

Financial Results for the Year Ended March 31, 2010

Fukoku Mutual Life Insurance Company (President: Tomofumi Akiyama) announces financial results for the year ended March 31, 2010.

[Contents]

1. Business Highlights	.....	P.1
2. Policies in Force by Coverage Type	.....	P.3
3. Investment Activities of General Account Assets	.....	P.4
4. Non-consolidated Balance Sheets	.....	P.12
5. Non-consolidated Statements of Operations	.....	P.13
6. Breakdown of Ordinary Profits (Fundamental Profit)	.....	P.24
7. Non-consolidated Statements of Changes in Net Assets	.....	P.25
8. Non-consolidated Statements of Surplus	.....	P.27
9. Disclosed Claims Based on Categories of Obligors	.....	P.28
10. Risk-monitored Loans	.....	P.29
11. Solvency Margin Ratio	.....	P.30
12. Status of Separate Account	.....	P.31

Attached: Supplementary Materials for the Year Ended March 31, 2010

Financial Summary for the Year Ended March 31, 2010

1. Business Highlights

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

(i) Policies in Force

	As of March 31, 2009				As of March 31, 2010			
	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	2,976	98.3	302,327	95.2	2,965	99.6	285,159	94.3
Individual annuities	741	103.3	29,864	101.6	748	101.0	29,802	99.8
Subtotal	3,717	99.3	332,191	95.8	3,714	99.9	314,962	94.8
Group insurance	-	-	153,365	101.3	-	-	159,611	104.1
Group annuities	-	-	19,975	98.7	-	-	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 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, 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	-	-

Year ended March 31, 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	438	134.7	12,073	74.4	15,432	94.9	(3,358)	-
Individual annuities	39	69.1	1,262	66.1	1,290	67.0	(27)	-
Subtotal	477	125.0	13,336	73.6	16,722	92.0	(3,386)	-
Group insurance	-	-	514	48.4	514	48.4	-	-
Group annuities	-	-	0	109.1	0	109.1	-	-

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, 2009		Year ended March 31, 2010	
		Changes(% YoY)		Changes(% YoY)
Amount of surrender and lapses (100 millions of yen)	20,328	97.4	19,069	93.8
Surrender and lapse ratio(%)	5.86	0.01	5.74	(0.12)

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, 2009		As of March 31, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Individual insurance	3,057	94.5	2,937	96.1
Individual annuities	1,233	103.2	1,252	101.5
Total	4,290	96.8	4,189	97.6
Medical coverage and living benefits	987	100.8	1,007	102.1

(ii) New Policies

(100 millions of yen except percentage)

	Year ended March 31, 2009		Year ended March 31, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Individual insurance	194	83.9	193	99.9
Individual annuities	82	90.0	58	71.0
Total	276	85.6	252	91.2
Medical coverage and living benefits	74	85.6	87	117.1

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, 2009		Year ended March 31, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Premium and other income	6,467	87.8	6,237	96.5
Investment income	1,667	114.0	1,477	88.6
Claims and other payments	5,965	99.1	5,642	94.6
Investment expenses	1,694	284.3	702	41.5
Ordinary profits	21	3.7	329	1,522.7

(4) Statements of Surplus

(100 millions of yen except percentage)

	Year ended March 31, 2009		Year ended March 31, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Unappropriated surplus	566	101.8	540	95.4
Reserve for dividends to policyholders	178	56.0	195	109.2
Net surplus	109	100.0	59	54.6
Unappropriated surplus carried forward	278	216.3	286	102.6

Note: Unappropriated surplus for the years ended March 31, 2009 and 2010 included reversal of voluntary surplus reserve of ¥7 million and ¥7 million, respectively.

(5) Total Assets

(100 millions of yen except percentage)

	As of March 31, 2009		As of March 31, 2010	
		Changes (%, YoY)		Changes (%, YoY)
Total assets	55,144	96.3	56,131	101.8

2. Policies in Force by Coverage Type

[As of March 31, 2010]

(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	1,965	224,267	-	1,111	18,795	159,582	20,760	384,961
Accident	1,536	37,127	293	815	2,740	7,226	4,570	45,169
Others	-	-	-	-	0	7	0	7
Survival coverage	1,000	60,891	748	28,691	8	29	1,757	89,612
Hospitalization coverage								
Accident	1,493	87	-	-	1,198	3	2,692	91
Illness	1,489	87	-	-	-	-	1,489	87
Others	1,983	102	-	-	0	0	1,983	102
Injury coverage	1,482	-	4	-	2,197	-	3,684	-
Surgical coverage	3,360	-	-	-	-	-	3,360	-

(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	11,426	20,016	19	354	11,445	20,370

(Thousands of number, millions of yen)

	Medical care insurance	
	Number	Amount
Hospitalization coverage	417	138

(Thousands of number, millions of yen)

	Group disability insurance	
	Number	Amount
Disability coverage	8	55

- 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

(1) Asset Composition

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	206,849	3.8 %	160,004	2.9 %
Monetary claims bought	2,055	0.0	1,752	0.0
Money held in trust	33,053	0.6	32,902	0.6
Securities	3,513,882	65.0	3,710,831	67.2
Domestic bonds	2,468,826	45.7	2,565,977	46.5
Domestic stocks	418,889	7.8	473,218	8.6
Foreign securities	574,604	10.6	622,073	11.3
Foreign bonds	403,391	7.5	446,913	8.1
Foreign stocks and other securities	171,212	3.2	175,160	3.2
Other securities	51,562	1.0	49,562	0.9
Loans	1,238,205	22.9	1,220,945	22.1
Policy loans	76,967	1.4	74,186	1.3
Ordinary loans	1,161,237	21.5	1,146,758	20.8
Real estate	246,220	4.6	275,831	5.0
Deferred tax assets	110,422	2.0	62,170	1.1
Others	63,547	1.2	57,421	1.0
Allowance for possible loan losses	(11,290)	(0.2)	(2,430)	(0.0)
Total	5,402,946	100.0	5,519,429	100.0
Foreign currency denominated assets	441,710	8.2	458,695	8.3

