
Financial Results for the Six Months Ended September 30, 2006

Nippon Life Insurance Company (President: Kunie Okamoto) announces financial results for the six months ended September 30, 2006.

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Attached : Supplementary Materials for the Six Months Ended September 30, 2006

1. Business Highlights

(1) Policies in Force and New Policies

Policies in Force

	As of September 30, 2005		As of September 30, 2006					
	Number of policies (Thousands)	Amount of policies (100 millions of Yen)	Number of policies			Amount of policies		
			(Thousands)	Changes from September 30, 2005 (%)	Changes from the Year ended March 31, 2006 (%)	(100 millions of Yen)	Changes from September 30, 2005 (%)	Changes from the Year ended March 31, 2006 (%)
Individual insurance	13,585	2,435,571	13,214	97.3	98.5	2,306,031	94.7	97.0
Individual annuities	2,519	162,393	2,572	102.1	101.0	166,067	102.3	100.9
Group insurance	—	825,784	—	—	—	842,366	102.0	100.9
Group annuities	—	85,575	—	—	—	87,962	102.8	100.0

	As of March 31, 2006	
	Number of policies (Thousands)	Amount of policies (100 millions of Yen)
Individual insurance	13,411	2,376,179
Individual annuities	2,547	164,553
Group insurance	—	835,187
Group annuities	—	88,000

- 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.

New Policies

	As of September 30, 2005				As of September 30, 2006			
	Number of policies (Thousands)	Amount of policies (100 millions of Yen)	Amount of policies		Number of policies (Thousands)	Amount of policies (100 millions of Yen)	Amount of policies	
			New policies	Net increase by conversion			New policies	Net increase by conversion
Individual insurance	581	69,928	67,432	2,495	560	56,221	57,454	(1,233)
Individual annuities	72	6,025	6,002	22	73	5,579	5,641	(61)
Group insurance	—	3,910	3,910	—	—	6,433	6,433	—
Group annuities	—	6	6	—	—	2	2	—

	As of March 31, 2006			
	Number of policies (Thousands)	Amount of policies (100 millions of Yen)	Amount of policies	
			New policies	Net increase by conversion
Individual insurance	1,193	140,936	137,024	3,911
Individual annuities	149	12,542	12,489	52
Group insurance	—	16,422	16,422	—
Group annuities	—	9	9	—

- 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.

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

Policies in Force

(100 Millions of Yen except percentages)

	Six months ended September 30, 2005	Six months ended September 30, 2006	Changes from September 30, 2005 (%)	Changes from the Year ended March 31, 2006 (%)	Year ended March 31, 2006
Individual insurance	27,374	27,020	98.7	99.2	27,224
Individual annuities	5,639	6,001	106.4	103.5	5,797
Total	33,014	33,022	100.0	100.0	33,022
(medical coverage and living benefit)	5,529	5,655	102.3	100.6	5,619

New Policies

(100 Millions of Yen except percentages)

	Six months ended September 30, 2005	Six months ended September 30, 2006	Changes from September 30, 2005 (%)	Year ended March 31, 2006
Individual insurance	1,044	1,107	106.0	2,178
Individual annuities	265	293	110.7	547
Total	1,309	1,401	107.0	2,726
(medical coverage and living benefit)	273	271	99.4	596

- Notes: 1. Annualized net 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, surgically, etc.), survivor benefit (specified illness, nursing care, etc.), and payer benefit (excludes disability as a reason; includes specified illness and nursing care as reasons).
3. New policies include increase of new policies and net increase by conversion.

(3) Profit and Loss Items

(100 Millions of Yen except percentages)

	Six months ended September 30, 2005	Six months ended September 30, 2006	Changes from September 30, 2005 (%)	Year ended March 31, 2006
Income from insurance and reinsurance premiums	23,406	23,836	101.8	48,422
Investment income	8,447	6,058	71.7	16,777
Insurance claims and other payments	23,817	18,763	78.8	44,423
Investment expense	920	2,021	219.6	2,917
Operating Income	2,981	1,940	65.1	4,437

(4) Total assets

(100 Millions of Yen except percentages)

	Six months ended September 30, 2005	Six months ended September 30, 2006	Changes from September 30, 2005 (%)	Changes from the Year ended March 31, 2006 (%)	Year ended March 31, 2006
Total assets	480,368	508,544	105.9	100.6	505,425

2. Overview of General Account Asset Management in the First Half of Fiscal 2006

(1) Investment environment

In the first half of 2006, the Japanese economy continued to gradually expand due to the healthy movement of corporate earnings and steady consumer spending with improvement of employee compensation.

- The Nikkei average briefly dropped significantly with concerns over corporate earnings due to reaction to the previous fiscal year's large increase and the high price of crude oil, but rising expectations for upward revision led to a turnaround that increased the average to ¥16,127 by the end of September.
- The yield rate on 10-year government bonds briefly rose to around 2.0% after higher rate speculations, and the Bank of Japan discontinued its zero-interest-rate policy in July. After that, a growing sense of a slowdown in the U.S. economy along with a downward swing in the domestic economy and price indicators caused a drop in rates to 1.67% by the end of September.
- On the yen-dollar route, the dollar was sold after concerns were expressed at the G7 in April over imbalance, and in May the yen temporarily appreciated to around ¥110. After that, speculation over further increase due to concern over US inflation and the gap between US and Japanese interest rates caused the yen to devalue to ¥117.90 by the end of September.

(2) Investment summary

General account assets in the first half of fiscal 2006 increased by ¥393.5 billion compared to fiscal 2005, reaching ¥48,601.6 billion, a 0.8% increase compared to the previous fiscal year.

