currency-denominated bonds			
	Sold		146,367	-	151,199
	US dollar		102,089	-	105,562
	Euro		28,268	-	28,730
	Australian dollar		16,008	-	16,907
	Bought		-	-	-
Total					

Notes 1. Forward exchange rates are used for exchange rates as of the end of fiscal year.

2. 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 sheet, those currency forward contracts are excluded from the table above.

· Stock-related Transactions

No ending balance as of September 30, 2010 and March 31, 2010.

· Bond-related Transactions

No ending balance as of September 30, 2010 and March 31, 2010.