
Financial Results for the Three Months Ended June 30, 2012

Nippon Life Insurance Company (the “Company” or the “Parent Company”; President: Yoshinobu Tsutsui) announces financial results for the three months ended June 30, 2012.

[Contents]

Financial Summary for the Three Months Ended June 30, 2012

1. Business Highlights	1
(1) Amount of Policies in Force and New Policies	1
(2) Annualized Net Premium	2
2. Investment Management Performance (General Account)	3
(1) Asset Composition	3
(2) Market Value Information of Securities	4
(3) Market Value Information of Assets Held in Trust	5
3. Non-Consolidated Balance Sheets	6
4. Non-Consolidated Statements of Income	10
5. Details of Ordinary Profit (Core Ordinary Profit)	12
6. Solvency Margin Ratio	13
7. Status of Separate Accounts for the Three Months Ended June 30, 2012	14
(1) Balance of Separate Account Assets	14
(2) Policies in Force	14
8. Status of the Company, Subsidiaries, and Affiliates	15
(1) Selected Financial Data for Major Operations	15
(2) Scope of Consolidation and Application of the Equity Method	15
(3) Policies of Presenting the Consolidated Financial Statements for the Three Months Ended June 30, 2012	15
(4) Consolidated Balance Sheets	16
(5) Consolidated Statements of Income and Consolidated Statements of Comprehensive Loss	19
(6) Consolidated Solvency Margin Ratio	22
(7) Segment Information	23

1. Business Highlights

(1) Amount of Policies in Force and New Policies

• Policies in Force

	As of June 30, 2012				As of March 31, 2012	
	Number of policies		Amount of policies		Number of policies (thousands)	Amount of policies (100 million yen)
	(thousands)	As a percentage of March 31, 2012 (%)	(100 million yen)	As a percentage of March 31, 2012 (%)		
Individual insurance	12,148	107.1	1,603,479	98.7	11,339	1,623,854
Individual annuities	3,158	100.3	191,524	100.6	3,149	190,470
Group insurance	—	—	921,666	101.0	—	912,340
Group annuities	—	—	106,138	101.3	—	104,769

- Notes:
1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies bound prior to the start of annuity payments, and (b) policy reserves for policies bound after the start of annuity payments.
 2. The amount of group annuities is the amount of the policy reserves.
 3. Products that combine several insurance policies on or after April 1, 2012 are presented with each insurance policy as one separate policy.
 4. Regarding products on or after April 1, 2012, if products that combine several insurance policies were presented as one item, the total number of individual insurance policies and individual annuities in force as of June 30, 2012 would be 14,448 thousand policies.

• New Policies

	Three months ended June 30, 2012						Three months ended June 30, 2011			
	Number of policies		Amount of policies				Number of policies (thousands)	Amount of policies		
	(thousands)	As a percentage of three months ended June 30, 2011 (%)	(100 million yen)	As a percentage of three months ended June 30, 2011 (%)	New policies	Net increase by conversion		(100 million yen)	New policies	Net increase by conversion
Individual insurance	1,137	453.1	16,035	116.4	16,911	(875)	250	13,774	15,872	(2,098)
Individual annuities	44	89.4	3,011	100.1	3,033	(22)	49	3,008	3,089	(80)
Group insurance	—	—	1,471	40.8	1,471		—	3,606	3,606	
Group annuities	—	—	66	446.3	66		—	14	14	

- Notes:
1. The number of policies includes policies that were converted into new policies.
 2. The amount of new policies and net increase in policies by conversion for individual annuities represents annuity resources at the start of annuity payments.
 3. The amount of new policies for group annuities represents the first time premium.
 4. Products that combine several insurance policies on or after April 1, 2012 are presented with each insurance policy as one separate policy.
 5. Regarding products on or after April 1, 2012, if products that combine several insurance policies were presented as one item, the total number of new individual insurance policies and new individual annuities in the three months ended June 30, 2012 would be 321 thousand policies.

(2) Annualized Net Premium

- Policies in Force

(100 Million Yen, %)

	As of June 30, 2012		As of March 31, 2012
		As a percentage of March 31, 2012	
Individual insurance	23,436	99.9	23,453
Individual annuities	8,234	100.4	8,204
Total	31,670	100.0	31,657
Medical coverages, living benefits and others	5,904	100.1	5,900

- New Policies

(100 Million Yen, %)

	Three months ended June 30, 2012		Three months ended June 30, 2011
		As a percentage of three months ended June 30, 2011	
Individual insurance	479	110.2	435
Individual annuities	114	90.7	126
Total	594	105.8	562
Medical coverages, living benefits and others	97	111.5	87

- Notes:
1. The amount of annualized net premium is the annual premium amount calculated by multiplying factors according to the premium payment method to a single premium payment amount (for lump-sum payment, the amount is the total premium divided by the insured period).
 2. The amount of medical coverages, living benefits and others represents annualized premium related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).
 3. Annualized new policy net premium includes net increases due to conversions.

