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## Financial Result for the Six Months Ended September 30, 2005

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Nippon Life Insurance Company (President: Kunie Okamoto) announces financial results for the six months ended September 30, 2005.

[Contents]

### Financial Summary for the Six Months Ended September 30, 2005

1. Business Highlights	.....	P.1
2. Overview of General Account Asset Management in the First Half of Fiscal 2005	.....	P.2
3. Investment Result of General Account	.....	P.3
(1) Asset structure		
(2) Increases / decreases in assets		
(3) Investment income		
(4) Investment expenses		
(5) Net valuation gains / losses of securities held for sale		
(6) Market value information of securities		
(7) Data on market value of money held in trust		
4. Non-consolidated Balance Sheets	.....	P.7
5. Non-consolidated Statement of Operations	.....	P.8
6. Operating Income (Ordinary Income)	.....	P.15
7. Status of Non-Performing Assets According to Borrower Classification	.....	P.16
8. Status of Risk-monitored Loans	.....	P.16
9. Breakdown of Allowance for Doubtful Accounts	.....	P.17
10. Solvency Margin Ratio	.....	P.18
11. Status of Separate Account	.....	P.19

Attached : Supplementary Materials for the Six Months Ended September 30, 2005

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## 1. Business Highlights

### (1) Policies in Force

	As of September 30, 2004		As of September 30, 2005					
	Number of policies (Thousands)	Amount of policies (100 millions of yen)	Number of policies			Amount of policies		
			(Thousands)	Changes from September 30, 2004 (%)	Changes from the Year ended March 31, 2005 (%)	(100 millions of yen)	Changes from September 30, 2004 (%)	Changes from the Year ended March 31, 2005 (%)
Individual insurance	14,119	2,564,552	13,585	96.2	98.1	2,435,571	95.0	97.3
Individual annuities	2,463	157,055	2,519	102.2	101.1	162,393	103.4	101.7
Group insurance	---	816,520	---	---	---	825,784	101.1	100.9
Group annuities	---	89,701	---	---	---	85,575	95.4	97.3

  

	As of March 31, 2005	
	Number of policies (Thousands)	Amount of policies (100 millions)
Individual insurance	13,850	2,504,435
Individual annuities	2,491	159,700
Group insurance	---	818,646
Group annuities	---	87,971

- Notes: 1. The amount of individual annuities is the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments, and policy reserves for policies after the start of annuity payments.  
2. The amount of group annuities are equal to the policy reserve balance.

### (2) New Policies

	As of September 30, 2004				As of September 30, 2005			
	Number of policies (Thousands)	(100 millions of yen)	Amount of policies		Number of policies (Thousands)	(100 millions of yen)	Amount of policies	
			New policies	Net increase by conversion			New policies	Net increase by conversion
Individual insurance	587	86,670	77,842	8,828	581	69,928	67,432	2,495
Individual annuities	56	4,911	4,898	12	72	6,025	6,002	22
Group insurance	---	4,801	4,801	---	---	3,910	3,910	---
Group annuities	---	78	78	---	---	6	6	---

  

	As of March 31, 2005			
	Number of policies (Thousands)	(100 millions of yen)	Amount of policies	
			New policies	Net increase by conversion
Individual insurance	1,150	170,106	154,569	15,537
Individual annuities	129	11,406	11,363	42
Group insurance	---	11,504	11,504	---
Group annuities	---	84	84	---

- Notes: 1. Number of policies includes policies that were converted into new policies.  
2. The amount for new policies and net increase by conversion for individual annuities represents annuity resources at the start of annuity payments.  
3. Figures for group annuities for new policies represent the first premium revenues.

### (3) Annualized Net Premium of Individual Insurance and Individual annuities (Policies in Force)

(100 millions of yen except percentages)

	Six months ended September 30, 2004	Six months ended September 30, 2005	Changes from September 30, 2004 (%)	Changes from the Year ended March 31, 2005 (%)	Year ended March 31, 2005
Individual insurance and Individual annuities	33,553	33,014	98.4	99.1	33,304
Policies in force	33,553	5,529	100.8	100.8	33,304

- Notes: 1. Annualized premium is premium per year calculated from single premium by multiplying factors according to premium payment method.  
2. Figures for medical coverage and survivor benefit represent portion of annualized premium corresponding to medical benefit (hospitalization, surgical, etc.), survivor benefit (specified illness, nursing care, etc.), and payer benefit (excludes disability as a reason; includes specified illness and nursing care as reasons).

### (4) Annualized Net Premium of Individual Insurance and Individual annuities (New Policies)

(100 Millions of yen except percentages)

	Six months ended September 30, 2004	Six months ended September 30, 2005	Changes from September 30, 2004 (%)	Year ended March 31, 2005
Individual insurance and Individual annuities	1,259	1,309	104.0	2,564
Policies in force	261	273	104.4	497

- Notes: Annualized Net Premium of Individual Insurance and Individual annuities includes increase by new policies and net increase by conversion.

### (5) Profit and Loss Items

(100 Millions of yen except percentages)

	Six months ended September 30, 2004	Six months ended September 30, 2005	Changes from September 30, 2004 (%)	Year ended March 31, 2005
Premium and other income	23,178	23,406	101.0	48,297
Investment income	5,992	8,447	141.0	12,883
Benefit and Claims	23,137	23,817	102.9	46,478
Investment expense	934	920	98.5	2,108

### (6) Total assets

(100 Millions of yen except percentages)

	Six months ended September 30, 2004	Six months ended September 30, 2005	Changes from September 30, 2004 (%)	Changes from the Year ended March 31, 2005 (%)	Year ended March 31, 2005
Total assets	454,131	480,368	105.8	103.2	465,594

## 2. Overview of General Account Asset Management in the First Half of Fiscal 2005

### (1) Investment environment

In the first half of fiscal 2005, the Japanese economy continued to gradually recover due to the healthy movement of corporate earnings and facilities investments, etc. With improvement of employee compensation, consumer spending was steady.

- The Nikkei average declined early in the year due to anti-Japan demonstrations in China and a drop in US stock prices, but against the backdrop of strong corporate earnings and clear victory by the ruling party in House of Representatives elections, rising expectations for the progress of structural reform and other factors helped to increase the average to ¥13,574 by the end of September.
- Although the yield rate on 10-year government bonds decreased owing to concerns over a slowdown of the economy inside and outside Japan and a drop in US interest rates early in the year, from July, with factors such as the expression of commitment by the government and Bank of Japan to shake free of the temporary economic lull and their motive to discontinue the quantitative easing policy, the rate rose to 1.48% by the end of September.
- On the yen-dollar route, concerns about worsening of the US economy and expectation of Chinese yuan appreciation caused the yen to temporarily reach ¥104. However, with widening of the gap between interest rates in the US and Japan, the yen devalued to ¥113.19 by the end of September.

### (2) Investment summary

By the end of the first half of fiscal 2005, a rise in marked to market value mainly in domestic stocks caused our general account assets to increase by ¥1,423.7 billion compared to the end of fiscal 2004, reaching ¥45,834 billion (3.2% increase compared to the previous fiscal year).

We continued to mainly invest in yen-based interest assets that provide stable interest income. We also shuffled our portfolio for domestic stocks and foreign securities.

