

Situation of investment in securitized products and subprime-related investment

○ This material contains information on the investment situation in securitized products and subprime-related investment for the first quarter April 1 to June 30, 2009 based on the Financial Stability Forum (FSF) report.

○ The following is a summary of U.S. subprime-loan-related investment and investment in securitized products.

(Subprime loan)

- During and at the end of the first quarter 2009, Nippon Life had no direct investment in subprime-loan-related products. As such, Nippon Life had no realized loss or gain related to subprime-loan-related products.

(Securitized products)

- Securitized products mostly consist of domestic RMBS focused on Japan Housing Finance Agency Bond and U.S. agency MBS.

○ In addition, Nippon Life does not carry out investment related to special-purpose entities considered high-risk and leveraged finance, which are mentioned in the FSF report.

①Special Purpose Entities (SPEs) : General

No transactions or account balance.

② Collateralized Debt Obligation (CDO)

No transactions or account balance.

③ Other subprime/Alt-A exposure

No transactions or account balance.

④ Commercial Mortgage Backed Securities (CMBS)

(¥100 million)

	Market value		Unrealized gain/loss	Gain/loss on sale
		Reference: End of Mar 2009		
Domestic CMBS	767	768	▲23	-

The type of asset and ratings of CMBS are as follows.

Asset : All Japanese domestic commercial real estate

Ratings : AAA 58% AA 25% A 11% BBB 6%

⑤ Leveraged finance

No transactions or account balance.

⑥ Other securitized products, etc.

(¥100 million)

		Market value	Unrealized gain/loss	Gain/loss on sale
Total		39,366	743	67
	ABS	38,911	738	67
	Domestic RMBS	19,470	372	-
	U.S.RMBS	18,302	362	67
	Credit-linked Note	454	4	-

- No exposure related to subprime loans.
- The majority of ABS consists of RMBS backed by housing loans. Domestic RMBS backed by housing loans are RMBS issued by Japan Housing Finance Agency Bond and domestic banks. Also, U.S. RMBS backed by US housing loans are agency MBS issued by Fannie Mae, Freddie Mac, and Ginnie Mae.
- The type of asset and rating of ABS are as follows:
  - Asset : 50% domestic housing loan, 47% US housing loan, 3% money claim (domestic leasing receivables)
  - Rating : 100% AAA, 0% AA (Agency MBS and top short-term ratings are combined in AAA rating)
- The Type of asset and ratings of credit-linked notes are as follows:
  - Asset : Credit default swaps that reference domestic companies
  - Rating : 23% AA, 67% A, 11% BBB

①～⑥ Total

(¥100 million)			
	Market value	Unrealized gain/loss	Gain/loss on sale
Total	40,134	719	67

(Other)

- Nippon Life has approximately ¥0.7 billion exposure related to subprime through investment in investment trusts and hedge funds, etc., calculated by fund composition, and approximately ¥1 billion exposure including indirect investment by subsidiaries.
- Nippon Life invested in Fannie Mae and Freddie Mac securities, such as agency MBS and agency bond, and the amount of market value and unrealized gain are ¥93.8 billion and ¥-4 billion respectively.