

## 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 fiscal year ended March 31, 2010.
- The following is a summary of U.S. subprime-loan-related investment and investment in securitized products.

(Subprime -loan-related investment)

- During and at the end of the fiscal year ended March 31, 2010, 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.

① Special 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	Reference: End of December 2009	Unrealized gain/loss	Realized gain/loss on sale
Domestic CMBS	728	754	▲ 32	—

- The type of assets and ratings of CMBS are as follows.  
Assets: All Japanese domestic commercial real estate  
Ratings: AAA 55%, AA 17%, A 13%, BBB 15%

⑤ Leveraged finance

No transactions or account balance.

⑥ Other securitized products, etc.

(¥100 million)

	Market value	Unrealized gain/loss	Realized gain/loss on sale
Total	41,914	967	68
ABS	41,448	951	68
Domestic RMBS	19,474	288	0
U.S. RMBS	20,852	660	67
Credit-linked Note	465	15	—

- No exposure related to subprime loans.
- The majority of ABS consists of RMBS backed by housing loans. Domestic RMBS backed by domestic housing loans are Japan Housing Finance Agency Bond and RMBS issued by domestic banks. Also, U.S. RMBS backed by U.S. housing loans are agency MBS issued by Fannie Mae, Freddie Mac, and Ginnie Mae.
- The type of assets and ratings of ABS are as follows.  
ABS  
Assets: 47% domestic housing loans, 50% U.S. housing loans, 3% money claims (domestic leasing receivables)  
Ratings: 100% AAA, 0% AA (Agency MBS and top short-term ratings are combined in AAA ratings)
- The type of assets and ratings of Credit-linked Note are as follows.  
Credit-linked Note  
Assets: Credit default swaps that reference domestic companies  
Ratings: 22% AA, 66% A, 11% BBB

①～⑥ Total

(¥100 million)

	Market value	Unrealized gain/loss	Realized gain/loss on sale
Total	42,642	935	68

(Other)

- Nippon Life has approximately ¥0.4 billion exposure to securitized instruments related to subprime loans through some investment trusts and hedge funds, etc., calculated by fund composition, and approximately ¥0.6 billion indirect exposure that includes subsidiaries, etc.
- Nippon Life invested in Fannie Mae and Freddie Mac MBS and agency bonds. The market value and unrealized loss are ¥6.7 billion and ¥-0.2 billion, respectively.