We continued to mainly invest in yen-based interest assets that provide stable interest income. From the perspective of building profit in the mid-to-long term, we proceeded with shuffling our portfolio for domestic stocks and foreign securities and increased our balance of foreign bonds.

Although we slightly increased ordinary loans, our loan balance has decreased because of reduction of policy loans.

We invested in assets such as ABS that provide credit spread. During the rate rise, we shifted from low-return bonds to high-return bonds, but our overall balance decreased due to a portion being invested in foreign bonds.

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 mainly in the period of yen appreciation.

(3) Investment results

Interest and dividend revenue decreased to ¥605.8 billion compared to ¥674.3 billion in the first half of last fiscal year due to loss on sales of securities even with higher interest and dividends from increased domestic and foreign bond interest and dividend on domestic stocks.

Asset management costs increased to ¥182.3 billion compared to last fiscal year due to shuffle of domestic bonds to improve future balance of payments and increased loss on sales of securities.

(¥92 billion in the first half of fiscal 2005)

As a result, our asset management balance decreased by ¥158.7 compared to the same period last fiscal year, dropping to ¥423.5 billion.

3. Investment Results of General Account

(1) Asset structure

(100 Millions of Yen except percentages)

	As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
	Amount	%	Amount	%	Amount	%
Cash, Deposits and Call loans	6,690	1.5	8,322	1.7	13,596	2.8
Cash collateral pledged for bonds borrowed	-----	-----	-----	---	-----	-----
Securities repurchased under resale agreements	-----	-----	-----	---	-----	-----
Monetary receivables purchased	16,612	3.6	19,190	3.9	13,916	2.9
Trading securities in general account	21	0.0	532	0.1	20	0.0
Money held in trust	1,624	0.4	1,833	0.4	1,770	0.4
Investment in securities	309,975	67.6	334,617	68.8	331,067	68.7
Domestic bonds	159,255	34.7	156,684	32.2	158,437	32.9
Domestic stocks	83,472	18.2	103,930	21.4	104,849	21.7
Foreign securities	63,561	13.9	70,434	14.5	64,249	13.3
Foreign bonds	50,386	11.0	55,648	11.4	49,675	10.3
Foreign stocks and other securities	13,174	2.9	14,785	3.0	14,573	3.0
Other securities	3,686	0.8	3,569	0.7	3,531	0.7
Loans receivable	101,279	22.1	99,803	20.5	99,991	20.7
Policy loans	12,973	2.8	12,410	2.6	12,634	2.6
Industrial and consumer loans	88,305	19.3	87,392	18.0	87,357	18.1
Real estate	17,026	3.7	16,687	3.4	16,865	3.5
Investment property	10,502	2.3	10,312	2.1	10,415	2.2
Deferred tax assets	-----	---	-----	---	-----	---
Other assets	5,407	1.2	5,359	1.1	5,251	1.1
Allowance for doubtful accounts	(297)	(0.1)	(330)	(0.1)	(399)	(0.1)
Total assets (General account)	458,340	100.0	486,016	100.0	482,080	100.0
Foreign currency dominated assets	61,282	13.4	68,281	14.0	62,740	13.0

Notes: 1. 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, 2005, ¥ 1,195.9 billion; as of September 30, 2006, ¥1,348.6 billion; as of March 31, 2006, ¥1,111.1 billion)

2. Real estate includes Land, Buildings and Construction in progress.

(2) Increases / decreases in assets

(100 Millions of Yen)

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
	Amount	Amount	Amount
Cash, Deposits and Call loans	680	(5,273)	7,585
Cash collateral pledged for bonds borrowed	-----	-----	-----
Security repurchased under resale agreements	-----	-----	-----
Monetary receivables purchased	2,046	5,274	(649)
Trading securities in general account	(8)	511	(8)
Money held in trust	178	63	324
Investment in securities	16,125	3,550	37,217
Domestic bonds	5,497	(1,752)	4,679
Domestic stocks	7,215	(918)	28,592
Foreign securities	5,119	6,184	5,806
Foreign bonds	4,921	5,972	4,210
Foreign stocks and other securities	197	212	1,596
Other securities	(1,706)	37	(1,861)
Loans receivable	(1,893)	(188)	(3,180)
Policy loans	(285)	(224)	(624)
Industrial and consumer loans	(1,608)	35	(2,556)
Real estate	(712)	(178)	(873)
Investment property	(783)	(103)	(870)
Deferred tax assets	-----	-----	-----
Other assets	(2,346)	108	(2,502)
Allowance for doubtful accounts	168	68	65
Total assets (General account)	14,237	3,935	37,977
Foreign currency dominated assets	5,312	5,541	6,769

Notes: 1. Increases/decreases in cash received as collateral under securities lending contracts were as follows:

(As of September 30, 2005, ¥390.9 billion; as of September 30, 2006, ¥237.4 billion; as of March 31, 2006, ¥306.1 billion)

2. Real estate include Land, Buildings and Construction in progress.

(3) Investment Income

(100 Millions of Yen)

	Six months ended September 30,2005	Six months ended September 30,2006	Year ended March 31,2006
Interest, dividend and other income	5,141	5,518	10,700
Interest on deposits and savings	0	3	1
Interest, dividends on securities	3,469	3,908	7,429
Interest on loan receivables	1,073	997	2,093
Rent on real estate	489	506	978
Other income	109	102	199
Gains from trading securities in general account	-----	0	-----
Gains from money in trust	179	64	364
Gains on sales of securities	1,380	436	1,742
Gains on sales of domestic bonds	88	11	99
Gains on sales of domestic stocks and other securities	1,100	281	1,444
Gains on sales of foreign securities	191	142	197
Other gains	-----	0	0
Gains from redemption of securities	32	25	65
Foreign exchange gains, net	-----	7	-----
Other investment income	9	6	24
Total	6,743	6,058	12,897