(2) Changes (Increase/Decrease) in Assets

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, call loans	36,202	(46,845)
Monetary claims bought	(477)	(303)
Money held in trust	(24,474)	(150)
Securities	(340,821)	196,948
Domestic bonds	24,140	97,150
Domestic stocks	(183,047)	54,328
Foreign securities	(182,841)	47,469
Foreign bonds	(172,587)	43,521
Foreign stocks and other securities	(10,253)	3,947
Other securities	927	(1,999)
Loans	6,241	(17,259)
Policy loans	(572)	(2,781)
Ordinary loans	6,813	(14,478)
Real estate	44,324	29,611
Deferred tax assets	74,316	(48,252)
Others	(1,632)	(6,125)
Allowance for possible loan losses	(1,238)	8,859
Total	(207,559)	116,482
Foreign currency denominated assets	(245,176)	16,984

(3) Investment Income

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Interest, dividends and other income	115,027	110,757
Interest from deposits	662	493
Interest and dividends from securities	75,050	70,444
Interest from loans	24,324	24,812
Income from real estate for rent	14,300	14,718
Other interest and dividends	689	287
Gains from trading securities, net	-	165
Gains on sales of securities	51,491	22,043
Gains on sales of domestic bonds	29,312	14,017
Gains on sales of domestic stocks	17,176	7,664
Gains on sales of foreign securities	5,002	333
Others	-	27
Gains on redemption of securities	-	-
Gains from derivative instruments, net	-	-
Foreign exchange gains, net	-	-
Other investment income	212	358
Total	166,730	133,325

(4) Investment Expenses

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Interest expenses	1,974	1,852
Losses from money held in trust, net	3,912	197
Losses from trading securities, net	3,343	-
Losses on sales of securities	95,471	41,494
Losses on sales of domestic bonds	2,427	564
Losses on sales of domestic stocks	43,679	12,771
Losses on sales of foreign securities	49,363	28,158
Losses on valuation of securities	25,268	1,588
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	19,006	1,313
Losses on valuation of foreign securities	3,761	-
Others	2,500	274
Losses on redemption of securities	-	-
Losses from derivative instruments, net	110	11,555
Foreign exchange losses, net	2,348	1,706
Provision for allowance for possible loan losses	1,243	-
Write-off of loans	-	-
Depreciation of real estate for rent and other assets	4,226	5,230
Other investment expenses	6,450	6,618
Total	144,349	70,244

(5) Net Investment Income

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Net investment income	22,381	63,081

(6) Other Information on Investments

(i) Investment Yield by Asset Categories

(%)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash, deposits, call loans	(0.12)	0.11
Monetary claims bought	(0.34)	1.28
Money held in trust	(9.10)	(0.60)
Securities	(0.26)	0.92
Domestic bonds	2.83	2.29
Domestic stocks	(4.44)	(2.00)
Foreign securities	(5.80)	(2.49)
Foreign bonds	(7.42)	(1.18)
Foreign stocks and other securities	(1.21)	(5.53)
Loans	1.90	2.04
Ordinary loans	1.72	1.87
Real estate	3.06	2.02
Total	0.41	1.15
Overseas investments	(5.97)	(2.45)

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, 2009	Year ended March 31, 2010
Cash, deposits, call loans	197,681	179,839
Monetary claims bought	6,203	1,932
Money held in trust	43,007	32,849
Securities	3,648,942	3,602,585
Domestic bonds	2,388,027	2,505,450
Domestic stocks	441,768	410,401
Foreign securities	752,721	631,789
Foreign bonds	556,368	441,214
Foreign stocks and other securities	196,352	190,574
Loans	1,225,718	1,227,486
Ordinary loans	1,149,299	1,152,196
Real estate	217,023	268,005
Total	5,519,049	5,479,791
Overseas investments	775,828	654,472

(iii) Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations
Trading securities	89,449	(6,204)	111,220	(1,866)

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, 2009					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	152,157	156,525	4,368	5,177	809	430,883	433,717	2,834	5,212	2,377
Domestic bonds	113,032	117,328	4,296	4,332	36	382,130	383,997	1,866	4,110	2,243
Foreign bonds	39,125	39,197	71	845	773	48,753	49,720	967	1,101	134
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Policy-reserve-matching bonds	628,570	644,212	15,641	16,131	489	639,749	657,551	17,801	18,125	324
Investments in subsidiaries and affiliates	1,393	954	(438)	-	438	1,393	933	(459)	-	459
Available-for-sale securities	2,678,173	2,622,561	(55,611)	77,291	132,903	2,440,492	2,516,197	75,704	121,217	45,512
Domestic bonds	1,705,656	1,727,224	21,568	28,906	7,338	1,530,802	1,544,097	13,294	21,898	8,603
Domestic stocks	403,395	385,582	(17,813)	45,495	63,309	362,224	438,734	76,509	91,174	14,665
Foreign securities	519,208	466,188	(53,020)	2,388	55,408	504,887	492,109	(12,777)	6,589	19,367
Foreign bonds	328,436	306,869	(21,567)	1,942	23,509	323,137	318,842	(4,295)	3,895	8,191
Foreign stocks and other securities	190,772	159,319	(31,452)	445	31,898	181,749	173,267	(8,481)	2,693	11,175
Other securities	49,912	43,566	(6,346)	501	6,847	42,577	41,256	(1,321)	1,554	2,876
Money held in trust	-	-	-	-	-	-	-	-	-	-
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	3,460,294	3,424,254	(36,039)	98,600	134,640	3,512,519	3,608,400	95,881	144,555	48,674
Domestic bonds	2,447,258	2,488,764	41,506	49,370	7,863	2,552,683	2,585,645	32,962	44,134	11,171
Domestic stocks	403,395	385,582	(17,813)	45,495	63,309	362,224	438,734	76,509	91,174	14,665
Foreign securities	559,727	506,341	(53,386)	3,233	56,619	555,033	542,763	(12,269)	7,691	19,960
Foreign bonds	367,562	346,066	(21,495)	2,787	24,283	371,891	368,562	(3,328)	4,997	8,325
Foreign stocks and other securities	192,165	160,274	(31,891)	445	32,336	183,142	174,200	(8,941)	2,693	11,634
Other securities	49,912	43,566	(6,346)	501	6,847	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.