Although signs are visible of recovery of corporations' demand for loans, our loan balance has decreased because of a continuing trend of repayments exceeding lending.

We increased our balance of domestic bonds as an asset that provides stable revenue. We also were proactive with investments in assets such as corporate bonds and ABS that provide credit spread.

Given our focus on the medium-to-long-term perspective, we managed domestic stock issues based on the overall state of returns to investors including corporate profitability and dividends.

Regarding foreign bonds, we paid careful attention to internal/external rate differences and currency exchange risks as we increased our balance of foreign securities.

### (3) Investment results

Although low interest rates continued and interest income from loans decreased, interest and dividend revenue rose compared to the same period last fiscal year due to increased income from domestic dividends and foreign bond interest. That, combined with the increase of gain on sales of securities, caused asset management income to increase to ¥674.3 billion compared to the same period last fiscal year (¥597.3 billion in the first half of fiscal 2004).

Asset management costs decreased to ¥92 billion compared to the same period last year (¥93.4 billion in the first half of fiscal 2004) due to a drop in loss on sales of securities and financial derivatives cost.

As a result, our asset management balance increased by ¥78.4 billion versus the same period in fiscal 2004, reaching ¥582.2 billion.

### 3. Investment Results of General Account

#### (1) Asset structure

(100 Millions of yen except percentages)

	As of September 30, 2004		As of September 30, 2005		As of March 31, 2005	
	Amount	%	Amount	%	Amount	%
Cash and deposits	5,081	1.2	6,690	1.5	6,010	1.4
Cash collateral pledged for bonds borrowed	-----	-----	-----	---	-----	-----
Security repurchased under resale agreements	-----	-----	-----	---	-----	-----
Monetary receivables purchased	10,611	2.5	16,612	3.6	14,566	3.3
Trading securities	29	0.0	21	0.0	29	0.0
Money held in trust	1,623	0.4	1,624	0.4	1,446	0.3
Investment in securities	288,700	66.7	309,975	67.6	293,849	66.2
Domestic bonds	148,613	34.4	159,255	34.7	153,757	34.6
Domestic stocks	71,740	16.6	83,472	18.2	76,256	17.2
Foreign securities	60,465	14.0	63,561	13.9	58,442	13.2
Foreign bonds	47,299	10.9	50,386	11.0	45,464	10.2
Foreign stocks and other securities	13,165	3.0	13,174	2.9	12,977	2.9
Other securities	7,880	1.8	3,686	0.8	5,393	1.2
Loans receivable	102,886	23.8	101,279	22.1	103,172	23.2
Policy loans	13,613	3.1	12,973	2.8	13,258	3.0
Industrial and consumer loans	89,273	20.6	88,305	19.3	89,913	20.2
Real estate	17,957	4.2	17,026	3.7	17,738	4.0
Investment property	11,322	2.6	10,502	2.3	11,285	2.5
Deferred tax assets	-----	---	-----	---	-----	---
Other assets	6,185	1.4	5,407	1.2	7,754	1.7
Allowance for doubtful accounts	- 544	- 0.1	- 297	- 0.1	- 465	- 0.1
Total assets (General account)	432,532	100.0	458,340	100.0	444,102	100.0
Foreign currency dominated assets	55,846	12.9	61,282	13.4	55,970	12.6

Note: The above assets include cash received as collateral under securities lending contracts. Cash collateral received through these transactions are recorded in other liabilities.

(As of September 30, 2004, ¥ 439.5 billion; as of September 30, 2005, ¥1,195.9 billion; as of March 31, 2005, ¥804.9 billion)

#### (2) Increases / decreases in assets

(100 Millions of yen)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
	Amount	Amount	Amount
Cash and deposits	359	680	1,288
Cash collateral pledged for bonds borrowed	-----	-----	-----
Security repurchased under resale agreements	-----	-----	-----
Monetary receivables purchased	1,592	2,046	5,547
Trading securities	-0	-8	-----
Money held in trust	72	178	-104
Investment in securities	8,855	16,125	14,004
Domestic bonds	5,563	5,497	10,707
Domestic stocks	-1,393	7,215	3,122
Foreign securities	3,523	5,119	1,499
Foreign bonds	2,851	4,921	1,016
Foreign stocks and other securities	671	197	483
Other securities	1,162	-1,706	-1,325
Loans receivable	-7,229	-1,893	-6,943
Policy loans	-104	-285	-458
Industrial and consumer loans	-7,124	-1,608	-6,484
Real estate	-247	-712	-466
Investment property	-372	-783	-409
Deferred tax assets	-----	-----	-----
Other assets	-1,118	-2,346	450
Allowance for doubtful accounts	304	168	383
Total assets (General account)	2,589	14,237	14,159
Foreign currency dominated assets	2,979	5,312	3,103

Note: Increases/decreases in cash received as collateral under securities lending contracts were as follows:

As of September 30, 2004, ¥162.3 billion; as of September 30, 2005, ¥390.9 billion; as of March 31, 2005, ¥527.8 billion

## (3) Investment Income (General Account)

(100 Millions of yen)

	Six months ended September 30,2004	Six months ended September 30,2005	Year ended March 31, 2005
Interest, dividend and other income	4,759	5,141	9,804
Interest on deposits and savings	0	0	-----
Interest, dividends on securities	2,903	3,469	6,214
Interest on loan receivables	1,278	1,073	2,423
Rent on real estate	489	489	980
Other income	88	109	185
Gains from money in trust	74	179	184
Gains on sales of securities	1,132	1,380	2,017
Gains on sales of domestic bonds	12	88	26
Gains on sales of domestic stocks and other securities	1,072	1,100	1,817
Gains on sales of foreign securities	47	191	173
Other gains	-----	-----	-----
Gains from redemption of securities	1	32	2
Other investment income	5	9	15
<b>Total</b>	<b>5,973</b>	<b>6,743</b>	<b>12,024</b>

## (4) Investment Expenses (General Account)

(100 Millions of yen)

	Six months ended September 30,2004	Six months ended September 30,2005	Year ended March 31, 2005
Interest expenses	6	7	13
Losses from trading securities, net	0	0	0
Losses on sales of securities	200	148	528
Losses on sales of domestic bonds	23	5	70
Losses on sales of domestic stocks and other securities	24	16	58
Losses on sales of foreign securities	152	124	393
Other losses	0	2	5
Losses on valuation of securities	17	59	311
Losses on valuation of domestic bonds	-----	-----	-----
Losses on valuation of domestic stocks	17	34	35
Losses on valuation of foreign securities	-----	25	276
Other losses	0	-----	-----
Losses on redemption of securities	-----	-----	-----
Losses from derivative financial instruments, net	426	383	663
Foreign exchange losses, net	20	32	21
Provision for reserve for possible loan losses	-----	49	-----
Write down of loans	-----	-----	0
Depreciation for rental real estate and other assets	151	137	312
Other investment expenses	111	101	256
<b>Total</b>	<b>934</b>	<b>920</b>	<b>2,108</b>

Note: In addition to the above, reversal of allowance for doubtful accounts is recorded as an extraordinary profit.  
(Six months ended September 30, 2004, ¥32.1 billion; year ended March 31, 2005, ¥37.3 billion)

## (5) Net valuation gains/losses of securities held for sale

(100 Millions of yen)

	Six months ended September 30,2004	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Securities held for sale	1,644	52
	Six months ended September 30,2005	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Securities held for sale	1,636	151
	Year ended March 31, 2005	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Securities held for sale	1,467	58

Notes: 1. Money held in trust included in trading securities recorded on the balance sheets, and net valuation gains/losses included in profits/losses for the current period include net gains/losses related to derivative transactions.  
2. Excludes cash, deposits, and call loans within money held in trust included in securities held for sale.