(4) Investment Expenses

(100 Millions of Yen)

	Six months ended September 30,2005	Six months ended September 30,2006	Year ended March 31,2006
Interest expenses	7	15	14
Losses from trading securities in general account	0	-----	0
Losses on sales of securities	148	909	1,147
Losses on sales of domestic bonds	5	745	713
Losses on sales of domestic stocks and other securities	16	11	91
Losses on sales of foreign securities	124	151	340
Other losses	2	0	2
Losses on valuation of securities	59	62	88
Losses on valuation of domestic bonds	-----	-----	-----
Losses on valuation of domestic stocks and other securities	34	53	48
Losses on valuation of foreign securities	25	8	39
Other losses	-----	-----	-----
Losses on redemption of securities	-----	4	2
Losses from derivative financial instruments, net	383	620	978
Foreign exchange losses, net	32	-----	37
Provision for reserve for possible loan losses	49	-----	151
Write down of loans	-----	-----	1
Depreciation for rental real estate and other assets	137	127	274
Other investment expenses	101	84	220
Total	920	1,823	2,917

Note: In addition to the above, reversal of allowance for doubtful accounts is recorded as an extraordinary income.
(Six months ended September 30, 2006, ¥4.9 billion)

(5) Net valuation gains/losses of trading securities

(100 Millions of Yen)

	Six months ended September 30,2005	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Trading securities	1,636	151
	Six months ended September 30,2006	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Trading securities	2,353	30
	Year ended March 31, 2006	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Trading securities	1,780	163

Notes: 1. Money held in trust included in securities held for sale 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. Cash, deposits, and call loans within money held in trust classified as trading securities are excluded.

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

(100 Millions of Yen)

		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)
	Total	279,712	326,875	47,163	50,026	(2,863)
	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 September 30, 2006				
		Book value	Market value		Gains/losses	
					Gains	Losses
	Policy-reserve-matching bonds	165,920	167,749	1,828	3,097	(1,268)
	Held-to-maturity debt securities	913	909	(3)	0	(4)
	Investments in subsidiaries and affiliates	544	1,043	498	498	-----
	Other securities	120,559	183,541	62,981	63,639	(657)
	Domestic bonds	170	184	13	13	-----
	Domestic stocks	44,940	100,301	55,361	55,816	(455)
	Foreign securities	56,820	64,242	7,421	7,622	(201)
	Foreign bonds	49,343	54,093	4,749	4,810	(60)
	Foreign stocks and other securities	7,477	10,148	2,671	2,812	(140)
	Other securities	3,137	3,322	185	186	(1)
	Monetary receivables purchased	10,320	10,320	0	0	(0)
	Negotiable deposits	5,170	5,169	(0)	0	(0)
	Total	287,937	353,242	65,305	67,236	(1,930)
	Domestic bonds	156,670	158,420	1,749	2,970	(1,221)
	Domestic stocks	45,484	101,344	55,860	56,315	(455)
	Foreign securities	58,375	65,793	7,418	7,627	(208)
	Foreign bonds	50,898	55,645	4,746	4,814	(67)
	Foreign stocks and other securities	7,477	10,148	2,671	2,812	(140)
	Other securities	3,137	3,322	185	186	(1)
	Monetary receivables purchased	19,098	19,190	92	136	(44)
	Negotiable deposits	5,170	5,169	(0)	0	(0)

		As of March 31, 2006				
		Book value	Market value		Gains/losses	
					Gains	Losses
	Policy-reserve-matching bonds	167,246	168,084	838	2,601	(1,762)
	Held-to-maturity debt securities	942	935	(7)	0	(8)
	Investments in subsidiaries and affiliates	544	1,144	599	599	-----
	Other securities	111,300	175,597	64,296	65,197	(900)
	Domestic bonds	170	180	10	10	-----
	Domestic stocks	43,476	101,254	57,778	58,300	(522)
	Foreign securities	50,754	57,074	6,320	6,692	(371)
	Foreign bonds	43,434	47,056	3,621	3,860	(238)
	Foreign stocks and other securities	7,319	10,018	2,698	2,832	(133)
	Other securities	3,063	3,249	186	193	(6)
	Monetary receivables purchased	6,516	6,516	0	0	(0)
	Negotiable deposits	7,320	7,320	0	0	(0)
	Total	280,033	345,760	65,727	68,398	(2,671)
	Domestic bonds	158,426	159,264	837	2,529	(1,691)
	Domestic stocks	44,021	102,399	58,377	58,900	(522)
	Foreign securities	53,373	59,677	6,304	6,696	(392)
	Foreign bonds	46,053	49,659	3,605	3,864	(258)
	Foreign stocks and other securities	7,319	10,018	2,698	2,832	(133)
	Other securities	3,063	3,249	186	193	(6)
	Monetary receivables purchased	13,829	13,850	20	79	(58)
	Negotiable deposits	7,320	7,320	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, 2005	As of September 30, 2006
	Policy-reserve-matching bonds	-----	-----
	Held-to-maturity debt securities	-----	-----
	Unlisted foreign bonds	-----	-----
	Other	-----	-----
	Investments in subsidiaries and affiliates	2,826	2,934
	Other securities	3,907	5,080
	Unlisted domestic stocks(excluding over-the-counter stocks)	1,624	2,714
	Unlisted foreign stocks(excluding over-the-counter stocks)	970	1,086
	Unlisted foreign bonds	-----	-----
	Other	1,312	1,279
	Total	6,734	8,014
		As of March 31, 2006	
	Policy-reserve-matching bonds	-----	-----
	Held-to-maturity debt securities	-----	-----
	Unlisted foreign bonds	-----	-----
	Other	-----	-----
	Investments in subsidiaries and affiliates	2,828	2,828
	Other securities	5,105	2,680
	Unlisted domestic stocks(excluding over-the-counter stocks)	1,011	-----
	Unlisted foreign stocks(excluding over-the-counter stocks)	-----	-----
	Unlisted foreign bonds	-----	-----
	Other	1,414	-----
	Total	7,933	-----