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

(Millions of yen)

	As of March 31, 2009	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	25,671	17,157
Unlisted domestic stocks (except over-the-counter stocks)	7,174	8,351
Unlisted foreign stocks (except over-the-counter stocks)	500	500
Unlisted foreign bonds	-	-
Others	17,996	8,306
Total	51,803	43,290

(v) Fair Value Information on Money Held in Trust

(Millions of yen)

	As of March 31, 2009					As of March 31, 2010				
	Carrying value on the balance sheet	Fair value	Gains/losses			Carrying value on the balance sheet	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	33,053	33,053	-	-	-	32,902	32,902	-	-	-

* Money held in trust for trading purpose

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations
Money held in trust for trading purpose	32,053	520	31,902	0

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

(Millions of yen)

	As of March 31, 2009					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 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)
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 ¥954 million as of March 31, 2009 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) Interest-related Transactions

(Millions of yen)

	As of March 31, 2009				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								
Interest rate swap contracts								
Receipt fixed, payment floating	71,058	66,738	789	789	62,309	40,180	857	857
Payment fixed, receipt floating	2,500	2,500	(38)	(38)	2,500	-	(30)	(30)
Total				751				826

* Interest rate swap contracts by contractual maturity dates

(Millions of yen)

	As of March 31, 2009			As of March 31, 2010		
	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)	4,320	44,623	22,115	22,129	27,070	13,110
Average fixed rate (receipt)	1.26%	1.25%	1.80%	1.14%	1.40%	1.70%
Average floating rate (payment)	1.24%	0.94%	1.27%	0.55%	0.59%	0.79%
Notional amount (receipts floating, payments fixed)	—	2,500	-	2,500	-	-
Average floating rate (receipt)	—	1.05%	-	0.67%	-	-
Average fixed rate (payment)	—	1.84%	-	1.84%	-	-

(iii) Currency-related Transactions

(Millions of yen)

	As of March 31, 2009				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	214,060	-	216,725	(2,665)	223,264	-	229,606	(6,342)
US dollar	124,325	-	125,222	(896)	141,925	-	146,495	(4,569)
Euro	89,734	-	91,503	(1,768)	65,329	-	66,203	(874)
Australian dollar	-	-	-	-	16,008	-	16,907	(898)
Bought	-	-	-	-	-	-	-	-
Currency Options								
Sold								
Calls	61,583	-	861	(207)	17,302	-	211	(38)
Euro	[653]	-	27	12	[173]	-	131	9
US dollar	5,600	-	232	162	12,600	-	79	(47)
Australian dollar	[39]	-	601	(382)	[141]	-	-	-
Puts	43,449	-	-	-	4,702	-	-	-
Euro	[395]	-	-	-	[32]	-	-	-
Australian dollar	12,534	-	-	-	-	-	-	-
Puts	[219]	-	-	-	[-]	-	-	-
Bought								
Calls	-	-	-	-	-	-	-	-
Puts	[-]	-	237	(416)	[-]	-	53	(322)
US dollar	57,040	-	191	(203)	40,365	-	13	(151)
Euro	[653]	-	41	1	[375]	-	39	(171)
Australian dollar	40,550	-	4	(214)	22,310	-	-	-
Puts	[395]	-	-	-	[164]	-	-	-
US dollar	5,090	-	-	-	18,055	-	-	-
Euro	[39]	-	-	-	[211]	-	-	-
Australian dollar	11,400	-	-	-	-	-	-	-
Puts	[219]	-	-	-	[-]	-	-	-
Currency swap contracts								
Australian dollar	4,000	4,000	(58)	(58)	4,000	-	(31)	(31)
Australian dollar	4,000	4,000	(58)	(58)	4,000	-	(31)	(31)
Total				(3,347)				(6,734)

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.

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

(iv) Stock-related Transactions

(Millions of yen)

	As of March 31, 2009				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	38,703	-	43,303	(4,600)	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Yen stock index options								
Sold								
Calls	-	-	-	-	-	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
Bought								
Calls	-	-	-	-	-	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
Puts	[-]	-	-	-	9,500	-	0	(93)
Puts	[-]	-	-	-	[93]	-	-	-
Total				(4,600)				(93)

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

(v) Bond-related Transactions

(Millions of yen)

	As of March 31, 2009				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	-	-	-	-	90,193	-	89,843	350
Bought	-	-	-	-	-	-	-	-
Total				-				350

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

(Millions of yen)

As of March 31, 2009			As of March 31, 2010		
Carrying value on the balance sheet	Fair value	Gains(losses)	Carrying value on the balance sheet	Fair value	Gains(losses)
142,001	269,274	127,273	162,335	247,781	85,445

- Notes: 1. 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.
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.

4. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010		As of March 31, 2009	As of March 31, 2010
Assets:			Liabilities:		
Cash and deposits	49,382	69,110	Policy reserves	5,221,451	5,225,501
Cash	134	164	Reserve for outstanding claims	28,220	25,342
Bank deposits	49,248	68,945	Policy reserve	5,135,913	5,145,399
Call loans	183,600	91,000	Reserve for dividends to policyholders	57,317	54,759
Monetary claims bought	2,055	1,752	Reinsurance payables	87	117
Money held in trust	33,053	32,902	Subordinated bonds	38,870	37,406
Securities	3,596,377	3,800,984	Other liabilities	39,550	41,921
Government bonds	1,746,556	1,887,071	Corporate income tax payable	107	1,291
Local government bonds	136,848	124,642	Accounts payable	1,680	3,290
Corporate bonds	616,227	588,041	Accrued expenses	9,975	10,434
Stocks	448,295	505,012	Unearned income	517	452
Foreign securities	596,372	646,118	Deposits received	5,050	5,016
Other securities	52,077	50,097	Guarantee deposits received	11,712	12,893
Loans	1,238,205	1,220,945	Differential account for futures trading	-	337
Policy loans	76,967	74,186	Derivatives	8,879	6,867
Ordinary loans	1,161,237	1,146,758	Suspense receipt	1,625	1,338
Tangible fixed assets	250,065	279,476	Reserve for employees' retirement benefits	49,293	49,776
Land	141,825	162,160	Reserve for price fluctuation of securities	24,622	26,451
Buildings	98,937	96,661	Deferred tax liabilities for revaluation reserve for land	20,026	19,983
Lease asset	-	31	Total liabilities	5,393,901	5,401,158
Construction in progress	5,457	17,009	Net assets:		
Other tangible fixed assets	3,845	3,613	Foundation funds	40,000	40,000
Intangible fixed assets	7,785	7,454	Accumulated foundation funds redeemed	31,000	46,000
Software	7,337	7,007	Reserve for revaluation	112	112
Other intangible fixed assets	448	447	Surplus	83,621	76,229
Reinsurance receivables	122	279	Legal reserve for future losses	1,987	2,187
Other assets	54,674	49,460	Other surplus	81,634	74,042
Accounts receivable	12,930	12,284	Reserve for redemption of foundation funds	20,000	15,000
Prepaid expenses	2,393	2,051	Reserve for dividend allowances	3,895	3,895
Accrued income	21,523	22,040	Reserve for advanced depreciation of real estate for tax purpose	311	303
Deposits	2,416	2,228	Other reserves	767	767
Differential account for futures trading	5,027	-	Unappropriated surplus	56,660	54,075
Derivatives	1,682	1,216	Total foundation funds and surplus	154,733	162,341
Suspense payment	4,340	5,430	Net unrealized gains (losses) on available-for-sale securities, net of tax	(35,474)	48,291
Other assets	4,360	4,207	Deferred valuation gains (losses) under hedge accounting	479	538
Deferred tax assets	110,422	62,170	Revaluation reserve for land, net of tax	814	773
Allowance for possible loan losses	(11,290)	(2,430)	Total valuation and translation adjustments	(34,180)	49,604
			Total net assets	120,553	211,946
Total assets	5,514,454	5,613,104	Total liabilities and net assets	5,514,454	5,613,104