(6) Market value information of securities (with market value, other than trading securities)

(100 Millions of yen)

		As of September 30, 2004				
		Book value	Market value		Gains/losses	
					Gains	Losses
	Policy-reserve-matching bonds	155,271	158,633	3,361	5,163	- 1,802
	Held-to-maturity debt securities	1,810	1,815	4	6	- 1
	Investments in subsidiaries and affiliates	537	728	191	191	-----
	Other securities	108,676	138,267	29,591	31,429	- 1,387
	Domestic bonds	125	129	4	4	-----
	Domestic stocks	44,784	70,143	25,358	26,557	- 1,198
	Foreign securities	47,729	51,926	4,196	4,805	- 608
	Foreign bonds	39,881	42,948	3,067	3,419	- 352
	Foreign stocks and other securities	7,848	8,977	1,128	1,385	- 256
	Other securities	7,330	7,362	31	61	- 29
	Monetary receivables purchased	6,355	6,355	- 0	0	- 0
	Negotiable deposits	2,350	2,349	- 0	-----	- 0
	<b>Total</b>	<b>266,296</b>	<b>299,445</b>	<b>33,149</b>	<b>36,790</b>	<b>- 3,641</b>
	Domestic bonds	148,607	151,905	3,298	5,095	- 1,797
	Domestic stocks	45,321	70,872	25,550	26,749	- 1,198
	Foreign securities	52,081	56,306	4,225	4,840	- 615
	Foreign bonds	44,232	47,329	3,096	3,455	- 358
	Foreign stocks and other securities	7,848	8,977	1,128	1,385	- 256
	Other securities	7,330	7,362	31	61	- 29
	Monetary receivables purchased	10,605	10,648	43	43	- 0
	Negotiable deposits	2,350	2,349	- 0	-----	- 0

		As of September 30, 2005				
		Book value	Market value		Gains/losses	
					Gains	Losses
	Policy-reserve-matching bonds	166,837	169,799	2,962	4,511	- 1,548
	Held-to-maturity debt securities	1,337	1,340	3	4	- 0
	Investments in subsidiaries and affiliates	539	936	397	397	-----
	Other securities	110,999	154,799	43,799	45,113	- 1,313
	Domestic bonds	237	246	9	9	-----
	Domestic stocks	43,385	80,940	37,554	38,410	- 856
	Foreign securities	50,125	56,107	5,981	6,434	- 453
	Foreign bonds	43,196	47,313	4,116	4,325	- 208
	Foreign stocks and other securities	6,929	8,794	1,864	2,109	- 244
	Other securities	3,149	3,403	254	258	- 3
	Monetary receivables purchased	10,431	10,431	- 0	0	- 0
	Negotiable deposits	3,670	3,669	- 0	-----	- 0
	<b>Total</b>	<b>279,712</b>	<b>326,875</b>	<b>47,163</b>	<b>50,026</b>	<b>- 2,863</b>
	Domestic bonds	159,245	162,141	2,896	4,435	- 1,539
	Domestic stocks	43,924	81,876	37,951	38,807	- 856
	Foreign securities	53,199	59,196	5,997	6,455	- 458
	Foreign bonds	46,269	50,402	4,132	4,346	- 213
	Foreign stocks and other securities	6,929	8,794	1,864	2,109	- 244
	Other securities	3,149	3,403	254	258	- 3
	Monetary receivables purchased	16,523	16,587	63	69	- 5
	Negotiable deposits	3,670	3,669	- 0	-----	- 0

		As of March 31, 2005				
		Book value	Market value		Gains/losses	
					Gains	Losses
	Policy-reserve-matching bonds	161,141	165,956	4,814	6,052	- 1,238
	Held-to-maturity debt securities	1,518	1,527	9	9	-----
	Investments in subsidiaries and affiliates	537	772	235	235	-----
	Other securities	107,520	140,982	33,462	35,542	- 2,079
	Domestic bonds	173	173	- 0	0	- 0
	Domestic stocks	44,266	73,701	29,435	30,451	- 1,016
	Foreign securities	46,613	50,552	3,938	4,977	- 1,039
	Foreign bonds	39,027	41,711	2,683	3,321	- 638
	Foreign stocks and other securities	7,586	8,841	1,255	1,656	- 400
	Other securities	4,886	4,975	88	111	- 23
	Monetary receivables purchased	9,160	9,160	- 0	0	- 0
	Negotiable deposits	2,420	2,419	- 0	0	- 0
	<b>Total</b>	<b>270,717</b>	<b>309,239</b>	<b>38,521</b>	<b>41,839</b>	<b>- 3,317</b>
	Domestic bonds	153,758	158,470	4,711	5,947	- 1,235
	Domestic stocks	44,803	74,474	29,670	30,686	- 1,016
	Foreign securities	50,367	54,339	3,972	5,015	- 1,042
	Foreign bonds	42,781	45,498	2,717	3,359	- 641
	Foreign stocks and other securities	7,586	8,841	1,255	1,656	- 400
	Other securities	4,886	4,975	88	111	- 23
	Monetary receivables purchased	14,482	14,560	77	77	- 0
	Negotiable deposits	2,420	2,419	- 0	0	- 0

Note: This table includes negotiable deposits and other items deemed appropriate for handling as securities under the Securities and Exchange Act of Japan.

:: Book value of securities with market value unavailable

(100 Millions of yen)

		As of September 30, 2004	As of September 30, 2005
	Policy-reserve-matching bonds	-----	-----
	Held-to-maturity debt securities	-----	-----
	Unlisted foreign bonds	-----	-----
	Other	-----	-----
	Investments in subsidiaries and affiliates	2,797	2,826
	Other securities	2,996	3,907
	Unlisted domestic stocks(excluding over-the-counter-stocks)	697	1,624
	Unlisted foreign stocks(excluding over-the-counter-stocks)	867	970
	Unlisted foreign bonds	-----	-----
	Other	1,431	1,312
	<b>Total</b>	<b>5,794</b>	<b>6,734</b>
		As of March 31, 2005	
	Policy-reserve-matching bonds	-----	-----
	Held-to-maturity debt securities	-----	-----
	Unlisted foreign bonds	-----	-----
	Other	-----	-----
	Investments in subsidiaries and affiliates	2,821	3,869
	Other securities	3,869	1,654
	Unlisted domestic stocks(excluding over-the-counter-stocks)	1,654	865
	Unlisted foreign stocks(excluding over-the-counter-stocks)	865	-----
	Unlisted foreign bonds	-----	-----
	Other	1,349	-----
	<b>Total</b>	<b>6,690</b>	-----

Note: Of securities with market value unavailable, net gains/losses on foreign exchange valuation of assets denominated in foreign currencies were as follows:  
As of September 30, 2004, ¥-29.1 billion; as of September 30, 2005, ¥-22.1 billion; as of March 31, 2005, ¥-37.9 billion.

