Presentation of Financial Results for the Fiscal Year Ended March 2016

May 13, 2016

The Dai-ichi Life Insurance Company, Limited

By your side, for life

DAI-ICHI LIFE

Overview of the Group's Financial Results - Financial Results Highlights

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- Net profit marks the fifth consecutive year of record profit since our listing due mainly to the fact that Dai-ichi Frontier Life (DFL) posted a profit for the first time and the consolidation of Protective Life. The Company proposed cash dividends of 35 yen per share, an increase of 7 yen, and the Company also announced a share repurchase of up to 16 billion yen.

- In a lower interest rate environment, Dai-ichi Life shifted to selling flagship products and expanded sales of medical insurance products. DFL also maintained sales volume of foreign currency insurance products, leading to a 14.2% growth in the Group's new business ANP. Lower interest rate environment led to a lower value of new business of 216.1 billion yen.

- For the fiscal year ending March 2017, the Company forecasts a decline in consolidated ordinary revenues because we control sales of certain savings-types insurance products. However, the Company expects that a higher contribution from the overseas life insurance business will lead to an increase in net income. The Company forecasts a 40 yen per share dividend, a 5 yen increase compared to the just completed fiscal year.

Overview of the Group's Financial Results - Consolidated Financial Results Highlights

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■ Achieved growth in consolidated ordinary revenue, ordinary profit and net income due mainly to contribution from subsidiaries in domestic and overseas markets.

(billions of yen)

	Year ended Mar-15	Year ended Mar-16 (a)	Change		<Reference> Forecasts as of November 13, 2015 (b)	Achievement (a/b)
Consol. Ordinary revenues	7,252.2	7,333.9	+81.7	+1%	7,096.0	103%
Non-consolidated	4,798.4	4,265.7	(532.6)	(11%)	4,201.0	102%
Consol. Ordinary profit	406.8	418.1	+11.3	+3%	369.0	113%
Non-consolidated	408.7	344.2	(64.5)	(16%)	301.0	114%
Consol. Net Income(1)	142.4	178.5	+36.0	+25%	161.0	111%
Non-consolidated	152.1	129.1	(23.0)	(15%)	119.0	109%

(1) Figures of "Consol. Net Income" represent those of "Net income attributable to shareholders of parent company".

Overview of the Group's Financial Results - Consolidated Financial Information

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■ Dai-ichi Frontier Life's improved profitability and consolidation of Protective Life contributed to the results.

Statement of Earnings (summarized)(1)

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	7,252.2	7,333.9	+81.7
Premium and other income	5,432.7	5,586.0	+153.2
Investment income	1,444.0	1,344.8	(99.1)
Interest and dividends	856.5	1,075.3	+218.8
Gains on sale of securities	162.1	222.4	+60.2
Gains on investments in separate accounts	369.7	-	(369.7)
Other ordinary revenues	375.5	403.0	+27.5
Ordinary expenses	6,845.4	6,915.7	+70.3
Benefits and claims	3,380.8	3,830.9	+450.1
Provision for policy reserves and others	2,271.2	1,496.3	(774.9)
Investment expenses	168.9	524.0	+355.1
Losses on sale of securities	24.2	64.2	+40.0
Losses on valuation of securities	0.4	4.1	+3.6
Derivative transaction losses	5.5	53.8	+48.3
Losses on investments in separate accounts	-	96.1	+96.1
Operating expenses	559.3	661.3	+102.0
Ordinary profit	406.8	418.1	+11.3
Extraordinary gains	3.3	0.3	(3.0)
Extraordinary losses	29.4	55.2	+25.8
Provision for reserve for policyholder dividends	112.2	97.5	(14.7)
Income before income taxes, etc.	268.5	265.7	(2.8)
Total of corporate income taxes	126.0	87.1	(38.8)
Net income attributable to non-controlling interests	0.0	0.0	(0.0)
Net income attributable to shareholders of parent company	142.4	178.5	+36.0

Balance Sheet (summarized)