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, 2005, ¥22.1 billion of losses; as of September 30, 2006, ¥9.1 billion of losses; as of March 31, 2006, ¥10.6 billion of losses.

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

(100 Millions of Yen)

	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 September 30, 2006				
	Carrying value on balance sheets	Market value	Net unrealized gains/losses		
			Gains	Losses	
Money held in trust	1,833	1,833	-----	-----	-----

	As of March 31, 2006				
	Carrying value on balance sheets	Market value	Net unrealized gains/losses		
			Gains	Losses	
Money held in trust	1,770	1,770	-----	-----	-----

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, 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 September 30, 2006	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for investment	1,833	30

	As of March 31, 2006	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for investment	1,770	163

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 2005, as of September 30 2006 and as of March 31 2006.

○ Appraisal value of real estate

(100 Millions of Yen)

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

	As of September 30, 2006				
	Carrying value on balance sheets	Appraisal value	Net unrealized gains/losses ①	Revaluation ②	①+②
Land and leaseholds	11,651	10,841	(810)	915	104

	As of March 31, 2006				
	Carrying value on balance sheets	Appraisal value	Net unrealized gains/losses ①	Revaluation ②	①+②
Land and leaseholds	11,759	10,929	(829)	878	48

Notes: 1.Appraisal value is based on the value of land disclosed to 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 to the revaluation reserve for land being included in liabilities.

4. Non-consolidated Balance Sheets

(Millions of Yen)

	As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
	Amount	%	Amount	%	Amount	%
Assets:						
Cash and deposits	456,387	1.0	618,079	1.2	915,044	1.8
Call loans	326,800	0.7	331,400	0.7	553,700	1.1
Monetary receivables purchased	1,661,228	3.5	1,919,033	3.8	1,391,624	2.8
Trading securities in general account	2,103	0.0	53,218	0.1	2,099	0.0
Money hold in trust	162,440	0.3	183,368	0.4	177,037	0.4
Investments in securities	33,032,878	68.8	35,549,980	69.9	35,283,468	69.8
Including:						
National government bonds	11,364,682		11,289,740		11,350,849	
Local government bonds	1,742,271		1,693,699		1,673,874	
Corporate bonds	3,489,633		3,261,514		3,401,802	
Domestic stocks	8,973,654		11,091,678		11,250,725	
Foreign securities	6,906,356		7,645,389		7,039,703	
Loans receivables	10,127,950	21.1	9,980,314	19.6	9,999,170	19.8
Policy loans	1,297,386		1,241,063		1,263,464	
Industrial and consumer loan	8,830,564		8,739,250		8,735,705	
Real estate and movables	1,727,049	3.6			1,708,506	3.4
Including:						
Real estate	1,702,651				1,686,564	
Property, plant and equipment			1,689,410	3.3		
Intangible fixed assets			139,406	0.3		
Reinsurance receivables	364	0.0	317	0.0	465	0.0
Other assets	568,357	1.2	419,955	0.8	549,401	1.1
Customers' liability for acceptance and guarantees	1,000	0.0	3,000	0.0	2,000	0.0
Allowance for doubtful accounts	(29,705)	(0.1)	(33,076)	(0.1)	(39,953)	(0.1)
Total assets	48,036,855	100.0	50,854,408	100.0	50,542,565	100.0
Liabilities :						
Policy reserves and others	40,482,761	84.3	41,296,964	81.2	40,957,442	81.0
Reserve for outstanding claims	223,445		208,716		227,222	
Policy reserve	38,853,911		39,723,238		39,418,163	
Reserve for dividends to policyholders	1,405,405		1,365,009		1,312,057	
Reinsurance payables	439	0.0	409	0.0	490	0.0
Other liabilities	2,043,526	4.3	2,086,198	4.1	1,900,279	3.8
Including:						
cash received as collateral under securities lending contracts	1,195,965		1,348,603		1,111,155	
Accrued bonus for directors and corporate auditors					103	0.0
Liability for retirement benefits	403,047	0.8	421,964	0.8	410,874	0.8
Accrued losses from supporting closely related companies	656	0.0	603	0.0	603	0.0
Reserve for price fluctuations of investment in securities	410,262	0.9	471,263	0.9	441,263	0.9
Deferred tax liabilities	675,722	1.4	1,295,958	2.5	1,380,040	2.7
Deferred tax liabilities for land revaluation difference	182,537	0.4	180,438	0.4	181,525	0.4
Acceptance and gurantees	1,000	0.0	3,000	0.0	2,000	0.0
Total liability	44,199,954	92.0	45,756,800	90.0	45,274,623	89.6
Capital :						
Foundation funds	300,000	0.6			300,000	0.6
Reserve for redemption of foundation funds	600,000	1.2			600,000	1.2
Reserve for revaluation	651	0.0			651	0.0
Surplus	229,796	0.5			350,197	0.7
Legal reserve for deficiency	7,409				7,409	
Voluntary surplus reserve	106,246				105,957	
Unappropriated surplus	116,140				236,830	
Including:						
Net surplus for the period	110,638				229,830	
Land revaluation difference	(92,806)	(0.2)			(93,688)	(0.2)
Net unrealized gains on securities, net of taxes	2,799,260	5.8			4,110,781	8.1
Total capital	3,836,900	8.0			5,267,941	10.4
Total liabilities and capital	48,036,855	100.0			50,542,565	100.0
Equity :						
Foundation funds			250,000	0.5		
Reserve for redemption of foundation funds			650,000	1.3		
Reserve for revaluation			651	0.0		
Surplus			258,674	0.5		
Legal reserve for deficiency			8,123			
Voluntary surplus reserve			250,551			
Contingency reserve			71,917			
Reserve for retirement benefit			3,500			
Reserve for assisting social public welfare			937			
reserve for condensed booking of fixed assets for tax purpose			29,261			
reserve for condensed booking of fixed assets, not purchased yet			1,908			
Unconditional reserve			170			
Unappropriated surplus			142,856			
Total equity			1,159,325	2.3		
Net unrealized gains on securities, net of taxes			4,027,234	7.9		
Deferred gain (loss) on derivatives under hedge accounting			(30)	0.0		
Land revaluation difference			(88,921)	(0.2)		
Total Valuation, Conversion and othets			3,938,282	7.7		
Total equity			5,097,608	10.0		
Total liabilities and equity			50,854,408	100.0		