**(7) Data on market value of money held in trust**

(100 Millions of yen)

	As of September 30, 2004				
	Carrying value on balance sheets	Market value	Net unrealized gains/losses		
			Gains	Losses	
Money held in trust	1,623	1,623	-----	-----	-----

  

	As of September 30, 2005				
	Carrying value on balance sheets	Market value	Net unrealized gains/losses		
			Gains	Losses	
Money held in trust	1,624	1,624	-----	-----	-----

  

	As of March 31, 2005				
	Carrying value on balance sheets	Market value	Net unrealized gains/losses		
			Gains	Losses	
Money held in trust	1,446	1,446	-----	-----	-----

Notes: 1. Market value calculations are based on prices rationally calculated by the trustee of money held in trust.

2. Amounts on the balance sheet include net gains/losses on derivative transactions within money held in trust.

**\* Money held in trust for investment**

(100 Millions of yen)

	As of September 30, 2004	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for investment	1,623	52

  

	As of September 30, 2005	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for investment	1,624	151

  

	As of March 31, 2005	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for investment	1,446	58

Note: Money held in trust on the balance sheets and net valuation gains/losses included in current period include net gains/losses on derivative transactions.

**\* Money held in trust classified as held-to-maturity, policy-reserve-matching and other**

No data as there was not an ending balance as of September 30 2004, as of September 30 2005 and as of March 31 2005.

**:: Appraisal value of real estate**

(100 Millions of yen)

	As of September 30, 2005				
	Carrying value on balance sheets	Market value (appraisal value)	Net unrealized gains/losses [1]	Revaluation [2]	[1]+[2]
Land and leaseholds	12,735	10,983	-1,751	1,067	-684

  

	As of September 30, 2005				
	Carrying value on balance sheets	Market value (appraisal value)	Net unrealized gains/losses [1]	Revaluation [2]	[1]+[2]
Land and leaseholds	11,851	10,583	-1,268	897	-371

  

	As of March 31, 2005				
	Carrying value on balance sheets	Market value (appraisal value)	Net unrealized gains/losses [1]	Revaluation [2]	[1]+[2]
Land and leaseholds	12,587	10,760	-1,826	968	-857

Notes: 1.Appraisal value is based on the value of land disclosed in public.

2.In accordance with the law for the revaluation of land, business use lands were revalued and net valuation gains/losses are recorded on the balance sheets.

3.For revaluation [2], the difference between the amount revalued and the historical cost, net of tax has been credited to revaluation reserve for land in capital, resulting in deferred tax liabilities in respect of revaluation reserve for land being included in liabilities.

## 4. Non-consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2004		As of September 30, 2005		As of March 31, 2005	
	Amount	%	Amount	%	Amount	%
<b>Assets:</b>						
Cash and deposits	298,910	0.7	456,387	1.0	364,059	0.8
Call loans	396,300	0.9	326,800	0.7	363,100	0.8
Monetary receivables purchased	1,061,170	2.3	1,661,228	3.5	1,456,619	3.1
Trading securities	2,999	0.0	2,103	0.0	2,999	0.0
Money hold in trust	162,344	0.4	162,440	0.3	144,614	0.3
Investments in securities	30,791,787	67.8	33,032,878	68.8	31,331,825	67.3
National government bonds	10,356,156		11,364,682		11,149,666	
Local government bonds	1,591,663		1,742,271		1,561,417	
Corporate bonds	3,589,799		3,489,633		3,367,712	
Domestic stocks	7,784,484		8,973,654		8,176,676	
Foreign securities	6,537,021		6,906,356		6,372,121	
Loans receivables	10,288,664	22.7	10,127,950	21.1	10,317,263	22.2
Policy loans	1,361,330		1,297,386		1,325,898	
Industrial and consumer loan	8,927,334		8,830,564		8,991,365	
Real estate and movables	1,821,670	4.0	1,727,049	3.6	1,800,729	3.9
Real estate	1,795,780		1,702,651		1,773,869	
Reinsurance receivables	70	0.0	364	0.0	497	0.0
Other assets	643,658	1.4	568,357	1.2	824,286	1.8
Customers' liability for acceptance and guarantees	-	-	1,000	0.0	-	-
Allowance for doubtful accounts	-54,436	-0.1	-29,705	-0.1	-46,537	-0.1
<b>Total assets</b>	<b>45,413,140</b>	<b>100.0</b>	<b>48,036,855</b>	<b>100.0</b>	<b>46,559,458</b>	<b>100.0</b>
<b>Liabilities :</b>						
Policy reserves and others	40,262,025	88.7	40,482,761	84.3	40,391,023	86.8
Reserve for outstanding claims	217,040		223,445		239,230	
Policy reserve	38,592,877		38,853,911		38,794,345	
Reserve for dividends to policyholders	1,452,107		1,405,405		1,357,447	
Reinsurance payables	116	0.0	439	0.0	499	0.0
Other liabilities	1,136,057	2.5	2,043,526	4.3	1,731,450	3.7
cash received as collateral under securities lending contracts	439,500		1,195,965		804,989	
Accrued severance indemnities	465,355	1.0	403,047	0.8	392,937	0.8
Accrued losses from supporting closely related companies	705	0.0	656	0.0	656	0.0
Reserve for price fluctuations of investment in securities	305,261	0.7	410,262	0.9	390,262	0.8
Deferred tax liabilities	258,566	0.6	675,722	1.4	354,911	0.8
Deferred tax liabilities for revaluation reserve for land	38,531	0.1	182,537	0.4	34,962	0.1
Acceptance and guarantees	-	-	1,000	0.0	-	-
<b>Total liability</b>	<b>42,466,620</b>	<b>93.5</b>	<b>44,199,954</b>	<b>92.0</b>	<b>43,296,703</b>	<b>93.0</b>
<b>Capital :</b>						
Foundation funds	200,000	0.4	300,000	0.6	200,000	0.4
Reserve for redemption of foundation funds	550,000	1.2	600,000	1.2	550,000	1.2
Reserve for revaluation	651	0.0	651	0.0	651	0.0
Surplus	238,663	0.5	229,796	0.5	314,438	0.7
Legal reserve for deficiency	6,783		7,409		6,783	
Voluntary surplus reserve	103,993		106,246		103,704	
Unappropriated surplus	127,887		116,140		203,951	
Net surplus for the period	126,254		110,638		195,713	
Revaluation reserve for land, net of taxes	68,198	0.2	-92,806	-0.2	61,881	0.1
Net unrealized gains on securities, net of taxes	1,889,007	4.2	2,799,260	5.8	2,135,782	4.6
<b>Total capital</b>	<b>2,946,520</b>	<b>6.5</b>	<b>3,836,900</b>	<b>8.0</b>	<b>3,262,754</b>	<b>7.0</b>
<b>Total liabilities and capital</b>	<b>45,413,140</b>	<b>100.0</b>	<b>48,036,855</b>	<b>100.0</b>	<b>46,559,458</b>	<b>100.0</b>

## 5. Non-consolidated Statement of Operations

(Millions of yen)