5. Non-consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Ordinary revenues:		
Premium and other income	646,726	623,778
Premium income	646,500	623,490
Reinsurance income	226	288
Investment income	166,730	147,754
Interest, dividends and other income	115,027	110,757
Interest from deposits	662	493
Interest and dividends from securities	75,050	70,444
Interest from loans	24,324	24,812
Income from real estate for rent	14,300	14,718
Other interest and dividends	689	287
Gains from trading securities, net	-	165
Gains on sales of securities	51,491	22,043
Other investment income	212	358
Gains from separate accounts, net	-	14,428
Other ordinary revenues	68,227	15,984
Fund receipt from annuity rider	557	777
Fund receipt from deposit of claims paid	19,967	10,120
Reversal of reserve for outstanding claims	-	2,878
Reversal of policy reserve	45,866	-
Reversal of reserve for employees' retirement benefits	211	-
Others	1,624	2,208
Total ordinary revenues	881,685	787,517
Ordinary expenditures:		
Claims and other payments	596,550	564,214
Claims	205,663	178,959
Annuities	89,550	88,092
Benefits	151,181	146,378
Surrenders	109,976	114,050
Other payments	39,840	36,396
Reinsurance premiums	338	336
Provision for policy reserve and others	2,047	9,643
Provision for reserve for outstanding claims	1,804	-
Provision for policy reserve	-	9,485
Interest on accumulated dividends to policyholders	242	157
Investment expenses	169,435	70,244
Interest expenses	1,974	1,852
Losses from money held in trust, net	3,912	197
Losses from trading securities, net	3,343	-
Losses on sales of securities	95,471	41,494
Losses on valuation of securities	25,268	1,588
Losses from derivative instruments, net	110	11,555
Foreign exchange losses, net	2,348	1,706
Provision for allowance for possible loan losses	1,243	-
Depreciation of real estate for rent and other assets	4,226	5,230
Other investment expenses	6,450	6,618
Losses from separate accounts, net	25,086	-
Operating expenses	86,137	87,658
Other ordinary expenditures	25,349	22,799
Claim deposit payments	14,532	11,551
Taxes	4,957	4,916
Depreciation	5,583	5,430
Provision for reserve for employees' retirement benefits	-	483
Others	277	417
Total ordinary expenditures	879,520	754,558
Ordinary profits	2,164	32,958
Extraordinary gains:		
Gains on disposal of fixed assets	41,724	326
Reversal of reserve for price fluctuation of securities	29,289	-
Reversal of allowance for possible loan losses	-	606
Total extraordinary gains	71,014	933
Extraordinary losses:		
Losses on disposal of fixed assets	904	685
Impairment losses	514	865
Provision for reserve for price fluctuation of securities	-	1,829
Total extraordinary losses	1,418	3,380
Surplus before income taxes	71,760	30,511
Income taxes - current	3,645	3,746
Income taxes - deferred	11,251	629
Total of income taxes	14,896	4,375
Net surplus for the year	56,863	26,135

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 (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 March 31, 2010 was ¥9,036 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 "other 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 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 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 prepaid expenses 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 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.

(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 year ended March 31, 2010, the Company adopted "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No.19 issued by the Accounting Standards Board of Japan on July 31, 2008). There is no effect of the change on ordinary profit and surplus before income taxes since the Company has decided to use the same discount rate as before.

3. Financial Instruments

Asset management of the general account other than the separate account stipulated in Article 118 Paragraph 1 of the Insurance Business Law is conducted on the principle of prudent and profitable investments, considering public and social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities and equity securities within the acceptable range of risk in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios. Derivatives are mainly used to mitigate the market risk regarding the securities and loans. Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the "Basic Policy for Risk Management" established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically on a daily or monthly basis. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

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

	As of March 31, 2010		
	Carrying amount	Fair value	Difference
	(Millions of yen)		
Deposits:			
Deposits not treated as securities	¥ 68,839	¥ 68,839	¥ -
Total deposits	68,839	68,839	-
Call loans	91,000	91,000	
Monetary claims bought:			
Claims treated as loans	1,752	1,743	(8)
Total monetary claims bought	1,752	1,743	(8)
Money held in trust:			
Trading securities.....	31,902	31,902	-
Total money held in trust.....	31,902	31,902	-
Securities:			
Trading securities.....	79,317	79,317	-
Held-to-maturity debt securities	430,883	433,717	2,834
Policy-reserve-matching bonds	639,749	657,551	17,801
Investments in subsidiaries and affiliates	1,393	933	(459)
Available-for-sale securities	2,516,197	2,516,197	-
Total securities	3,667,541	3,687,718	20,176
Loans:			
Policy loans.....	74,186	74,186	(0)
Ordinary loans	1,146,758	1,174,444	27,685
Total loans.....	1,220,945	1,248,630	27,685
Derivative instruments:			
Hedge accounting not applied	(1,644)	(1,644)	-
Hedge accounting applied	(4,006)	(4,006)	-
Total derivative instruments	(5,650)	(5,650)	-

- (1) Deposits excluding those which are treated as securities based on “Accounting Standards for Financial Instruments” (ASBJ Statement No.10) and call loans:

The fair values of deposits and 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 end of fiscal year. 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 March 31, 2010 were ¥26,132 million, ¥8,851 million and ¥8,306 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 Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amount and the fair value of these investment and rental properties as of March 31, 2010 were ¥227,544 million and ¥298,967 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.