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	49,837.2	49,924.9	+87.7
Cash, deposits and call loans	1,253.8	960.3	(293.5)
Monetary claims bought	265.8	239.2	(26.5)
Securities	41,105.4	41,560.0	+454.6
Loans	3,898.1	3,715.5	(182.5)
Tangible fixed assets	1,217.0	1,178.8	(38.2)
Deferred tax assets	1.3	1.3	(0.0)
Total liabilities	46,247.2	46,991.9	+744.6
Policy reserves and others	42,547.0	43,894.0	+1,347.0
Policy reserves	41,634.7	42,922.5	+1,287.8
Net defined benefit liabilities	331.3	443.8	+112.5
Reserve for price fluctuations	136.2	155.2	+18.9
Deferred tax liabilities	643.3	270.7	(372.6)
Total net assets	3,589.9	2,932.9	(656.9)
Total shareholders' equity	1,029.6	1,129.2	+99.6
Total accumulated other comprehensive income	2,559.4	1,802.6	(756.7)
Net unrealized gains on securities, net of tax	2,528.2	1,840.0	(688.1)
Reserve for land revaluation	(33.4)	(16.4)	+17.0

(1) *Gains (losses) on investments in separate accounts are offset by provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.*

Overview of the Group's Financial Results - Financial Results of each Group Company

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	【Dai-ichi Life】 billions of yen			【Dai-ichi Frontier Life】 billions of yen			【Protective Life (USA)】(1) millions of USD			【TAL (Australia)】(1) millions of AUD			【Consolidated】 billions of yen		
	Year ended Mar-15	Year ended Mar-16	Change	Year ended Mar-15	Year ended Mar-16	Change	---	11 months ended Dec-15	Change	Year ended Mar-15	Year ended Mar-16	Change	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	4,798.4	4,265.7	(11%)	2,157.5	1,967.5	(9%)	--	6,784	--	3,166	3,231	+2%	7,252.2	7,333.9	+1%
Premium and other income	3,266.3	2,866.6	(12%)	1,899.7	1,873.0	(1%)	--	4,689	--	2,745	3,020	+10%	5,432.7	5,586.0	+3%
Investment income	1,174.4	1,060.0	(10%)	257.7	94.5	(63%)	--	1,701	--	334	31	(91%)	1,444.0	1,344.8	(7%)
Ordinary expenses	4,389.7	3,921.5	(11%)	2,177.3	1,937.9	(11%)	--	6,384	--	2,982	3,079	+3%	6,845.4	6,915.7	+1%
Benefits and claims	2,718.1	2,681.3	(1%)	496.2	495.7	(0%)	--	4,020	--	1,808	1,949	+8%	3,380.8	3,830.9	+13%
Provision for policy reserves and others	702.8	209.1	(70%)	1,523.2	1,136.5	(25%)	--	1,031	--	447	312	(30%)	2,271.2	1,496.3	(34%)
Investment expenses	131.2	273.9	+109%	52.0	197.1	+279%	--	440	--	38	72	+87%	168.9	524.0	+210%
Operating expenses	398.5	404.1	+1%	95.2	97.2	+2%	--	692	--	579	636	+10%	559.3	661.3	+18%
Ordinary profit (loss)	408.7	344.2	(16%)	(19.7)	29.6	--	--	399	--	184	152	(17%)	406.8	418.1	+3%
Extraordinary gains	3.0	0.2	(91%)	--	--	--	--	--	--	--	--	--	3.3	0.3	(91%)
Extraordinary losses	27.2	52.2	+92%	2.1	2.9	+41%	--	--	--	--	0	--	29.4	55.2	+88%
Net income(2) (loss)	152.1	129.1	(15%)	(21.9)	24.3	--	--	268	--	131	119	(9%)	142.4	178.5	+25%

(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life's disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=120.61 yen, and 1AUD=92.06 yen(Mar-15) and 86.25 yen(Mar-16), respectively.