	Six months ended September 30,2004		Six months ended September 30,2005		Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%
<b>Revenues:</b>	<b>3,095,742</b>	<b>100.0</b>	<b>3,338,629</b>	<b>100.0</b>	<b>6,398,020</b>	<b>100.0</b>
Income from insurance and reinsurance premiums	2,317,865		2,340,699		4,829,784	
Insurance premiums	2,317,850		2,340,592		4,829,055	
Investment income	599,239		844,740		1,288,357	
Interest, dividend and other income	475,966		514,140		980,473	
Gains from money held in trust	7,439		17,919		18,409	
Gains on sales of securities	113,218		138,091		201,749	
Gains from separate account, net	1,917		170,425		85,909	
Other revenues	178,637		153,189		279,878	
<b>Expenditure</b>	<b>2,918,418</b>	<b>94.3</b>	<b>3,040,437</b>	<b>91.1</b>	<b>6,040,598</b>	<b>94.4</b>
Insurance claims and other payments:	2,313,783		2,381,748		4,647,849	
Death and other claims	634,060		771,523		1,253,711	
Annuity payments	196,770		203,562		410,990	
Health and other benefits	375,195		354,704		810,849	
Surrender benefits	602,839		636,197		1,228,264	
Other refunds	504,796		415,445		943,099	
Provision for policy reserves and others	21,251		80,019		192,673	
Provision for policy reserves	-		59,565		151,673	
Interest on reserve for dividends to policyholders	21,251		20,454		41,000	
Expenses for investment	93,489		92,060		210,811	
Interest expenses	649		735		1,339	
Losses from trading securities, net	0		4		3	
Losses on sale of securities	20,065		14,801		52,814	
Losses on valuation of securities	1,709		5,997		31,175	
Losses from derivative financial instruments, net	42,699		38,999		66,340	
Operating expenses	262,958		265,651		545,234	
Other expenditure	226,935		220,956		444,029	
<b>Operating income</b>	<b>177,324</b>	<b>5.7</b>	<b>298,191</b>	<b>8.9</b>	<b>357,421</b>	<b>5.6</b>
Extraordinary profits	32,374	1.0	211	0.0	42,004	0.7
Extraordinary losses	67,895	2.2	128,052	3.8	186,794	2.9
Losses on impaired asset	-		75,120		-	
<b>Surplus before income taxes</b>	<b>141,802</b>	<b>4.6</b>	<b>170,350</b>	<b>5.1</b>	<b>212,631</b>	<b>3.3</b>
Income tax-current	76,029	2.5	116,330	3.5	124,050	1.9
Income tax-deferred	-60,480	-2.0	-56,617	-1.7	-107,132	-1.7
<b>Surplus for the period</b>	<b>126,254</b>	<b>4.1</b>	<b>110,638</b>	<b>3.3</b>	<b>195,713</b>	<b>3.1</b>
Reversal of revaluation reserve for land	421	0.0	4,545	0.1	6,738	0.1
Reversal of reserve for assisting social public welfare	1,211	0.0	956	0.0	1,500	0.0
<b>Unappropriated surplus for the period</b>	<b>127,887</b>	<b>4.1</b>	<b>116,140</b>	<b>3.5</b>	<b>203,951</b>	<b>3.2</b>

## Basis of Presenting the Non-Consolidated Financial Statements

### 1. Valuation Method of Securities

Valuations of trading securities, investments in securities, financial instruments similar to securities included in deposits and monetary receivables purchased, and also securities included in money held in trust, are mainly as follows:

- (1) Trading securities are stated at market value prevailing at the balance sheet date. Costs of their sales are determined by the moving average method.
- (2) Held-to-maturity debt securities are stated at amortized cost under the straight-line method cost being determined by the moving average method.
- (3) 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 the Industry Audit Committee Report No.21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching bonds in Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (the "JICPA").
- (4) Stocks of subsidiaries and stocks of affiliates issued by subsidiaries and others except subsidiaries prescribed in Article 2 Item 12 of the Insurance Business Law and affiliates prescribed in Article 2-3 Item 3 of the Ordinance of the Insurance Business Law which are not accounted for under the equity method are stated at cost, cost being determined by the moving average method.
- (5) Available-for-sale securities including foreign stocks for which market quotations are available are stated at the average market value for one month before the end of September. Costs of their sales are determined by the moving average method. Adjustments to fair value, net of taxes are recorded as an increase or decrease in capital.

Available-for-sale securities for which market quotations are unavailable 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 purchase price and face value is due to interest rate adjustment. Such bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method.

### 2. Valuation Method of Derivatives

Derivative financial instruments are stated at market value.

### 3. Depreciation

#### (1) Real Estate and Movable

Depreciation of real estate and movables held by the Company, except for buildings newly acquired on and after April 1, 1998 which are depreciated based on the straight-line method, is computed based on the declining balance method.

#### (2) Software

Depreciation of software, which is included in other assets, is computed based on the straight-line method.

### 4. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies, except for investments in subsidiaries and affiliates, are translated into Japanese yen at the current exchange rate prevailing at the balance sheet date.

Investments in subsidiaries and affiliates are translated into Japanese yen at the historical exchange rates prevailing at the transaction dates.

### 5. Allowance

#### (1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided as follows, in accordance with the Company's internal asset valuation regulation and writing-down/provision rule:

- 1) The allowance for credits of borrowers, who are legally or substantially bankrupt, is provided based on the amounts remaining after deductions of amounts expected to be collected through the disposal of collateral or

execution of guarantees from the balance of loans receivable after write-down described below.

The allowance for credits of borrowers, who are not currently legally bankrupt but have high possibility of bankruptcy, is provided based on the amounts deemed necessary considering the borrowers' overall solvency assessment, within the amounts remaining after deductions of amounts expected to be collected through the disposal of collateral or the execution of guarantees.

The allowance for credits of borrowers other than the above is provided based on the borrowers' balance multiplied by the actual average percentage of bad debt losses on defaults during a certain past period.

- 2) All credits are assessed by the sections concerned in accordance with the Company's asset valuation regulation. The assessments are audited by the specific credit assessment department, which is independent from the sections described above, and are reflected in the calculation of the allowance for doubtful accounts.
- 3) In respect of credits of legally or substantially bankrupt borrowers including credits secured and/or guaranteed, the amounts remaining after deductions of collateral value or the amounts collectible through execution of guarantees or other methods is written-down directly from the balance of loans receivable as uncollectible amounts estimated. The amounts were ¥7,704 million, including ¥5,617 million of credits secured and/or guaranteed.

## (2) Accrued severance indemnities

Accrued severance indemnities are provided for the six months ended September 30, 2005 based on the estimated amounts of projected benefit obligations in excess of the fair value of pension plan assets for future severance payments of employees as of the fiscal year end.

## (3) Accrued losses from supporting closely related companies

Accrued losses from supporting closely related companies are provided for in accordance with Article 32-14 of the Enforcement Regulation of the Insurance Business Law and represent the loss amount estimated for restructuring and financial support to closely related companies in the future.

## (4) Reserve for price fluctuations of investments in securities

Reserve for price fluctuations of investments in securities is computed based on Article 115 of the Insurance Business Law.

## 6. Hedging Activities

- (1) The Company applies the mark-to-market method of hedge accounting mainly for hedging activities against exposures to foreign exchange rate fluctuations on certain bonds denominated in foreign currencies. The Company also applies the special treatment prescribed under the Accounting Standards for Financial Instruments for interest swap agreements satisfying the conditions of the accounting standards to manage cash flow volatility associated with interest rate changes on certain loans receivable. In addition, The Company matches forward foreign exchange contracts with certain financial assets denominated in foreign currencies.