5. Non-consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30,2005		Six months ended September 30,2006		Year ended March 31,2006	
	Amount	%	Amount	%	Amount	%
Revenues:	3,338,629	100.0	3,097,098	100.0	6,839,468	100.0
Income from insurance and reinsurance premiums	2,340,699		2,383,622		4,842,280	
Including:						
Insurance premiums	2,340,592		2,383,469		4,841,763	
Investment income	844,740		605,845		1,677,754	
Including:						
Interest, dividend and other income	514,140		551,805		1,070,088	
Gains from trading securities in general account, net			46			
Gains from money held in trust	17,919		6,450		36,414	
Gains on sales of securities	138,091		43,604		174,290	
Gains from separate account, net	170,425				388,006	
Other revenues	153,189		107,630		319,432	
Expenditure	3,040,437	91.1	2,903,009	93.7	6,395,674	93.5
Insurance claims and other payments:	2,381,748		1,876,378		4,442,302	
Including:						
Death and other claims	771,523		605,259		1,409,481	
Annuity payments	203,562		209,035		416,219	
Health and other benefits	354,704		354,712		772,494	
Surrender value	636,197		544,619		1,186,750	
Other refunds	415,445		162,422		656,391	
Provision for policy reserves and others	80,019		323,923		662,883	
Provision for policy reserves	59,565		305,075		623,817	
Interest on reserve for dividends to policyholders	20,454		18,848		39,066	
Expenses for investment	92,060		202,192		291,716	
Including:						
Interest expenses	735		1,547		1,421	
Losses from trading securities in general account, net	4				9	
Losses on sale of securities	14,801		90,912		114,735	
Losses on valuation of securities	5,997		6,207		8,857	
Losses from derivative financial instruments, net	38,399		62,064		97,879	
Losses from separate account, net			19,860			
Operating expenses	265,651		267,451		536,324	
Other expenditures	220,956		233,063		462,448	
Operating income	298,191	8.9	194,088	6.3	443,793	6.5
Extraordinary income	211	0.0	7,353	0.2	1,394	0.0
Extraordinary losses	128,052	3.8	38,495	1.2	166,374	2.4
Including : Losses on impaired asset	75,120		3,261		77,807	
Surplus before income taxes	170,350	5.1	162,945	5.3	278,813	4.1
Income tax-current	116,330	3.5	54,007	1.7	142,969	2.1
Income tax-deferred	(56,617)	(1.7)	(37,866)	(1.2)	(93,985)	(1.4)
Surplus for the period	110,638	3.3	146,804	4.7	229,830	3.4
Reversal of revaluation reserve for land	4,545	0.1			5,755	0.1
Reversal of reserve for assisting social public welfare	956	0.0			1,245	0.0
Unappropriated surplus for the period	116,140	3.5			236,830	3.5

6. Statement of Changes in Equity

(Millions of Yen)

	Foundation funds and others												Total Foundation funds and others
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiency	Surplus							Total Surplus	
					Contingency reserve	Reserve for severance benefit	Reserve for assisting social public welfare	Reserve for deferred income tax	Reserve for deferred income tax of separate account	Uncondi- tional reserve	Unappropri- ated surplus		
Balance, March 31, 2006	300,000	600,000	651	7,409	71,917	3,500	255	30,115		170	236,830	350,197	1,250,848
Increase/Decrease													
Additions to reserve for dividends to policyholders											(179,929)	(179,929)	(179,929)
Additions to Legal reserve for deficiency				714							(714)		
Additions to Reserve for redemption of foundation funds		50,000									(50,000)	(50,000)	
Interest on Foundation funds											(3,632)	(3,632)	(3,632)
Net surplus for the period											146,804	146,804	146,804
Redemption of Foundation funds	(50,000)												(50,000)
Additions to Reserve for assisting social public welfare							1,500				(1,500)		
Reversal of reserve for assisting social public welfare							(818)				818		
Reversal of reserve for condensed booking of fixed assets for tax purpose								(853)			853		
Additions to reserve for condensed booking of fixed assets, not purchased yet									1,908		(1,908)		
Reversal of Revaluation reserve for land											(4,766)	(4,766)	(4,766)
Net change, excluding Foundation funds and others													
Net change	(50,000)	50,000		714			682	(853)	1,908		(93,973)	(91,522)	(91,522)
Balance, September 30, 2006	250,000	650,000	651	8,123	71,917	3,500	937	29,261	1,908	170	142,856	258,674	1,159,325