5. Loans Receivable

The amounts of credits to bankrupt borrowers, delinquent loans and restructured loans, which were included in loans, were ¥352 million, ¥2,119 million and ¥166 million, respectively and their total amounts were ¥2,638 million as of March 31, 2010. There was no balance of delinquent loans past 3 months or more as of March 31, 2010

The direct write-offs related to loans decreased credits to bankrupt borrowers by ¥8,097 million and delinquent loans by ¥938 million as of March 31, 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 ¥129,610 million as of March 31, 2010.

7. Separate Accounts

Total assets in separate accounts provided for in Article 118 of the Insurance Business Law were ¥95,207 million as of March 31, 2010. The amount of separate account liabilities was the same as separate account assets.

8. Receivables from/Payables to Subsidiaries

The total amounts of receivables from/payables to subsidiaries were ¥3,463 million and ¥1,433 million as of March 31, 2010, respectively.

9. Monetary Claims to Directors

Monetary claims to directors as of March 31, 2010 were ¥8 million.

10. Income Taxes

Deferred tax assets and deferred tax liabilities as of March 31, 2010 were ¥94,720 million and ¥29,692 million, respectively. Valuation allowance for deferred tax assets was ¥2,857 million.

Major components of deferred tax assets were ¥57,349 million of policy reserves, ¥18,024 million of reserve for employees' retirement benefits and ¥9,577 million of reserve for price fluctuation of securities as of March 31, 2010. Major component of deferred tax liabilities was ¥27,412 million of net unrealized gains on available-for-sale securities as of March 31, 2010.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2010 were 36.2% and 14.3%, respectively. The major difference between the statutory tax rate and the actual effective tax rate was (23.1%) of reserve for dividends to policyholders.

11. Reserve for Dividends to Policyholders

Changes in reserve for dividends to policyholders for the year ended March 31, 2010 were as follows:

	(Millions of yen)
Balance at the end of previous fiscal year.....	¥ 57,317
Transfer from surplus in previous fiscal year.....	17,856
Dividends paid in the current fiscal year.....	(20,571)
Increase in interest	157
Balance at the end of current fiscal year	<u>¥ 54,759</u>

12. Stocks of Subsidiaries

The amount of stocks of subsidiaries the Company held as of March 31, 2010 was ¥27,525 million.

13. Pledged Assets and Secured Debts

Assets pledged as collateral as of March 31, 2010 were ¥21,642 million of securities. Secured debts as of March 31, 2010 were ¥4,548 million.

14. 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 March 31, 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 ¥30 million as of March 31, 2010.

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

The total amount of 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 was ¥49,716 million as of March 31, 2010.

16. Additional Foundation Funds

The Company raised additional foundation funds of ¥15,000 million during the year ended March 31, 2010 in accordance with Article 60 of the Insurance Business Law.

17. Redemption of Foundation Funds

In the year ended March 31, 2010, in connection with the redemption of foundation funds of ¥15,000 million, the Company reversed the reserve for redemption of foundation funds and provided the equivalent amount for accumulated foundation funds redeemed in accordance with Article 56 of the Insurance Business Law.

18. Commitment Line

As of March 31, 2010, there were unused commitment line agreements under which the Company is the lender of ¥5,653 million.

19. Subordinated Bonds

Repayments of subordinated bonds are subordinated to other obligations.

20. Assets Denominated in Foreign Currencies

Assets denominated in foreign currencies as of March 31, 2010 totaled to ¥482,896 million. The principal foreign currency asset amounts as of March 31, 2010 were 1,466 million euros and US\$2,937 million.

Liabilities denominated in foreign currencies as of March 31, 2010 totaled to ¥38,330 million. The foreign currency liability amount as of March 31, 2010 was 306 million euros.

21. 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 ¥10,639 million as of March 31, 2010. The contribution was charged as operating expenses in the year in which it was paid.

22. Reserve for Employees' Retirement Benefits

(1) The reserve for employees' retirement benefits as of March 31, 2010 was calculated as follows:

	(Millions of yen)
a. Projected benefit obligation	¥ (71,591)
b. Fair value of pension plan assets	16,009
c. Unfunded benefit obligation (a+b)	(55,581)
d. Unrecognized actuarial differences	5,667
e. Unrecognized prior service cost	137
f. Reserve for employees' retirement benefits (c+d+e)	<u>¥ (49,776)</u>

(2) Gross amount of retirement benefit expenses for the year ended March 31, 2010 was as follows:

	(Millions of yen)
Service cost	¥ 3,166
Interest cost	1,438
Expected return on plan assets	(450)
Recognized actuarial differences.....	1,231
Amortization of prior service cost.....	34
	¥ 5,420

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

• Method of attributing the projected benefits to periods of service	Straight-line basis
• Discount rate	2.0%
• Expected rate of return on pension plan assets.....	3.0%
• Recognition period of actuarial differences	10 years
• Amortization period of prior service cost	10 years

III. Notes to Statements of Operations

1. Transactions with Subsidiaries

The total amounts of revenues and expenditures in connection with subsidiaries were ¥982 million and ¥7,764 million for the year ended March 31, 2010.

2. Gains on Sales of Securities

Major items of gains on sales of securities for the year ended March 31, 2010 were as follows:

	(Millions of yen)
Domestic bonds	¥ 14,017
Domestic stocks and others.....	7,664
Foreign securities	333

3. Losses on Sales of Securities

Major items of losses on sales of securities for the year ended March 31, 2010 were as follows:

	(Millions of yen)
Domestic bonds	¥ 564
Domestic stocks and others.....	12,771
Foreign securities	28,158

4. Losses on Valuation of Securities

Major items of losses on valuation of securities for the year ended March 31, 2010 were as follows:

	(Millions of yen)
Domestic stocks and others.....	¥ 1,313

5. Policy Reserves for the Reinsurance Contracts

For the year ended March 31, 2010, reversal of reserve for outstanding claims for ceded reinsurance considered in calculation of reversal of reserve for outstanding claims was ¥22 million and provision for policy reserve for ceded reinsurance considered in calculation of provision for policy reserve was ¥0 million.