Effective from the year ended March 31, 2003, deferred gains on certain interest swap agreements, previously recorded on the balance sheet, are credited to income over the residual term of the swap agreements, three or four years, on a straight-line basis in accordance with the temporary provision prescribed in the Industry Audit Committee Report No.26 "Treatment of Accounting and Auditing Concerning Application of Accounting Standards for Financial Instruments in Insurance Industry" issued by the JICPA. Such deferred gains outstanding as at September 30, 2005 amounted to ¥2,560 million.

- (2) Effectiveness of hedging activities is mainly evaluated by ratio analysis to compare market value movements on the hedging instruments and the positions being hedged in accordance with the Company's internal risk management policies.

## 7. Consumption Tax

Consumption taxes withheld or borne by the Company are separately recorded with no inclusion in each account of revenues and expenditures. The consumption taxes paid on certain real estate transactions, which are not deductible

from consumption taxes withheld and that are stipulated to be deferred under the Consumption Tax Law, are deferred as prepaid expenses and amortized to income over a five-year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are charged to income as they are incurred.

## 8. Policy Reserves

Policy reserve is provided in accordance with Article 116 of the Insurance Business Law. Reserve for life policies and contracts included in policy reserve are computed as follows:

Reserves for contracts subject to the standard policy reserve are computed in accordance with the method, which the Prime Minister prescribed, by means of the ordinance No.48 issued by the Ministry of Finance in 1996. Reserve for other contracts is computed based on the net level premium method.

### \* Change of Accounting Policy

#### Impairment of Fixed Asset

The Company adopted "Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Council in Japan on August 2002 and No.6 of Business Accounting Standard Adaptation Guideline "Adaptation Guideline for Accounting Standard for Impairment of Fixed Assets" on October 2003 from the six months ended September 30, 2005. As a result, surplus before income taxes for the six months decreased by ¥75,120 million compared to the former method.

## Note to the Non-Consolidated Balance Sheets

### 1. Loans receivable

The total amounts of credits of bankrupt borrowers, delinquent loans, delinquent loans past 3 months or more and restructured loans, which were included in loans receivable, were ¥62,289 million as of September 30, 2005.

- 1) The balances of credits of bankrupt borrowers were ¥4,349 million as of September 30, 2005. Credits of bankrupt borrowers are the loans, except for a portion of loans written-down, whose borrowers satisfy the conditions prescribed in Article 96 Paragraph 1 Item 3 or Item 4 of the Enforcement Regulations of the Corporation Tax Law. In addition, accruing interest is not recorded as income since principal of or interest on such loans is unlikely to be recovered in view of the considerable period of postponement of the principal or interest payments or other circumstances.
- 2) The balances of delinquent loans were ¥51,902 million as of September 30, 2005. Delinquent loans are credits whose accruing interest is not recorded as income due to the same reason as described above, and exclude credits of bankrupt borrowers and the loans to which postponement of interest payment was made with the object of reconstructing and supporting the borrowers.
- 3) The balances of delinquent loans past 3 months or more from the due date of interest or principal under terms of the related loan agreements were ¥578 million, which did not include the amounts of credits of bankrupt borrowers and delinquent loans described above, as of September 30, 2005.
- 4) The balances of restructured loans, where certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payment, release of credit, and other methods, were made with the object of reconstructing and supporting the borrowers, and which did not include the amount of credits of bankrupt borrowers, delinquent loans and delinquent loans past 3 months or more described above, were ¥5,458 million as of September 30, 2005.

The direct write-down of loans receivable decreased credits of bankrupt borrowers described above by ¥2,475 million as of September 30, 2005.

The direct write-down of loans receivable decreased delinquent loans described above by ¥5,228 million as of September 30, 2005.

### 2. Accumulated Depreciation

Accumulated depreciation for real estate and movables amounted to ¥911,313 million as of September 30, 2005.

### 3. Separate Accounts

Total assets in the Separate Accounts provided for in Article 118 of the Insurance Business Law were ¥2,202,815 million as of September 30, 2005. The amounts of liabilities were the same as these figures.

### 4. Reserve for Dividends to Policyholders

Changes in the reserve for dividends to policyholders included in policy reserves for the period ended September 30, 2005 were as follows:

	Millions of Yen as of September 30, 2005
Balance at the end of previous fiscal year	1,357,447
Transfer to reserves from surplus in previous fiscal year	146,977
Policyholders dividends paid out in the current period	(119,474)
Increase in interest	20,454
Balance as of September 30, 2005	<u>1,405,405</u>

### 5. Pledged Assets

Assets pledged as collateral amounted to ¥1,677,453 million, as of September 30, 2005. Debts secured amounted to ¥1,208,868 million as of September 30, 2005.

These amounts included ¥1,499,314 million of securities deposited, and ¥1,208,682 million of cash received as collateral, under securities lending contracts secured by cash, as of September 30, 2005.

### 6. Additional Foundation Funds

The Company raised additional foundation funds of ¥150,000 million in accordance with Article 60 of the Insurance Business Law.

### 7. Redemption of Foundation Funds and Provision for Accumulated Redeemed Foundation Funds

In the period ended September 30, 2005, the Company redeemed ¥50,000 million of foundation funds, and credited the same amount to reserve for redemption of foundation funds provided for in Article 56 of the Insurance Business Law.

### 8. Investments in Subsidiaries

Investments in subsidiaries aggregated ¥269,064 million as of September 30, 2005.

### 9. Securities Loaned

The balances of securities loaned for consumption were ¥ 3,467,848 million as of September 30, 2005.

### 10. Loan Commitments

The outstanding commitments contracted but not provided for and similar agreements were ¥190,192 million as of September 30, 2005.

### 11. Contribution to Policyholder Protection Fund and Organization

The amounts of future contributions to the Policyholder Protection Fund, which has been taken over by the Life Insurance Policyholder Protection Corporation of Japan in accordance with Supplementary Article 140 Paragraph 5 of the Enactment Law of Financial System Reform Legislation, were estimated at ¥9,515 million, as of September 30, 2005. The contribution is charged to income as operating expenses when paid.

The amounts of future contributions to the Life Insurance Policyholder Protection Corporation of Japan, which were in accordance with Article 259 of the Insurance Business Law, were estimated at ¥62,014 million as of September 30, 2005. The contribution is also charged to income as operating expenses when paid.

## 12. Land Revaluation

Based on the Law for Revaluation of Land, the Company revalued land for business use. The difference between fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as reserve for land revaluation as a separate component of capital and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method of revaluation:

The fair value was calculated based on the appraisal value publicly announced for valuation index and tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land.

## 13. Policy Reserve for Reinsurance

The amount of policy reserves "policy reserve for ceded reinsurance" provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Ordinance of the Law was ¥101 million.

## Note to the Non-Consolidated Statement of Operations

### 1. Gains on Sales of Securities

Gains on sales of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥8,852 million, ¥110,087 million and ¥19,152 million, respectively.

### 2. Losses on Sales of Securities

Losses on sales of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥504 million, ¥1,631 million and ¥12,412 million, respectively.

### 3. Losses on Valuation of Securities

Losses on valuation of securities included losses on sales of domestic stocks and foreign securities of ¥3,446 million and ¥2,550 million, respectively.