	Valuation, Conversion and others				total Equity
	Net unrealized gains on securities, net of taxes	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation difference	total	
Balance, March 31, 2006	4,110,781		(93,688)	4,017,093	5,267,941
Increase/Decrease					
Additions to reserve for dividends to policyholders					(179,929)
Additions to Legal reserve for deficiency					
Additions to Reserve for redemption of foundation funds					
Interest on Foundation funds					(3,632)
Net surplus for the period					146,804
Redemption of Foundation funds					(50,000)
Additions to Reserve for assisting social public welfare					
Reversal of reserve for assisting social public welfare					
Reversal of reserve for condensed booking of fixed assets for tax purpose					
Additions to reserve for condensed booking of fixed assets, not purchased yet					
Reversal of Revaluation reserve for land					(4,766)
Net change, excluding Foundation funds and others	(83,546)	(30)	4,766	(78,810)	(78,810)
Net change	(83,546)	(30)	4,766	(78,810)	(170,333)
Balance, September 30, 2006	4,027,234	(30)	(88,921)	3,938,282	5,097,608

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, which are held for the purpose of earning capital gains in the near term are reported at fair value at the balance sheet date, and the related unrealized gains and losses are included in earnings. Costs of their sales are determined by the moving average method.
- (2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost under the straight-line method cost being determined by the moving average method.
- (3) Policy-reserve-matching bonds are reported 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) Investments of subsidiaries and 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 2 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 applicable taxes are recorded in a separate component of equity.

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. Policy-reserve-matching bonds

The Company’s securities that are held to match the duration of the sub-groups of individual insurance and annuities, workers’ asset-formation insurance and annuities, and group insurance and annuities set by insurance type, remaining period and investment policy, etc. are categorized as Policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No.21 “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching bonds in the Industry” issued by the JICPA.

The book value and market value of Policy-reserve-matching bonds as of September 30, 2006 amounted to ¥16,592,097 million and ¥16,774,904 million, respectively.

3. Valuation Method of Derivatives

Derivative financial instruments are stated at market value.

4. Depreciation

(1) Property, plant and equipment

Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998.

(2) Software

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

5. 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.

6. Allowance

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided as follows, in accordance with the Company's internal assets 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 ¥23,947 million, including ¥5,523 million of credits secured and/or guaranteed.

(2) Liability for retirement benefits

Liability for retirement benefits are provided for the six months ended September 30, 2006 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 24-4 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.

7. Lease

Finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, and other finance leases are accounted for as operating lease transactions.

8. 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.

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. Application of the rule has been completed as of September 30, 2006.

- (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.

9. 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.

10. 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

On December 2005, the Accounting Standards Board of Japan published a new accounting standard for presentation of equity. Under this accounting standard, certain items which were previously presented as liabilities are now presented as components of capital. Such items include stock acquisition rights, minority interest, and any deferred gain or loss on derivatives accounted for under hedge accounting.

The amount of capital calculated as usual was ¥5,097,638 million.

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 ¥68,392 million as of September 30, 2006.

- 1) The balances of credits of bankrupt borrowers were ¥4,463 million as of September 30, 2006. 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 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 ¥58,858 million as of September 30, 2006. 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 ¥551 million, which did not include the amounts of credits of bankrupt borrowers and delinquent loans described above, as of September 30, 2006.
- 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 ¥4,519 million as of September 30, 2006.

The direct write-down of loans receivable decreased credits of bankrupt borrowers described above by ¥3,270 million as of September 30, 2006.

The direct write-down of loans receivable decreased delinquent loans described above by ¥20,676 million as of September 30, 2006.

2. Accumulated Depreciation

Accumulated depreciation for Property, plant and equipment amounted to ¥982,317 million as of September 30, 2006.

3. Separate Account

Total assets in the Separate Account provided for in Article 118 of the Insurance Business Law were ¥2,252,806 million as of September 30, 2006. 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, 2006 were as follows:

	Millions of Yen as of September 30, 2006
Balance at the end of previous fiscal year	¥1,312,057
Transfer to reserves from surplus in previous fiscal year	179,929
Policyholders dividends paid out in the current period	(145,825)
Increase in interest	18,848
Balance as of September 30, 2006	<u>¥1,365,009</u>

5. Pledged Assets

Assets pledged as collateral amounted to ¥1,648,294 million, as of September 30, 2006. Debts secured amounted to ¥1,360,162 million as of September 30, 2006.

These amounts included ¥1,466,131 million of securities deposited, and ¥1,360,022 million of cash received as collateral, under securities lending contracts secured by cash, as of September 30, 2006.

6. Redemption of Foundation Funds and Provision for Accumulated Redeemed Foundation Funds

In the period ended September 30, 2006, 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.

7. Investments in Subsidiaries

Investments in subsidiaries aggregated ¥347,873 million as of September 30, 2006.

8. Securities Loaned

The balances of securities loaned for consumption were ¥ 3,468,010 million as of September 30, 2006.

9. Loan Commitments

The outstanding commitments contracted but not provided for and similar agreements were ¥211,485 million as of September 30, 2006.

10. 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 ¥4,690 million, as of September 30, 2006. 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 ¥92,760 million as of September 30, 2006. The contribution is also charged to income as operating expenses when paid.

11. 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 land revaluation difference as a separate component of equity and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation difference.

- 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.