2. Investment Management Performance (General Account)

(1) Asset Composition

(100 Million Yen, %)

	As of June 30, 2012		As of March 31, 2012	
	Amount	%	Amount	%
Cash, deposits, and call loans	5,107	1.0	5,914	1.2
Securities repurchased under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	1,468	0.3	2,119	0.4
Monetary receivables purchased	8,866	1.8	8,830	1.8
Proprietary trading securities	—	—	—	—
Assets held in trust	—	—	—	—
Investments in securities:	360,628	73.2	364,808	73.2
Domestic bonds	194,436	39.5	191,269	38.4
Domestic stocks	50,694	10.3	58,369	11.7
Foreign securities:	113,196	23.0	112,688	22.6
Foreign bonds	86,944	17.6	85,902	17.2
Foreign stocks and other securities	26,252	5.3	26,785	5.4
Other securities	2,300	0.5	2,481	0.5
Loans:	86,506	17.6	87,216	17.5
Policy loans	8,807	1.8	8,963	1.8
Industrial and consumer loans	77,699	15.8	78,252	15.7
Real estate:	16,984	3.4	17,270	3.5
Investment property	10,647	2.2	10,833	2.2
Deferred tax assets	6,255	1.3	4,669	0.9
Other assets	7,158	1.5	7,937	1.6
Allowance for doubtful accounts	(122)	(0.0)	(138)	(0.0)
Total assets (General account)	492,853	100.0	498,627	100.0
Foreign currency denominated assets	92,603	18.8	93,621	18.8

Notes: 1. The above assets include cash received as collateral under securities lending transactions. Cash collateral received through these transactions is also recorded in liabilities (¥770.4 billion and ¥935.5 billion as of June 30, 2012 and March 31, 2012, respectively).

2. Real estate is the sum of land, buildings, and construction in progress.

(2) Market Value Information of Securities (With Market Value, Other Than Trading Securities)

(100 Million Yen)

	As of June 30, 2012					As of March 31, 2012				
	Book value	Market value	Net gains (losses)	Net gains (losses)		Book value	Market value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Policy-reserve-matching bonds	184,394	198,116	13,722	13,920	(197)	182,286	193,926	11,639	11,891	(251)
Held-to-maturity debt securities	145	144	(0)	0	(0)	145	144	(0)	0	(0)
Investments in subsidiaries and affiliates	77	323	246	246	—	77	214	136	136	—
Available-for-sale securities:	165,050	174,546	9,495	17,126	(7,630)	165,586	180,852	15,265	20,679	(5,413)
Domestic bonds	18,010	18,651	640	705	(64)	17,244	17,726	482	559	(77)
Domestic stocks	44,742	48,296	3,553	9,454	(5,901)	46,524	55,969	9,444	13,893	(4,448)
Foreign securities:	96,733	102,176	5,443	6,916	(1,473)	96,247	101,665	5,418	6,151	(733)
Foreign bonds	81,213	86,123	4,909	5,749	(839)	80,957	85,080	4,122	4,601	(478)
Foreign stocks and other securities	15,520	16,053	533	1,166	(633)	15,289	16,585	1,295	1,550	(254)
Other securities	2,181	2,039	(141)	49	(191)	2,296	2,216	(79)	74	(153)
Monetary receivables purchased	932	933	0	0	(0)	763	763	(0)	0	(0)
Negotiable certificates of deposit	2,450	2,449	(0)	—	(0)	2,510	2,509	(0)	—	(0)
Total	349,667	373,132	23,464	31,293	(7,829)	348,095	375,137	27,042	32,708	(5,665)
Domestic bonds	193,795	207,663	13,868	14,121	(252)	190,787	202,447	11,660	11,981	(321)
Domestic stocks	44,742	48,296	3,553	9,454	(5,901)	46,524	55,969	9,444	13,893	(4,448)
Foreign securities:	97,631	103,346	5,714	7,191	(1,476)	97,146	102,726	5,580	6,316	(736)
Foreign bonds	82,034	86,969	4,934	5,777	(843)	81,779	85,927	4,147	4,629	(481)
Foreign stocks and other securities	15,597	16,377	780	1,413	(633)	15,366	16,799	1,432	1,687	(254)
Other securities	2,181	2,039	(141)	49	(191)	2,296	2,216	(79)	74	(153)
Monetary receivables purchased	8,866	9,336	469	476	(6)	8,830	9,267	436	441	(5)
Negotiable certificates of deposit	2,450	2,449	(0)	—	(0)	2,510	2,509	(0)	—	(0)

Note: The above table includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.