6. Gains (Losses) from Trading Securities

Major items of gains / losses from trading securities for the year ended March 31, 2010 were as follows:

	(Millions of yen)
Interest, dividends and other income.....	¥ 2,527
Gains (Losses) on sales of trading securities.....	(494)
Gains (Losses) on valuation of trading securities.....	(1,866)

7. Losses from Money Held in Trust

Losses from money held in trust for the year ended March 31, 2010 included valuation gains of ¥0 million.

8. Losses from derivative Instruments

Losses from derivative instruments for the year ended March 31, 2010 included valuation gains of ¥5,607 million.

9. Impairment of Fixed Assets

For the year ended March 31, 2010, 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 real estate for rent and unused real estate are classified as one group individually.

(2) Background of recognizing the impairment losses

Profitability of certain real estate for rent dropped down significantly due to a decrease in the level of rental income and a declining trend of market prices of land. The Company reduced its book values of such real estate for rent and unused real estate to their recoverable amounts. The amounts reduced were recognized as impairment losses and included in the 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) Real estate for rent...	¥ 71	¥ 5	¥ 76
(ii) Unused real estate ...	136	651	788
Total (i)+(ii).....	<u>¥ 208</u>	<u>¥ 656</u>	<u>¥ 865</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, 2009	Year ended March 31, 2010
Fundamental profit	A	75,666	70,506
Capital gains		51,491	22,043
Gains from money held in trust, net		-	-
Gains from trading securities, net		-	-
Gains on sales of securities		51,491	22,043
Gains from derivative instruments, net		-	-
Foreign exchange gains, net		-	-
Other capital gains		-	-
Capital losses		133,619	59,093
Losses from money held in trust, net		4,430	387
Losses from trading securities, net		5,989	2,361
Losses on sales of securities		95,471	41,494
Losses on valuation of securities		25,268	1,588
Losses from derivative instruments, net		110	11,555
Foreign exchange losses, net		2,348	1,706
Other capital losses		-	-
Net capital gains (losses)	B	(82,127)	(37,050)
Fundamental profit plus net capital gains (losses)	A+B	(6,460)	33,456
Other one-time gains		9,339	-
Reinsurance income		-	-
Reversal of contingency reserve		9,339	-
Others		-	-
Other one-time losses		714	498
Reinsurance premiums		-	-
Provision for contingency reserve		-	498
Provision for specific allowance for possible loan losses		714	-
Allowance for specified overseas loans		-	-
Write-off of loans		-	-
Others		-	-
Other one-time gains (losses)	C	8,625	(498)
Ordinary profits	A+B+C	2,164	32,958

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): ¥518 million in respect of the year ended March 31, 2009 and ¥189 million in respect of the year ended March 31, 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): ¥2,645 million in respect of the year ended March 31, 2009 and ¥2,527 million in respect of the year ended March 31, 2010.

Breakdown of Fundamental Profit

(100 millions of yen)

		Year ended March 31, 2009	Year ended March 31, 2010
Fundamental profit		756	705
Loading profit		134	76
Mortality and morbidity profit		737	778
Negative spread		(116)	(149)

7. Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the year ended March 31, 2009	For the year ended March 31, 2010
Foundation funds and surplus		
Foundation funds		
Balance at the end of previous fiscal year	40,000	40,000
Changes in the current fiscal year		
Financing of additional foundation funds	-	15,000
Redemption of foundation funds	-	(15,000)
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		
Additions to accumulated foundation funds redeemed	-	15,000
Total changes in the current fiscal year	-	15,000
Balance at the end of current fiscal year	31,000	46,000
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	1,787	1,987
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	1,987	2,187
Other surplus		
Reserve for redemption of foundation funds		
Balance at the end of previous fiscal year	10,000	20,000
Changes in the current fiscal year		
Additions to reserve for redemption of foundation funds	10,000	10,000
Reversal of reserve for redemption of foundation funds	-	(15,000)
Total changes in the current fiscal year	10,000	(5,000)
Balance at the end of current fiscal year	20,000	15,000
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	319	311
Changes in the current fiscal year		
Reversal of reserve for advanced depreciation of real estate for tax purpose	(8)	(7)
Total changes in the current fiscal year	(8)	(7)
Balance at the end of current fiscal year	311	303
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	55,671	56,660
Changes in the current fiscal year		
Additions to reserve for dividends to policyholders	(31,868)	(17,856)
Additions to legal reserve for future losses	(200)	(200)
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	56,863	26,135
Additions to reserve for redemption of foundation funds	(10,000)	(10,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose	8	7
Reversal of revaluation reserve for land	(13,098)	44
Total changes in the current fiscal year	988	(2,584)
Balance at the end of current fiscal year	56,660	54,075

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

(Millions of yen)

	For the year ended March 31, 2009	For the year ended March 31, 2010
Total surplus		
Balance at the end of previous fiscal year	72,441	83,621
Changes in the current fiscal year		
Additions to reserve for dividends to policyholders	(31,868)	(17,856)
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	56,863	26,135
Reversal of reserve for redemption of foundation funds	-	(15,000)
Reversal of revaluation reserve for land	(13,098)	44
Total changes in the current fiscal year	11,180	(7,392)
Balance at the end of current fiscal year	83,621	76,229
Total foundation funds and surplus		
Balance at the end of previous fiscal year	143,553	154,733
Changes in the current fiscal year		
Financing of additional foundation funds	-	15,000
Additions to reserve for dividends to policyholders	(31,868)	(17,856)
Additions to accumulated foundation funds redeemed	-	15,000
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	56,863	26,135
Redemption of foundation funds	-	(15,000)
Reversal of reserve for redemption of foundation funds	-	(15,000)
Reversal of revaluation reserve for land	(13,098)	44
Total changes in the current fiscal year	11,180	7,607
Balance at the end of current fiscal year	154,733	162,341
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities, net of tax		
Balance at the end of previous fiscal year	115,334	(35,474)
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	(150,809)	83,766
Total changes in the current fiscal year	(150,809)	83,766
Balance at the end of current fiscal year	(35,474)	48,291
Deferred valuation gains (losses) under hedge accounting		
Balance at the end of previous fiscal year	408	479
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	70	59
Total changes in the current fiscal year	70	59
Balance at the end of current fiscal year	479	538
Revaluation reserve for land, net of tax		
Balance at the end of previous fiscal year	(12,335)	814
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	13,149	(40)
Total changes in the current fiscal year	13,149	(40)
Balance at the end of current fiscal year	814	773
Total valuation and translation adjustments		
Balance at the end of previous fiscal year	103,407	(34,180)
Changes in the current fiscal year		
Net changes, excluding foundation funds and surplus	(137,588)	83,785
Total changes in the current fiscal year	(137,588)	83,785
Balance at the end of current fiscal year	(34,180)	49,604
Total net assets		
Balance at the end of previous fiscal year	246,961	120,553
Changes in the current fiscal year		
Financing of additional foundation funds	-	15,000
Additions to reserve for dividends to policyholders	(31,868)	(17,856)
Additions to accumulated foundation funds redeemed	-	15,000
Payment of interest on foundation funds	(716)	(716)
Net surplus for the year	56,863	26,135
Redemption of foundation funds	-	15,000
Reversal of reserve for redemption of foundation funds	-	15,000
Reversal of revaluation reserve for land	(13,098)	44
Net changes, excluding foundation funds and surplus	(137,588)	83,785
Total changes in the current fiscal year	(126,407)	91,393
Balance at the end of current fiscal year	120,553	211,946