### 4. Policy Reserve for Reinsurance

Reversal of policy reserve for ceded reinsurance considered in calculation of policy reserves was ¥67 million.

### 5. Interest, Dividend and Other Income

	Millions of Yen
	Six months ended
	September 30, 2005
Interest on deposits	43
Interest and dividend on securities	346,904
Interest on loans receivable	107,330
Income from rental real estate	48,932
Others	10,929
Total	<u>514,140</u>

### 6. Extraordinary Profits

Extraordinary profits included ¥211 million of profit on sales of real estate and movables.

### 7. Extraordinary Losses

Extraordinary losses included losses on impaired asset, losses on sales of real estate and movables and provision for price fluctuation reserve of ¥75,120 million, ¥31,805 million and ¥20,000 million, respectively.

## 8. Losses on Impaired Asset

### 1) Method of grouping

The Company groups its fixed assets by purposes of use and measure impairment loss for each of the group. Lease assets and unused property are classified as one group individually. Assets for insurance business operations are classified as one group.

### 2) The circumstances causing the impairment losses

Due to decline of real estate market, the Company observed marked decrease of profitability and fair value in some fixed asset groups, therefore reduced their book value to recoverable amount and impairment losses were recognized as extraordinary losses.

### 3) Asset groups recognized impairment losses and losses by fixed asset

Purpose of use	Land	Leasehold	Buildings	Total
Lease	3,313	48,736	17,060	69,109
Unused	3,935	51	2,024	6,011
Total	7,248	48,787	19,084	75,120

(Millions of yen)

### 4) Method of calculation of recoverable amount

Recoverable amount used for the measurement of impairment loss on lease assets is determined at net realizable value on sale or future cash flows. Recoverable amount for unused assets is determined at net realizable value on sale. Discount rate used for calculation of future cash flows is 4%. Net realizable values are determined based on real estate appraisal or posted land price.

## 6. Operating Income (Ordinary Income)

(Millions of yen)

	Six months ended September 30,2004	Six months ended September 30,2005	Year ended March 31, 2005
Ordinary income (Core operating profit) (A)	263,185	295,602	550,184
Capital gains	120,657	156,010	220,159
Gains from trading securities	----	----	----
Gains from money held in trust	7,439	17,919	18,409
Gains from trading securities for sale	----	----	----
Gains on sales of securities	113,218	138,091	201,749
Gains from derivative financial instruments	----	----	----
Foreign exchange gains	----	----	----
Other capital gains	----	----	----
Capital losses	66,519	62,451	152,517
Losses from trading securities	0	4	3
Losses from money held in trust	----	----	----
Losses from trading securities held for sale	----	----	----
Losses on sale of securities	20,065	14,801	52,814
Losses on valuation of securities	1,709	5,997	31,175
Losses from derivative financial instrument	42,699	38,399	66,340
Foreign exchange losses	2,043	3,249	2,183
Other capital losses	----	----	----
Net capital gains/losses (B)	54,138	93,559	67,642
Income including net capital gains/losses (A+B)	317,324	389,161	617,826
Non-recurring income	----	----	----
Income from reinsurance premiums	----	----	----
Reversal of contingency reserve	----	----	----
Other non-recurring income	----	----	----
Non-recurring losses	140,000	90,970	260,405
Reinsurance premiums	----	----	----
Provision for contingency reserve	140,000	80,000	260,385
Provision for individual allowance for doubtful accounts	----	10,970	----
Provision for allowance for specialized overseas debts	----	----	----
Loan write-offs and write-downs	----	----	20
Other non-recurring losses	----	----	----
Non-recurring income and losses (C)	- 140,000	- 90,970	- 260,405
Operating income (A+B+C)	177,324	298,191	357,421

## 7. Status of Non-performing Assets According to Borrower Classification

(100 Millions of yen, %)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
<b>Bankrupt and Quasi-Bankrupt</b>	214	115	112
Doubtful	570	447	556
Substandard	138	60	67
Subtotal (a)	922	623	737
[Percent of total] (%)	( 0.74)	( 0.46)	( 0.59)
Normal	123,214	135,874	124,864
Total	124,136	136,497	125,601

- Notes:
1. Bankrupt and quasi-bankrupt are non-performing assets and similar debt made to an obligor that has fallen into bankruptcy due to reasons including the start of bankruptcy proceedings, start of reorganization proceedings, an application to start rehabilitation proceedings.
  2. Doubtful are non-performing assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract, owing to difficulties in the financial condition and business performance of the obligor who has not yet entered bankruptcy.
  3. Substandard are delinquent loans past three months or more and restructured loans. Delinquent loans past three months or more are loans in arrears three months or more from the due date of interest or principal under terms of the related loan agreements. Restructured loans are loans where certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payment, release of credit, and other methods, were made with the object of reconstructing and supporting the operations of borrowers.
  4. Normal are loans that do not fall under the classifications for 1) to 3) above, and where the obligor has no financial or business performance problems.
  5. Figures above include securities deposited under securities lending contracts secured by cash from September 30, 2005. To correspond this, securities deposited amounts ¥453 billion are included in normal asset as of September 30, 2005 and securities deposited amounts ¥822.6 billion are included in normal asset as of March 31, 2005.

### Supplemental information for borrower classification

- \* Classifications and calculation methods used in this table are based on the Enforcement Regulation of the Insurance Business Law. The table includes loans, securities lending, accrued interest, suspense payments, and customers' liabilities for acceptances and guarantees.
- \* Loans subject to bankruptcy rehabilitation, reorganization and other proceedings are directly deducted from total loans as estimated uncollectible amounts calculated by subtracting estimated collectable amounts based on collateral and guarantees from total loans. These amounts were ¥18.2 billion for bankruptcy and quasi-bankruptcy as of September 30, 2004; ¥7.7 billion for bankruptcy and quasi-bankruptcy as of September 30, 2005; ¥8.2 billion for bankruptcy and quasi-bankruptcy and ¥3.1 billion for doubtful as of March 31, 2005.

## 8. Status of Risk-monitored Loans

(100 Millions of yen, %)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
Loans to bankrupt borrowers	76	43	51
Delinquent Loans	707	519	617
Loans three months or more in arrears	4	5	5
Restructured Loans	133	54	62
Total (b)	921	622	737
[Percent of total loans receivable](%)	( 0.90)	( 0.62)	( 0.71)

- Notes:
1. Loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans) are directly deducted from total loans as estimated uncollectible amounts calculated by subtracting estimated collectable amounts based on collateral and guarantees from total loans. These amounts were ¥ 11.6 billion for loans to bankrupt borrowers and ¥6.5 billion for delinquent loans as of September 30, 2004; ¥2.4 billion for loans to bankrupt borrowers and ¥5.2 billion for delinquent loans as of September 30, 2005; ¥4.0 billion for loans to bankrupt borrowers and ¥7.3 billion for delinquent loans as of March 31, 2005.
  2. Loans to bankrupt borrowers are loans to obligors that are legally bankrupt through filings for proceedings under the Corporate Reorganization Law, Civil Rehabilitation Law, Bankruptcy Law, or Commercial Law; loans to obligors that have notes suspended from trading on exchanges; and loans to obligors that have filed for legal proceedings similar to the aforementioned proceedings based on overseas laws, within loans (accrued interest unrecorded loans) for which accrued interest was not recorded and on which principal and interest payments have remained in arrears or other reason for not expecting repayment or collection of principal or interest.
  3. Delinquent loans are loans other than those with flexible interest payment terms and conditions in order to support the business rebuilding of obligors, and the aforementioned loans to bankrupt borrowers as accrued interest unrecorded loans.
  4. Loans three months or more in arrears are loans that are neither loans to bankrupt borrowers or loans in arrears, with principal and interest payment in arrears for more than three months after the day following the contract payment date.
  5. Restructured loans are loans with beneficial arrangements given to the obligor, including interest reduction or exemption, relaxed interest payments, relaxed principal repayments, and loan forgiveness, in order to support the rebuilding of operations at the obligor, and are neither loans to bankrupt borrowers, loans in arrears or loans three months or more in arrears.