[Book Value of Securities Without Market Value]

(100 Million Yen)

	As of June 30, 2012	As of March 31, 2012
Policy-reserve-matching bonds	—	—
Held-to-maturity debt securities:	—	—
Unlisted foreign bonds	—	—
Others	—	—
Investments in subsidiaries and affiliates	2,514	2,479
Available-for-sale securities:	10,315	10,398
Unlisted domestic stocks (excluding over-the-counter stocks)	2,020	2,022
Unlisted foreign stocks (excluding over-the-counter stocks)	6,926	6,927
Unlisted foreign bonds	—	—
Others	1,368	1,448
Total	12,830	12,877

Note: Of securities without market value, net (losses) on foreign exchange valuation of assets denominated in foreign currencies were as follows: ¥(53.5 billion) and ¥(47.0 billion) as of June 30, 2012 and March 31, 2012, respectively.

(3) Market Value Information of Assets Held in Trust

- Assets Held in Trust for Investment
No ending balance as of June 30, 2012 or March 31, 2012.
- Assets Held in Trust Classified as Held-to-maturity, Policy-reserve-matching, and Others
No ending balance as of June 30, 2012 or March 31, 2012.

3. Non-Consolidated Balance Sheets

(Million Yen)

	As of June 30, 2012	As of March 31, 2012
Assets:		
Cash and deposits	420,070	422,236
Call loans	133,700	212,300
Receivables under securities borrowing transactions	146,851	211,928
Monetary receivables purchased	886,670	883,070
Investments in securities:	37,035,875	37,522,761
National government bonds	15,030,814	14,668,001
Local government bonds	1,563,381	1,583,685
Corporate bonds	3,201,874	3,218,751
Domestic stocks	5,265,003	6,071,844
Foreign securities	11,632,845	11,608,261
Loans:	8,650,694	8,721,609
Policy loans	880,765	896,347
Industrial and consumer loans	7,769,929	7,825,262
Tangible fixed assets	1,719,811	1,750,402
Intangible fixed assets	192,877	200,172
Reinsurance receivables	113	222
Other assets	524,077	604,904
Deferred tax assets	625,575	466,934
Customers' liability for acceptances and guarantees	20,549	26,755
Allowance for doubtful accounts	(12,261)	(13,885)
Total assets	50,344,604	51,009,414
Liabilities:		
Policy reserves and other reserves:	46,056,113	45,775,051
Reserve for outstanding claims	193,691	206,634
Policy reserves	44,631,065	44,448,079
Reserve for dividends to policyholders	1,231,356	1,120,336
Reinsurance payables	225	335
Other liabilities:	1,324,075	1,790,476
Cash received as collateral under securities lending transactions	770,460	935,584
Lease obligations	4,381	4,565
Asset retirement obligations	2,054	2,012
Other liabilities	547,178	848,313
Accrued bonuses for directors and corporate auditors	70	53
Accrued retirement benefits	437,231	437,421
Accrued retirement benefits for directors and corporate auditors	4,651	4,564
Reserve for program points	8,475	7,238
Accrued losses from supporting closely related companies	393	397
Reserve for loss on disaster	742	739
Reserve for price fluctuations in investments in securities	355,571	333,710
Deferred tax liabilities for land revaluation	140,513	142,498
Acceptances and guarantees	20,549	26,755
Total liabilities	48,348,611	48,519,242

3. Non-Consolidated Balance Sheets (Continued)

(Million Yen)

	As of June 30, 2012	As of March 31, 2012
Net assets:		
Foundation funds	300,000	300,000
Reserve for redemption of foundation funds	950,000	900,000
Reserve for revaluation	651	651
Surplus:	173,917	342,281
Legal reserve for deficiencies	12,571	11,889
Other surplus reserves:	161,346	330,392
Contingency funds	71,917	71,917
Reserve for social public welfare assistance	1,713	213
Reserve for reduction entry of real estate	34,666	31,746
Other reserves	170	170
Unappropriated surplus	52,879	226,344
Total foundation funds and others	1,424,568	1,542,932
Net unrealized gains on available-for-sale securities, net of tax	631,126	1,021,724
Deferred gains (losses) on derivatives under hedge accounting	9,920	(6,969)
Land revaluation differences	(69,622)	(67,515)
Total valuations, conversions, and others	571,424	947,239
Total net assets	1,995,992	2,490,171
Total liabilities and net assets	50,344,604	51,009,414