12. 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 ¥95 million.

Note to the Non-Consolidated Statement of Income

1. Transaction of subsidiaries and affiliates

Total revenues and total expenditure of ¥ 10,297 and ¥ 18,934 respectively.

2. Gains on Sales of Securities

Gains on sales of securities included gains on sales of domestic bonds, domestic stocks and foreign securities of ¥1,177 million, ¥28,171 million and ¥14,255 million, respectively.

3. Losses on Sales of Securities

Losses on sales of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥74,548 million, ¥1,173 million and ¥15,189 million, respectively.

4. Losses on Valuation of Securities

Losses on valuation of securities included losses on sales of domestic stocks and foreign securities of ¥5,322 million and ¥884 million, respectively.

5. Policy Reserve for Reinsurance

Reversal of policy reserve for ceded reinsurance considered in calculation of policy reserves was ¥56 million.

6. Interest, Dividend and Other Income

	Millions of Yen Six months ended September 30, 2006
Interest on deposits	¥371
Interest and dividend on securities	390,830
Interest on loans receivable	99,764
Income from rental real estate	50,626
Others	10,212
Total	<u>¥551,805</u>

7. Extraordinary Profits

Extraordinary profits included ¥4,904 million of reversal of allowance for doubtful accounts, and ¥2,448 million of profit on sales of property, plant and equipment.

8. Extraordinary Losses

Extraordinary losses included movables and provision for price fluctuation reserve, losses on sales of property, plant and equipment and losses on impaired asset of ¥30,000 million, ¥4,394 million and ¥3,261 million, respectively.

7. Operating Income (Ordinary Income)

(Millions of Yen)

	Six months ended September 30, 2005	Six months ended September 30, 2006	Year ended March 31, 2006
Ordinary income (Core operating profit) (A)	295,602	346,456	633,696
Capital gains	156,010	50,860	210,704
Gains from trading securities in general account		46	
Gains from money held in trust	17,919	6,450	36,414
Gains from trading securities			
Gains on sales of securities	138,091	43,604	174,290
Gains from derivative financial instruments			
Foreign exchange gains		758	
Other capital gains			
Capital losses	62,451	159,228	225,229
Losses from trading securities in general account	4		9
Losses from money held in trust			
Losses from trading securities			
Losses on sale of securities	14,801	90,912	114,735
Losses on valuation of securities	5,997	6,207	8,857
Losses from derivative financial instrument	38,399	62,064	97,879
Foreign exchange losses	3,249		3,746
Other capital losses		44	1
Net capital gains/losses (B)	93,559	(108,367)	(14,524)
Income including net capital gains/losses (A+B)	389,161	238,088	619,172
Non-recurring income			
Income from reinsurance premiums			
Reversal of contingency reserve			
Other non-recurring income			
Non-recurring losses	90,970	44,000	175,378
Reinsurance premiums			
Provision for contingency reserve	80,000	44,000	154,689
Provision for specific allowance for doubtful accounts	10,970		20,529
Provision for allowance for specialized overseas debts			
Loan write-offs and write-downs			160
Other non-recurring losses			
Non-recurring income and losses (C)	(90,970)	(44,000)	(175,378)
Operating income (A+B+C)	298,191	194,088	443,793

The above ordinary income include exchange gain (loss) of foreign currency dominated individual insurance. (As of September 30, 2006, ¥44 million; as of March 31, 2006, ¥1 million)

8. Status of Non-performing Assets According to Borrower Classification

(100 Millions of Yen, %)

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Bankrupt and Quasi-Bankrupt	115	128	117
Doubtful	447	504	594
Substandard	60	50	52
Subtotal (a)	623	684	765
[Percent of total] (%)	[0.46]	[0.51]	[0.58]
Normal	135,874	134,337	130,314
Total	136,497	135,021	131,080

- 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, or 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 (Except for notes 1 and 2). 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 (Except for notes 1, 2 and delinquent loans past three months or more.).
 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.

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 ¥7.7 billion for bankruptcy and quasi-bankruptcy as of September 30, 2005; ¥23.9 billion for bankruptcy and quasi-bankruptcy as of September 30, 2006; ¥22.5 billion for bankruptcy and quasi-bankruptcy as of March 31, 2006.

9. Status of Risk-monitored Loans

(100 Millions of Yen, %)

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Loans to bankrupt borrowers	43	44	41
Delinquent Loans	519	588	670
Loans three months or more in arrears	5	5	5
Restructured Loans	54	45	47
Total (b)	622	683	765
[Percent of total loans receivable](%)	[0.62]	[0.69]	[0.77]

- 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 ¥ 2.4 billion for loans to bankrupt borrowers and ¥5.2 billion for delinquent loans as of September 30, 2005; ¥3.2 billion for loans to bankrupt borrowers and ¥20.6 billion for delinquent loans as of September 30, 2006; ¥2.4 billion for loans to bankrupt borrowers and ¥20.0 billion for delinquent loans as of March 31, 2006.
 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.

(Information) Status of Allowance and Secured amount

(100 Millions of Yen)

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Allowance for doubtful accounts (c)	297	330	399
General allowance for doubtful accounts	132	133	138
Specific allowance for doubtful accounts	164	197	260
Allowance for specialized overseas debts	----	----	----
Coverage ratio for loans by borrower classification (c)/(a)	47.7%	48.4%	52.2%
Coverage ratio for risk monitored loans (c)/(b)	47.7%	48.4%	52.2%
Secured amount (d)	598	668	738
Amount secured by collateral of guaranty	452	489	495
Allowance for doubtful accounts	146	179	242
Total coverage ratio (d)/(a)	96.0%	97.8%	96.4%

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.