8. Non-consolidated Statements of Surplus

(Millions of Yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Unappropriated surplus	56,660	54,075
Reversal of voluntary surplus reserve	7	7
Reversal of reserve for advanced depreciation of real estate for tax purpose	7	7
Total	56,667	54,083
Appropriation of surplus	28,772	25,460
Reserve for dividends to policyholders	17,856	19,505
Net surplus	10,916	5,954
Legal reserve for future losses	200	62
Interest payment for foundation funds	716	892
Voluntary surplus reserve	10,000	5,000
Reserve for redemption of foundation funds	10,000	5,000
Unappropriated surplus carried forward	27,894	28,622

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, 2009	As of March 31, 2010
Claims against bankrupt and quasi-bankrupt obligors	637	819
Claims with collection risk	10,498	1,660
Claims for special attention	-	166
Subtotal	11,136	2,646
[Percentage of total]	[0.89%]	[0.22%]
Claims against normal obligors	1,233,357	1,224,154
Total	1,244,493	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.

10. Risk-monitored Loans

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Credits to bankrupt borrowers	471	352
Delinquent loans	10,277	2,119
Delinquent loans past three months or more	-	-
Restructured loans	-	166
Total	10,749	2,638
[Percentage of total loans]	[0.87%]	[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 ¥66 million as of March 31, 2009 and ¥8,097 million as of March 31, 2010. The amounts written-off related to delinquent loans were ¥78 million as of March 31, 2009 and ¥938 million as of March 31, 2010.
2. Credits to bankrupt borrowers represent loans which are subject to bankruptcy, corporate reorganization 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, 2009	As of March 31, 2010
Total solvency margin (A)	533,712	628,750
Foundation funds and surplus	135,748	141,571
Reserve for price fluctuation of securities	24,622	26,451
Contingency reserve	145,160	145,658
Allowance for possible loan losses	4,779	2,000
Net unrealized gains on available - for - sale securities x 90% (multiplied by 100% if losses)	(55,611)	68,134
Net unrealized gains on real estate x 85%	125,897	88,973
Excess amount of policy reserve based on full-time Zillmer method	94,391	97,609
Qualifying subordinated debt	38,870	37,406
Excluded items	(10,000)	(10,000)
Others	29,854	30,944
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	105,844	111,510
Insurance risk R_1	29,468	29,032
3rd sector insurance risk R_8	9,360	9,433
Assumed investment yield risk R_2	19,110	18,793
Investment risk R_3	76,443	82,868
Business risk R_4	2,687	2,802
Minimum guarantee risk R_7	15	12
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,008.4%	1,127.6%

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, 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, 2009	As of March 31, 2010
	Amount	Amount
Individual variable insurance	-	-
Individual variable annuities	637	640
Group annuities	112,861	94,567
Total	113,498	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

(Millions of yen except number of policies)

	As of March 31, 2009		As of March 31, 2010	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	209	764	196	667

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

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	122	19.1	105	16.4
Securities	515	80.9	534	83.6
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	515	80.9	534	83.6
Loans	-	-	-	-
Others	-	-	-	-
Allowance for possible loan losses	-	-	-	-
Total	637	100.0	640	100.0

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

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Interest, dividends and other income	2	0
Gains on sales of securities	-	-
Gains of redemption of securities	-	-
Gains on valuation of securities	15	123
Foreign exchange gains, net	-	-
Gains from derivative instruments	-	-
Other investment income	-	-
Losses on sales of securities	4	4
Losses on redemption of securities	-	-
Losses on valuation of securities	175	22
Foreign exchange losses, net	-	-
Losses from derivative instruments	-	-
Other investment expenses	-	-
Net investment income	(161)	98

(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, 2009		As of March 31, 2010	
	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations
Trading securities	515	(159)	534	101

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, 2009		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	171,944	(22,151)	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 March 31, 2009					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	152,157	156,525	4,368	5,177	809	430,883	433,717	2,834	5,212	2,377
Domestic bonds	113,032	117,328	4,296	4,332	36	382,130	383,997	1,866	4,110	2,243
Foreign bonds	39,125	39,197	71	845	773	48,753	49,720	967	1,101	134
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Policy-reserve-matching bonds	628,570	644,212	15,641	16,131	489	639,749	657,551	17,801	18,125	324
Investments in subsidiaries and affiliates	1,393	954	(438)	-	438	1,393	933	(459)	-	459
Available-for-sale securities	2,678,173	2,622,561	(55,611)	77,291	132,903	2,440,492	2,516,197	75,704	121,217	45,512
Domestic bonds	1,705,656	1,727,224	21,568	28,906	7,338	1,530,802	1,544,097	13,294	21,898	8,603
Domestic stocks	403,395	385,582	(17,813)	45,495	63,309	362,224	438,734	76,509	91,174	14,665
Foreign securities	519,208	466,188	(53,020)	2,388	55,408	504,887	492,109	(12,777)	6,589	19,367
Foreign bonds	328,436	306,869	(21,567)	1,942	23,509	323,137	318,842	(4,295)	3,895	8,191
Foreign stocks and other securities	190,772	159,319	(31,452)	445	31,898	181,749	173,267	(8,481)	2,693	11,175
Other securities	49,912	43,566	(6,346)	501	6,847	42,577	41,256	(1,321)	1,554	2,876
Money held in trust	-	-	-	-	-	-	-	-	-	-
Monetary claims bought	-	-	-	-	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	3,460,294	3,424,254	(36,039)	98,600	134,640	3,512,519	3,608,400	95,881	144,555	48,674
Domestic bonds	2,447,258	2,488,764	41,506	49,370	7,863	2,552,683	2,585,645	32,962	44,134	11,171
Domestic stocks	403,395	385,582	(17,813)	45,495	63,309	362,224	438,734	76,509	91,174	14,665
Foreign securities	559,727	506,341	(53,386)	3,233	56,619	555,033	542,763	(12,269)	7,691	19,960
Foreign bonds	367,562	346,066	(21,495)	2,787	24,283	371,891	368,562	(3,328)	4,997	8,325
Foreign stocks and other securities	192,165	160,274	(31,891)	445	32,336	183,142	174,200	(8,941)	2,693	11,634
Other securities	49,912	43,566	(6,346)	501	6,847	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 March 31, 2009			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	135,878	141,055	5,177	133,237	138,449	5,212
Domestic bonds	111,035	115,367	4,332	92,709	96,820	4,110
Foreign bonds	24,843	25,688	845	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	16,279	15,470	(809)	297,646	295,268	(2,377)
Domestic bonds	1,997	1,960	(36)	289,420	287,177	(2,243)
Foreign bonds	14,282	13,509	(773)	8,225	8,091	(134)
Money claims bought	-	-	-	-	-	-
Negotiable certificate of deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-