Basis of Presenting the Non-Consolidated Balance Sheet as of June 30, 2012

1. Following with the 2011 tax reform, the Company applied the depreciation method in compliance with the revised Corporation Tax Act for tangible fixed assets acquired on or after April 1, 2012, from the first quarter ended June 30, 2012. As a result, ordinary profit and surplus before income taxes increased by ¥57 million in comparison with the previous method.

2. As the proposed appropriations of surplus for the fiscal year ended March 31, 2012 were approved at the annual meeting of representatives of policyholders held on July 3, 2012, they are included in the non-consolidated balance sheet as of June 30, 2012. The detail of the appropriations of surplus approved at the annual meeting of representatives of policyholders is as follows:

	Million Yen
a. Unappropriated surplus as of March 31, 2012	¥226,344
b. Reversal from voluntary surplus reserves	¥685
c. Appropriations:	¥227,029
Reserve for dividends to policyholders	¥167,313
Legal reserve for deficiencies	¥682
Reserve for redemption of foundation funds	¥50,000
Interest on foundation funds	¥3,930
Voluntary surplus reserves	¥5,104
d. Surplus carried forward (a+b-c)	—

3. The corporate tax, inhabitant tax, and income tax adjustments for the three months ended June 30, 2012 are calculated based on the assumption of accumulations and reversals of reserve for reduction entry of real estate and reserve for dividends to policyholders due to the appropriations of surplus in the current fiscal year.

4. Changes in the reserve for dividends to policyholders included in policy reserves for the three months ended June 30, 2012 were as follows:

	Million Yen
	Three months ended June 30, 2012
a. Balance at the beginning of the current fiscal year	¥1,120,336
b. Transfer to reserve based on the proposed appropriations of surplus for the previous fiscal year	¥167,313
c. Dividends to policyholders paid out in the current three-month period	¥62,854
d. Increase in interest	¥6,560
e. Balance at the end of the current first quarter (a+b-c+d)	<u>¥1,231,356</u>

5. Following the approval of changes to the Articles of Incorporation at the annual meeting of representatives of policyholders held on July 3, 2012, in accordance with Article 60 of the Insurance Business Act, the foundation funds were offered and payments were made on August 3, 2012, as described below:

- a. Total amount of offering ¥50,000 million
- b. Interest rate From August 4, 2012 to August 3, 2018: 0.87% annually
- c. Redemption date ¥50,000 million to be redeemed on the two business days prior to August 3, 2018
- d. Use of funds Foundation funds for mutual company

6. On March 22, 2012, the Company reached an agreement with Reliance Capital Limited, which is the parent company of Reliance Capital Asset Management Limited, an affiliate of the Reliance Group, on the Company's acquisition of 26% of the shares of Reliance Capital Asset Management Limited.

7. The amount of securities lent under lending agreements was ¥2,562,957 million as of June 30, 2012.

4. Non-Consolidated Statements of Income

(Million Yen)

	Three months ended June 30, 2012	Three months ended June 30, 2011
Ordinary income:	1,710,093	1,770,362
Revenues from insurance and reinsurance:	1,338,448	1,356,930
Insurance premiums	1,338,341	1,356,759
Investment income:	322,186	347,652
Interest, dividends, and other income	279,852	288,150
Gain on sales of securities	16,479	57,112
Gain on derivative financial instruments, net	24,716	—
Other ordinary income	49,458	65,778
Ordinary expenses:	1,613,721	1,678,838
Benefits and other payments:	902,320	990,381
Death and other claims	276,233	297,003
Annuity payments	166,627	149,918
Health and other benefits	211,440	205,582
Surrender benefits	208,965	265,856
Other refunds	38,879	71,875
Provision for policy reserves:	189,547	350,209
Provision for policy reserves	182,986	343,193
Provision for interest on reserve for dividends to policyholders	6,560	7,016
Investment expenses:	296,578	110,917
Interest expenses	566	758
Loss from assets held in trust, net	0	0
Loss on sales of securities	9,850	36,585
Loss on valuation of securities	226,157	44,634
Loss on derivative financial instruments, net	—	11,250
Loss from separate accounts, net	42,821	4,540
Operating expenses	139,025	140,093
Other ordinary expenses	86,250	87,236
Ordinary profit	96,372	91,523
Extraordinary gains:	2,659	114
Gain on disposal of fixed assets	2,659	15
Reversal of reserve for loss on disaster	—	99
Extraordinary losses:	34,370	37,390
Loss on disposal of fixed assets	4,305	1,561
Impairment losses	8,199	2,809
Provision for reserve for price fluctuations in investments in securities	21,861	33,020
Loss on disaster	4	—
Surplus before income taxes	64,661	54,247
Income taxes - current	(326)	31,325
Income taxes - deferred	14,210	(31,525)
Total income taxes	13,884	(200)
Net surplus	50,776	54,448