10. Breakdown of Allowance for Doubtful Accounts

(100 Millions of Yen)

	As of March 31, 2006	As of September 30, 2006	Changes
(1) Breakdown of allowance for doubtful accounts			
(A) General allowance for doubtful accounts	13,882	13,353	(529)
(B) Specific allowance for doubtful accounts	26,070	19,722	(6,347)
(C) Allowance for specialized overseas debts	-----	-----	-----
(2) Specific allowance for doubtful accounts			
(A) Provision	48,613	43,669	(4,944)
(B) Reversal	28,084	48,044	19,959
[excluding reversals with depreciations]			
(C) Net provision	20,529	(4,375)	(24,904)
(3) Allowance for specialized overseas debts			
(A) Number of creditor countries	-----	-----	-----
(B) Amounts of debt	-----	-----	-----
(C) Provision	-----	-----	-----
(D) Reversal	-----	-----	-----
(4) Write down of loans	160	-----	(160)

[Status of Borrower Classification]

(100 Millions of Yen)

	As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
	Money available	Percentage of whole	Money available	Percentage of whole	Money available	Percentage of whole
Loan balances	101,279	100.0	99,803	100.0	99,991	100.0
(After direct write-off of category IV)						
Non-categorized	100,699	99.4	99,114	99.3	99,103	99.1
Category II	413	0.4	496	0.5	621	0.6
Category III	166	0.2	191	0.2	266	0.3
Category IV	---	---	---	---	---	---

Notes: 1. Specific allowances for doubtful accounts of Category III were as follows:
As of September 30, 2005, ¥14.1 billion; as of September 30, 2006, ¥17.6 billion; as of March 31, 2006, ¥23.8 billion
2. The amounts of direct write-off of Category IV were as follows:
As of September 30, 2005, ¥7.7 billion; as of September 30, 2006, ¥23.9 billion; as of March 31, 2006, ¥22.5 billion

11. Solvency Margin Ratio

(Millions of Yen)

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Solvency margin gross amount (A)	7,982,621	9,933,759	10,010,717
Foundation funds, reserves, etc.	3,143,906	3,344,672	3,179,162
Total equity	1,130,447	1,159,325	1,067,286
Reserve for price fluctuation of investments in securities	410,262	471,263	441,263
Contingency reserve	1,354,373	1,473,062	1,429,062
General allowance for doubtful accounts	13,258	13,353	13,882
Other	235,565	227,667	227,667
Net unrealized gains/losses on securities × 90%	3,942,949	5,672,339	5,790,220
Net unrealized gains/losses on real estate × 85% (if negative, × 100%)	(126,844)	8,893	(82,971)
Qualifying subordinated debt			
Deductions	(3,325)	(1,563)	(2,332)
Other	1,025,935	909,419	1,126,638
Total amount of risk (B)			
$\sqrt{R_1^2 + (R_2 + R_3 + R_7)^2} + R_4$	1,440,978	1,593,435	1,591,597
Underwriting risk R ₁	252,685	247,272	251,001
Anticipated rate of return R ₂	239,426	237,412	238,126
Investment risk R ₃	1,137,224	1,292,931	1,290,246
Business management risk R ₄	32,760	35,705	35,729
Guaranteed minimum risk R ₇	8,710	7,636	7,114
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,107.9%	1,246.8%	1,257.9%

Notes: 1. The aforementioned amounts and figures were calculated based on Article 86, Article 87, Article 161, Article 162 and Article 190 of the Enforcement Regulation of the Insurance Business Law, as well as ordinance no. 50 issued by the Ministry of Finance in 1996.

2. According to revision of the Insurance Business Law, Part of calculation method of solvency margin ratio was changed effective April 1, 2006. (The solvency margin ratio as of March 31, 2006 and September 30, 2005 was calculated as usual.)
As of March 31, 2006 and September 30, 2005 of total equity amounts represent total capital per balance sheet.

3. As of September 30, 2006, Total Equity in the above table excludes Deferred gain (loss) on derivatives under hedge accounting from Total Equity on the balance sheet. As of September 30, 2005 and March 31, 2006, Total Equity in the above table excludes Net unrealized gain on securities and Land revaluation difference from Total Capital on the balance sheets. (As of March 30, 2006, total capital is after appropriation of surplus.)

4. Guaranteed minimum risk was calculated by standard method.

12. Status of Separate Account

(1) Separate Account assets by product

(100 millions of Yen)

	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Individual variable insurance	1,763	1,821	1,890
Individual variable annuities	2,277	2,467	2,517
Group annuities	17,987	18,238	18,937
Separate account total	22,028	22,528	23,345

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

A. Individual variable insurance

	As of September 30, 2005		As of September 30, 2006	
	Number of policies	Amount of policies (millions of Yen)	Number of policies	Amount of policies (millions of Yen)
Variable insurance (term life)	3,812	21,475	3,575	19,381
Variable insurance (whole life)	42,137	713,733	41,033	687,524
Total	45,949	735,208	44,608	706,905

	As of March 31, 2006	
	Number of policies	Amount of policies (millions of Yen)
Variable insurance (term life)	3,683	20,063
Variable insurance (whole life)	41,510	701,083
Total	45,193	721,147

B. Individual variable annuities

	As of September 30, 2005		As of September 30, 2006	
	Number of policies	Amount of policies (millions of Yen)	Number of policies	Amount of policies (millions of Yen)
Individual variable annuities	28,202	227,650	29,888	246,717

	As of March 31, 2006	
	Number of policies	Amount of policies (millions of Yen)
Individual variable annuities	29,067	251,710