· Policy-reserve-matching Bonds

(Millions of yen)

	As of March 31, 2009			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	588,803	604,934	16,131	613,468	631,594	18,125
Domestic bonds	588,803	604,934	16,131	613,468	631,594	18,125
Foreign bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-
Bonds whose fair value does not exceed the carrying value on the balance sheet	39,766	39,277	(489)	26,280	25,956	(324)
Domestic bonds	39,766	39,277	(489)	26,280	25,956	(324)
Foreign bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-

· Available-for-sale Securities

(Millions of yen)

	As of March 31, 2009			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	1,391,255	1,468,547	77,291	1,249,403	1,370,621	121,217
Domestic bonds	1,173,416	1,202,322	28,906	744,823	766,721	21,898
Domestic stocks	142,753	188,249	45,495	230,605	321,780	91,174
Foreign securities	67,942	70,330	2,388	256,161	262,750	6,589
Foreign bonds	52,447	54,389	1,942	172,238	176,134	3,895
Foreign stocks	15,495	15,940	445	83,922	86,615	2,693
Other securities	7,143	7,644	501	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	1,286,917	1,154,014	(132,903)	1,191,088	1,145,576	(45,512)
Domestic bonds	532,239	524,901	(7,338)	785,979	777,375	(8,603)
Domestic stocks	260,641	197,332	(63,309)	131,619	116,953	(14,665)
Foreign securities	451,266	395,858	(55,408)	248,725	229,358	(19,367)
Foreign bonds	275,989	252,479	(23,509)	150,899	142,707	(8,191)
Foreign stocks	175,277	143,378	(31,898)	97,826	86,651	(11,175)
Other securities	42,769	35,921	(6,847)	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 March 31, 2009	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	25,671	17,157
Unlisted domestic stocks (except over-the-counter stocks)	7,174	8,351
Unlisted foreign stocks (except over-the-counter stocks)	500	500
Unlisted foreign bonds	-	-
Others	17,996	8,306
Total	51,803	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 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)
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 ¥954 million as of March 31, 2009 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 March 31, 2009 and 2010.

· Currency-related Transactions

(Millions of yen)

	As of March 31, 2009				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	87,561	-	89,271	(1,710)	76,897	-	78,406	(1,509)
US dollar	37,303	-	37,341	(37)	39,835	-	40,932	(1,096)
Euro	50,247	-	51,920	(1,673)	37,061	-	37,473	(412)
British pound	9	-	9	(0)	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Currency Options								
Sold								
Calls	61,583	-	861	(207)	17,302	-	211	(38)
Euro	[653]	-	27	12	[173]	-	131	9
US dollar	[39]	-	232	162	[141]	-	79	(47)
Australian dollar	[43,449]	-	601	(382)	[32]	-	-	-
Puts	[12,534]	-	-	-	[-]	-	-	-
Bought	[219]	-	-	-	[-]	-	-	-
Calls	-	-	-	-	-	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
US dollar	57,040	-	237	(416)	40,365	-	53	(322)
Euro	[653]	-	191	(203)	[375]	-	13	(151)
Australian dollar	[40,550]	-	41	1	[164]	-	39	(171)
Puts	[5,090]	-	4	(214)	[18,055]	-	-	-
US dollar	[39]	-	-	-	[211]	-	-	-
Euro	[11,400]	-	-	-	[-]	-	-	-
Australian dollar	[219]	-	-	-	[-]	-	-	-
Currency swap contracts								
Australian dollar	4,000	4,000	(58)	(58)	4,000	-	(31)	(31)
Australian dollar	4,000	4,000	(58)	(58)	4,000	-	(31)	(31)
Total				(2,393)				(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 March 31, 2009				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	38,703	-	43,303	(4,600)	-	-	-	-
Bought	-	-	-	-	-	-	-	-
Yen stock index options								
Sold								
Calls	-	-	-	-	-	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
Bought								
Calls	[-]	-	-	-	[-]	-	-	-
Puts	[-]	-	-	-	[-]	-	-	-
Puts	[-]	-	-	-	9,500	-	0	(93)
Puts	[-]	-	-	-	[93]	-	-	-
Total				(4,600)				(93)

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

· Bond-related Transactions

(Millions of yen)

	As of March 31, 2009				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	-	-	-	-	90,193	-	89,843	350
Bought	-	-	-	-	-	-	-	-
Total				-				350

(iii) Hedge Accounting Applied

· Interest-related Transactions

[As of March 31, 2009]

(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		71,058	66,738	789
	Payment fixed, receipt floating		2,500	2,500	(38)
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)	4,320	44,623	22,115
Average fixed rate (receipt)	1.26%	1.25%	1.80%
Average floating rate (payment)	1.24%	0.94%	1.27%
Notional amount (receipts floating, payments fixed)	-	2,500	-
Average floating rate (receipt)	-	1.05%	-
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 March 31, 2009]

(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		126,509	-	127,464
	US dollar		87,022	-	87,881
	Euro		39,487	-	39,582
	Australian dollar		-	-	-
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 March 31, 2009 and 2010.

· Bond-related Transactions

No ending balance as of March 31, 2009 and 2010.