Notes to the Non-Consolidated Statement of Income for the three months ended June 30, 2012

1. Impairment losses are as follows:

1) Method for grouping the assets

Leased property and idle property are classified as one asset group per structure. Assets utilized for insurance business operations are classified into one asset group.

2) Circumstances causing impairment losses

The Company observed a marked decrease in profitability or market value in some of the fixed asset groups. The book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses.

3) Breakdown of asset groups that recognized impairment losses for the three months ended June 30, 2012 is as follows:

Purpose of use	Million Yen			
	Land	Land lease rights	Buildings	Total
Leased property	¥3,174	¥1,105	¥1,719	¥5,999
Idle property	¥1,101	—	¥1,098	¥2,199
Total	¥4,276	¥1,105	¥2,817	¥8,199

4) Calculation method of recoverable amount

The recoverable amount used for the measurement of impairment losses is based on the net realizable value upon sales of the assets or the discounted future cash flows.

The discount rate used in the calculation of future cash flows is in principle 4.0%. Net realizable values are determined based on appraisals performed in accordance with the Real Estate Appraisal Standards or posted land prices.

5. Details of Ordinary Profit (Core Ordinary Profit)

(Million Yen)

	Three months ended June 30, 2012	Three months ended June 30, 2011
Core ordinary profit (A)	114,216	128,735
Capital gains:	41,196	57,112
Gain from proprietary trading securities, net	—	—
Gain from assets held in trust, net	—	—
Gain from trading securities, net	—	—
Gain on sales of securities	16,479	57,112
Gain on derivative financial instruments, net	24,716	—
Foreign exchange gains, net	—	—
Other capital gains	—	—
Capital losses:	237,280	92,754
Loss from proprietary trading securities, net	—	—
Loss from assets held in trust, net	0	0
Loss from trading securities, net	—	—
Loss on sales of securities	9,850	36,585
Loss on valuation of securities	226,157	44,634
Loss on derivative financial instruments, net	—	11,250
Foreign exchange losses, net	1,272	283
Other capital losses	—	—
Net capital losses (B)	(196,083)	(35,641)
Core ordinary profit including net capital (losses) gains (A+B)	(81,867)	93,093
Non-recurring gains:	178,240	523
Reinsurance revenue	—	—
Reversal of contingency reserves	178,006	—
Reversal of specific allowance for doubtful accounts	234	523
Other non-recurring gains	—	—
Non-recurring losses:	1	2,093
Reinsurance premium expense	—	—
Provision for contingency reserves	—	2,091
Provision for specific allowance for doubtful accounts	—	—
Provision for allowance for specific overseas debts	—	—
Write-off of loans	1	2
Other non-recurring losses	—	—
Non-recurring gains (losses) (C)	178,239	(1,570)
Ordinary profit (A+B+C)	96,372	91,523

6. Solvency Margin Ratio

(Million Yen)

	As of June 30, 2012	As of March 31, 2012
Solvency margin gross amount (A):	5,215,504	5,892,084
Foundation funds (kikin) and other reserve funds:	2,720,248	2,824,109
Foundation funds	1,424,568	1,371,689
Reserve for price fluctuations in investments in securities	355,571	333,710
Contingency reserves	597,648	775,654
General allowance for doubtful accounts	8,859	9,454
Others	333,600	333,600
Net unrealized gains on available-for-sale securities × 90%	850,221	1,365,853
Net unrealized gains on real estate × 85%	8,404	9,974
Excess of continued Zillmerized reserve	1,644,397	1,659,986
Qualifying subordinated debt	—	—
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(533)	(532)
Others	(7,233)	32,693
Total amount of risk (B):		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	1,925,178	2,078,230
Underwriting risk (R ₁)	138,943	139,799
Underwriting risk of third-sector insurance (R ₈)	73,618	73,383
Anticipated yield risk (R ₂)	400,536	401,939
Minimum guarantee risk (R ₇)	10,777	10,285
Investment risk (R ₃)	1,460,151	1,610,090
Business management risk (R ₄)	41,680	44,709
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	541.8%	567.0%

Notes: 1. The amounts and figures as of March 31, 2012 are calculated based on Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act, as well as Ordinance No. 50 issued by the Ministry of Finance in 1996.