### Supplemental information for Risk monitored loans

- \* From fiscal 1999, loans for Quasi-Bankrupt and Doubtful with no accrued interest due to advance payment condition are included in Delinquent Loans.
- \* Restructured loans include loans with lowered interests rates to support the rebuilding of operations at obligors, and are not absolute interest levels.

## (Information) Status of Allowance and Secured amount

(100 Millions of yen)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
<b>Allowance for doubtful accounts (c)</b>	544	297	465
General allowance for doubtful accounts	246	132	192
Specific allowance for doubtful accounts	298	164	272
Allowance for specialized overseas debts	-----	-----	-----
Coverage ratio for loans by borrower classification (c)/(a)	59.0%	47.7%	63.1%
Coverage ratio for risk monitored loans (c)/(b)	59.1%	47.7%	63.1%
<b>Secured amount (d)</b>	890	598	691
Amount secured by collateral of guaranty	606	452	434
Allowance for doubtful accounts	284	146	257
Total coverage ratio (d)/(a)	96.6%	96.0%	93.7%

Note: The allowance for doubtful accounts used to calculate the total coverage ratio is the total amount of specific allowance for doubtful accounts and general allowance for substandard loans.

## 9. Breakdown of allowance for doubtful accounts

(Millions of yen)

	As of March 31, 2005	As of September 30, 2005	Changes
(1) Breakdown of allowance for doubtful accounts			
(A) General allowance for doubtful accounts	19,275	13,258	- 6,017
(B) Specific allowance for doubtful accounts	27,262	16,446	- 10,815
(C) Allowance for specialized overseas debts	-----	-----	-----
(2) Specific allowance for doubtful accounts			
(A) Provision	38,737	40,957	2,220
(B) Reversal	51,756	29,987	- 21,769
[excluding reversals with depreciations]			
(C) Net provision	- 13,019	10,970	23,989
(3) Allowance for specialized overseas debts			
(A) Number of creditor countries	-----	-----	-----
(B) Amounts of debt	-----	-----	-----
(C) Provision	-----	-----	-----
(D) Reversal	4	-----	- 4
(4) Write down of loans	20	-----	20

## [Status of Borrower Classification]

(100 Millions of yen)

	As of September 30, 2004		As of September 30, 2005		As of March 31, 2005	
	Money available	Percentage of whole	Money available	Percentage of whole	Money available	Percentage of whole
Loan balances	102,886	100.0	101,279	100.0	103,172	100.0
(After direct write-off of category IV)						
Non-categorized	101,135	98.3	100,699	99.4	102,003	98.9
Category II	1,456	1.4	413	0.4	874	0.8
Category III	294	0.3	166	0.2	294	0.3
Category IV	---	---	---	---	---	---

Notes: 1. Specific allowances for doubtful accounts of Category III were as follows:  
As of September 30, 2004, ¥26.8 billion; as of September 30, 2005, ¥14.1 billion; as of March 31, 2005, ¥25.0 billion  
2. The amounts of direct write-off of Category IV were as follows:  
As of September 30, 2004, ¥18.8 billion; as of September 30, 2005, ¥7.7 billion; as of March 31, 2005, ¥11.4 billion

## 10. Solvency margin ratio

(Millions of yen)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
<b>Solvency margin gross amount (A)</b>	<b>6,222,247</b>	<b>7,982,621</b>	<b>6,760,605</b>
Foundation funds, reserves, etc.	2,717,718	3,143,906	2,834,739
Total capital	989,314	1,130,447	915,263
Reserve for price fluctuation of investments in securities	305,261	410,262	390,262
Contingency reserve	1,153,988	1,354,373	1,274,373
General allowance for doubtful accounts	24,635	13,258	19,275
Other	244,519	235,565	235,565
Net unrealized gains/losses on securities × 90%	2,660,863	3,942,949	3,008,445
Net unrealized gains/losses on real estate × 85% (if negative, × 100%)	-175,179	-126,844	-182,638
Revaluation reserve for land, net of taxes	68,198	-92,806	61,881
Qualifying subordinated debt	-	-	-
Deductions	-2,414	-3,325	-1,859
Other	953,061	1,118,741	1,040,036
<b>Total amount of risk (B)</b>	<b>1,341,129</b>	<b>1,440,978</b>	<b>1,386,544</b>
$\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$			
Underwriting risk R <sub>1</sub>	255,104	252,685	260,386
Anticipated rate of return R <sub>2</sub>	242,126	239,426	240,490
Investment risk R <sub>3</sub>	1,043,123	1,137,224	1,088,997
Business management risk R <sub>4</sub>	30,807	32,760	31,797
Guaranteed minimum risk R <sub>7</sub>	-	8,710	-
<b>Solvency margin ratio</b>			
$\frac{(A)}{(1/2) \times (B)} \times 100$	927.9%	1107.9%	975.2%

Note: The aforementioned amounts and figures were calculated based on Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Law, as well as ordinance no. 50 issued by the Ministry of Finance in 1996.

Total Capital in the above table excludes Net unrealized gain on securities and Revaluation reserve for land from Total Capital on the balance sheets. (As of March 30, 2005, total capital is after appropriation of surplus.)

## 11. Status of Separate Account

### (1) Separate Accounts assets by product

(100 Millions of yen)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
Individual variable insurance	1,645	1,763	1,672
Individual variable annuities	1,734	2,277	2,017
Group annuities	18,129	17,987	17,803
Separate account total	21,599	22,028	21,491

### (2) Policies in force for individual variable insurance and individual variable annuities

#### A. Individual variable insurance

	As of September 30, 2004		As of September 30, 2005	
	Number of policies	Amount of policies (millions of yen)	Number of policies	Amount of policies (millions of yen)
Variable insurance (term life)	4,042	22,805	3,812	21,475
Variable insurance (whole life)	43,140	741,851	42,137	713,733
Total	47,182	764,657	45,949	735,208

	As of March 31, 2005	
	Number of policies	Amount of policies (millions of yen)
Variable insurance (term life)	3,910	22,052
Variable insurance (whole life)	42,617	726,298
Total	46,527	748,351

#### B. Individual variable annuities

	As of September 30, 2004		As of September 30, 2005	
	Number of policies	Amount of policies (millions of yen)	Number of policies	Amount of policies (millions of yen)
Individual variable annuities	23,733	173,229	28,202	227,650

	As of March 31, 2005	
	Number of policies	Amount of policies (millions of yen)
Individual variable annuities	26,609	201,493