Those as of June 30, 2012 are calculated based on the methods deemed reasonable by the Company in accordance with the aforementioned provisions.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

7. Status of Separate Accounts for the Three Months Ended June 30, 2012

(1) Balance of Separate Account Assets

(Million Yen)

	As of June 30, 2012	As of March 31, 2012
Individual variable insurance	95,138	101,973
Individual variable annuities	132,024	143,951
Group annuities	832,042	900,761
Separate account total	1,059,205	1,146,686

(2) Policies in Force

- Individual Variable Insurance

	As of June 30, 2012		As of March 31, 2012	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Variable insurance (defined term type)	2,126	10,762	2,222	11,319
Variable insurance (whole life type)	36,605	561,352	36,782	566,758
Total	38,731	572,115	39,004	578,077

- Individual Variable Annuities

	As of June 30, 2012		As of March 31, 2012	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Individual variable annuities	23,724	131,900	24,791	143,946

8. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

(100 Million yen)

	Three months ended June 30, 2012	Three months ended June 30, 2011
Ordinary income	17,324	17,857
Ordinary profit	1,048	933
Net surplus	554	553
Comprehensive income	(3,160)	(1,463)

	As of June 30, 2012	As of March 31, 2012
Total assets	505,021	511,669
Solvency margin ratio	559.1%	583.1%

(2) Scope of Consolidation and Application of the Equity Method

	As of June 30, 2012
Number of consolidated subsidiaries	10
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	4

(3) Policies of Presenting the Consolidated Financial Statements for the Three Months Ended June 30, 2012

There have been no significant changes.

(4) Consolidated Balance Sheets

(Million Yen)

	As of June 30, 2012	As of March 31, 2012
Assets:		
Cash and deposits	464,243	479,071
Call loans	133,700	212,300
Receivables under securities borrowing transactions	146,851	211,928
Monetary receivables purchased	883,670	883,070
Investments in securities	36,980,058	37,465,182
Loans	8,568,758	8,639,833
Tangible fixed assets	1,756,079	1,770,412
Intangible fixed assets	189,672	196,386
Reinsurance receivables	350	485
Other assets	741,701	822,252
Deferred tax assets	632,208	476,521
Customers' liability for acceptances and guarantees	20,831	27,037
Allowance for doubtful accounts	(15,981)	(17,569)
Total assets	50,502,143	51,166,914
Liabilities:		
Policy reserves and other reserves:	46,059,976	45,778,374
Reserve for outstanding claims	196,234	208,643
Policy reserves	44,632,386	44,449,394
Reserve for dividends to policyholders	1,231,356	1,120,336
Reinsurance payables	259	360
Other liabilities	1,486,712	1,960,751
Accrued bonuses for directors and corporate auditors	70	53
Accrued retirement benefits	439,731	439,850
Accrued retirement benefits for directors and corporate auditors	4,729	4,681
Reserve for program points	8,475	7,238
Accrued losses from supporting closely related companies	393	397
Reserve for loss on disaster	742	739
Reserve for price fluctuations in investments in securities	355,571	333,710
Deferred tax liabilities	287	50
Deferred tax liabilities for land revaluation	140,513	142,498
Acceptances and guarantees	20,831	27,037
Total liabilities	48,518,294	48,695,744
Net assets:		
Foundation funds	300,000	300,000
Reserve for redemption of foundation funds	950,000	900,000
Reserve for revaluation	651	651
Consolidated surplus	215,574	379,311
Total foundation funds and others	1,466,225	1,579,962
Net unrealized gains on available-for-sale securities, net of tax	631,415	1,022,171
Deferred gains (losses) on derivatives under hedge accounting	9,920	(6,969)
Land revaluation differences	(69,622)	(67,515)
Foreign currency translation adjustments	(66,209)	(68,619)
Total accumulated other comprehensive income	505,504	879,066
Minority interests	12,119	12,141
Total net assets	1,983,849	2,471,169
Total liabilities and net assets	50,502,143	51,166,914

Basis of Presenting the Consolidated Balance Sheet as of June 30, 2012

1. Following with the 2011 tax reform, the Parent Company and its domestic consolidated subsidiaries applied the depreciation method in compliance with the revised Corporation Tax Act for tangible fixed assets acquired on or after April 1, 2012, from the first quarter ended June 30, 2012. As a result, ordinary profit and surplus before income taxes and minority interests increased by ¥58 million in comparison with the previous method.
2. As the proposed appropriations of surplus of the Parent Company for the fiscal year ended March 31, 2012 were approved at the annual meeting of representatives of policyholders held on July 3, 2012, they are included in the consolidated balance sheet as of June 30, 2012. The detail of the appropriations of surplus approved at the annual meeting of representatives of policyholders is as follows:

	Million Yen
a. Unappropriated surplus as of March 31, 2012	¥226,344
b. Reversal from voluntary surplus reserves	¥685
c. Appropriations:	¥227,029
Reserve for dividends to policyholders	¥167,313
Legal reserve for deficiencies	¥682
Reserve for redemption of foundation funds	¥50,000
Interest on foundation funds	¥3,930
Voluntary surplus reserves	¥5,104
d. Surplus carried forward (a+b-c)	—

3. The corporate tax, inhabitant tax, and income tax adjustments of the Parent Company for the three months ended June 30, 2012 are calculated based on the assumption of accumulations and reversals of reserve for reduction entry of real estate and reserve for dividends to policyholders due to the appropriations of surplus in the current fiscal year.

4. Changes in the reserve for dividends to policyholders included in policy reserves for the three months ended June 30, 2012 were as follows:

	Million Yen
	Three months ended June 30, 2012
a. Balance at the beginning of the current fiscal year	¥1,120,336
b. Transfer to reserve based on the proposed appropriations of surplus for the previous fiscal year	¥167,313
c. Dividends to policyholders paid out in the current three-month period	¥62,854
d. Increase in interest	¥6,560
e. Balance at the end of the current first quarter (a+b-c+d)	<u>¥1,231,356</u>

5. Following the approval of changes to the Articles of Incorporation at the annual meeting of representatives of policyholders held on July 3, 2012, in accordance with Article 60 of the Insurance Business Act, the foundation funds were offered and payments were made on August 3, 2012, as described below:

- | | |
|-----------------------------|---|
| a. Total amount of offering | ¥50,000 million |
| b. Interest rate | From August 4, 2012 to August 3, 2018: 0.87% annually |
| c. Redemption date | ¥50,000 million to be redeemed on the two business days prior to August 3, 2018 |
| d. Use of funds | Foundation funds for mutual company |

6. On March 22, 2012, the Company reached an agreement with Reliance Capital Limited, which is the parent company of Reliance Capital Asset Management Limited, an affiliate of the Reliance Group, on the Company's acquisition of 26% of the shares of Reliance Capital Asset Management Limited.
7. The amount of securities lent under lending agreements was ¥2,562,957 million as of June 30, 2012.

(5) Consolidated Statements of Income and Consolidated Statements of Comprehensive Loss

[Consolidated Statements of Income]

(Million Yen)

	Three months ended June 30, 2012	Three months ended June 30, 2011
Ordinary income:	1,732,456	1,785,720
Revenues from insurance and reinsurance	1,344,068	1,361,955
Investment income:	330,932	348,953
Interest, dividends, and other income	280,966	289,404
Gain on sales of securities	16,497	57,139
Gain on derivative financial instruments, net	24,297	—
Other ordinary income	57,455	74,811
Ordinary expenses:	1,627,595	1,692,369
Benefits and other payments:	906,172	994,114
Death and other claims	276,290	297,066
Annuity payments	166,627	149,918
Health and other benefits	215,189	209,212
Surrender benefits	208,965	265,856
Other refunds	38,879	71,875
Provision for policy reserves:	190,016	350,245
Provision for policy reserves	183,455	343,228
Provision for interest on reserve for dividends to policyholders	6,560	7,016
Investment expenses:	296,964	111,727
Interest expenses	596	818
Loss from assets held in trust, net	0	0
Loss on sales of securities	9,850	36,587
Loss on valuation of securities	226,190	44,656
Loss on derivative financial instruments, net	—	11,779
Loss from separate accounts, net	42,821	4,540
Operating expenses	142,968	143,860
Other ordinary expenses	91,473	92,422
Ordinary profit	104,861	93,350
Extraordinary gains:	2,659	114
Gain on disposal of fixed assets	2,659	15
Reversal of reserve for loss on disaster	—	99
Extraordinary losses:	34,370	37,390
Loss on disposal of fixed assets	4,305	1,561
Impairment losses	8,199	2,809
Provision for reserve for price fluctuations in investments in securities	21,861	33,020
Loss on disaster	4	—
Surplus before income taxes and minority interests	73,150	56,074
Income taxes - current	163	31,866
Income taxes - deferred	17,558	(31,259)
Total income taxes	17,721	607
Surplus before minority interests	55,428	55,467
Minority interests	24	107
Net surplus	55,404	55,360

Notes to the Consolidated Statement of Income for the three months ended June 30, 2012

1. Impairment losses are as follows:

1) Method for grouping the assets

Leased property and idle property are classified as one asset group per structure. Assets utilized for insurance business operations are classified into one asset group.

2) Circumstances causing impairment losses

The Company observed a marked decrease in profitability or market value in some of the fixed asset groups. The book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses.

3) Breakdown of asset groups that recognized impairment losses for the three months ended June 30, 2012 is as follows:

Purpose of use	Million Yen			
	Land	Land lease rights	Buildings	Total
Leased property	¥3,174	¥1,105	¥1,719	¥5,999
Idle property	¥1,101	—	¥1,098	¥2,199
Total	¥4,276	¥1,105	¥2,817	¥8,199

4) Calculation method of recoverable amount

The recoverable amount used for the measurement of impairment losses is based on the net realizable value upon sales of the assets or the discounted future cash flows.

The discount rate used in the calculation of future cash flows is in principle 4.0%. Net realizable values are determined based on appraisals performed in accordance with the Real Estate Appraisal Standards or posted land prices.

2. The total amount of depreciation of rental real estate and other assets and depreciation and amortization for the three months ended June 30, 2012 was ¥20,562 million. There was no amortization of goodwill for the three months ended June 30, 2012.

[Consolidated Statements of Comprehensive Loss]

(Million Yen)

	Three months ended June 30, 2012	Three months ended June 30, 2011
Surplus before minority interests	55,428	55,467
Other comprehensive loss:	(371,464)	(201,812)
Net unrealized gains on available-for-sale securities, net of tax	(390,771)	(207,510)
Deferred gains (losses) on derivatives under hedge accounting	16,889	1,200
Land revaluation differences	(3)	—
Foreign currency translation adjustments	8,870	4,497
Share of other comprehensive loss of associates accounted for under the equity method	(6,449)	—
Comprehensive loss:	(316,036)	(146,345)
Comprehensive loss attributable to the Parent Company	(316,055)	(146,458)
Comprehensive income attributable to minority interests	19	113

(6) Consolidated Solvency Margin Ratio

(Million Yen)

	As of June 30, 2012	As of March 31, 2012
Solvency margin gross amount (A):	5,212,227	5,883,034
Foundation funds (kikin) and other reserve funds:	2,783,758	2,882,927
Foundation funds	1,485,202	1,427,666
Reserve for price fluctuations in investments in securities	355,571	333,710
Contingency reserves	597,648	775,654
Unusual contingency reserves	—	—
General allowance for doubtful accounts	11,735	12,295
Others	333,600	333,600
Net unrealized gains on available-for-sale securities × 90%	848,325	1,364,200
Net unrealized gains on real estate × 85%	16,562	16,958
Excess of continued Zillmerized reserve	1,644,397	1,659,986
Qualifying subordinated debt	—	—
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(73,565)	(73,732)
Others	(7,252)	32,693
Total amount of risk: $\left[\left\{ (R_1^2 + R_5^2)^{1/2} + R_8 + R_9 \right\}^2 + (R_2 + R_3 + R_7)^2 \right]^{1/2} + R_4 + R_6$ (B):	1,864,330	2,017,780
Underwriting risk (R ₁)	138,943	139,799
General underwriting risk (R ₅)	—	—
Large disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	75,107	74,872
Underwriting risk of small-amount, short-term insurer (R ₉)	—	—
Anticipated yield risk (R ₂)	400,536	401,939
Minimum guarantee risk (R ₇)	10,777	10,285
Investment risk (R ₃)	1,399,907	1,550,305
Business management risk (R ₄)	40,505	43,544
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	559.1%	583.1%

Notes: 1. The amounts and figures as of March 31, 2012 are calculated based on Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Public Notice No. 23 of 2011.

Those as of June 30, 2012 are calculated based on the methods deemed reasonable by the Company in accordance with the aforementioned provisions.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

(7) Segment Information

For the three months ended June 30, 2012, the Company and the Company's consolidated subsidiaries engaged in insurance and insurance-related businesses (including asset management-related business and general administration-related business) in Japan and overseas. Segment information is omitted because there are no other significant segments to report.