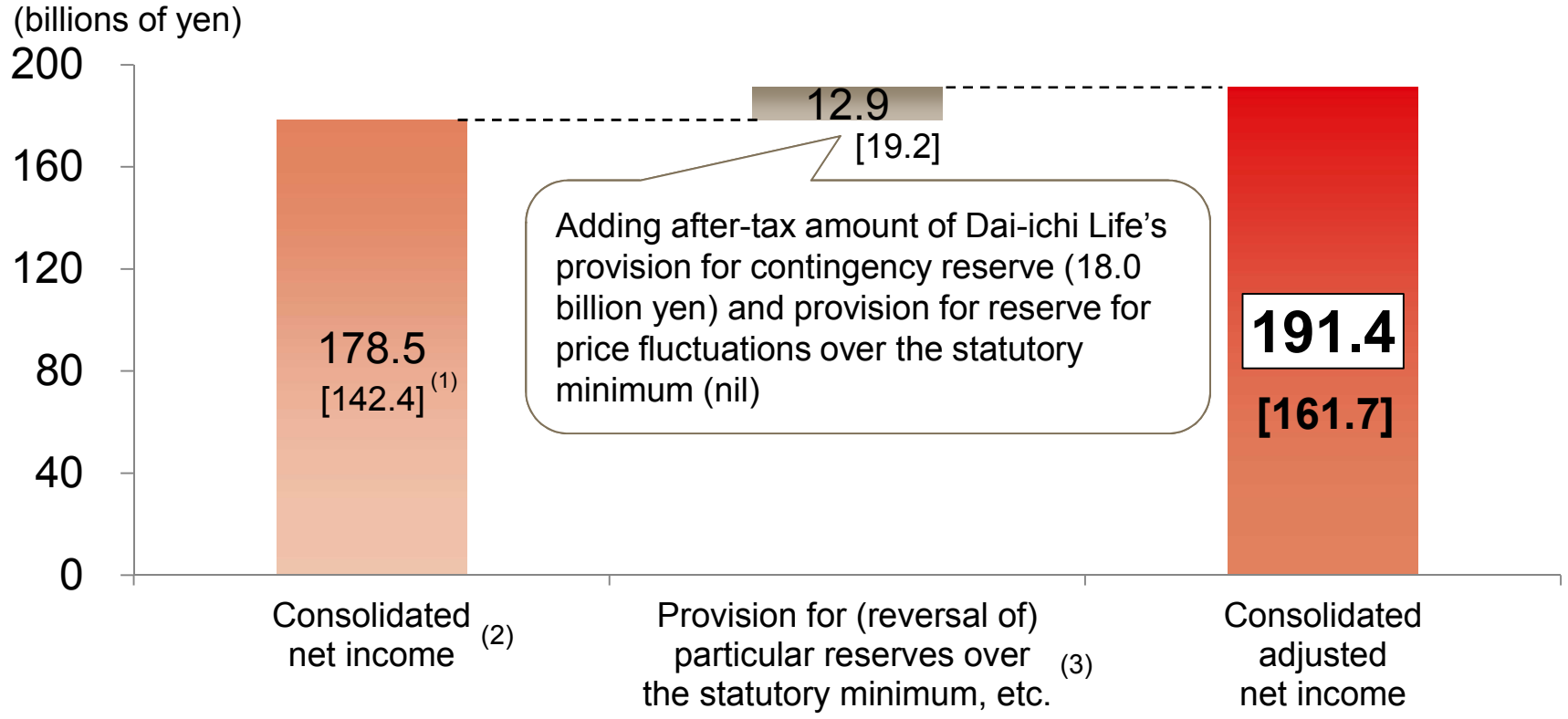
(2) Figures of "Consolidated Net income" represent those of "Net income attributable to shareholders of parent company".

Overview of the Group's Financial Results - Consolidated Adjusted Net Income for the Year ended March 31, 2016

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- **Dai-ichi Life Group defines "Adjusted net income (ANI)" as an indicator which represents the Group's real profitability. As it ties to shareholders' profit, we set ANI targets under our medium-term management plan.**
- **ANI for the year ended March 31, 2016 amounted to 191.4 billion yen, a significant increase from 161.7 billion yen for the previous year.**



(1) Figures in [] are for previous comparable period.

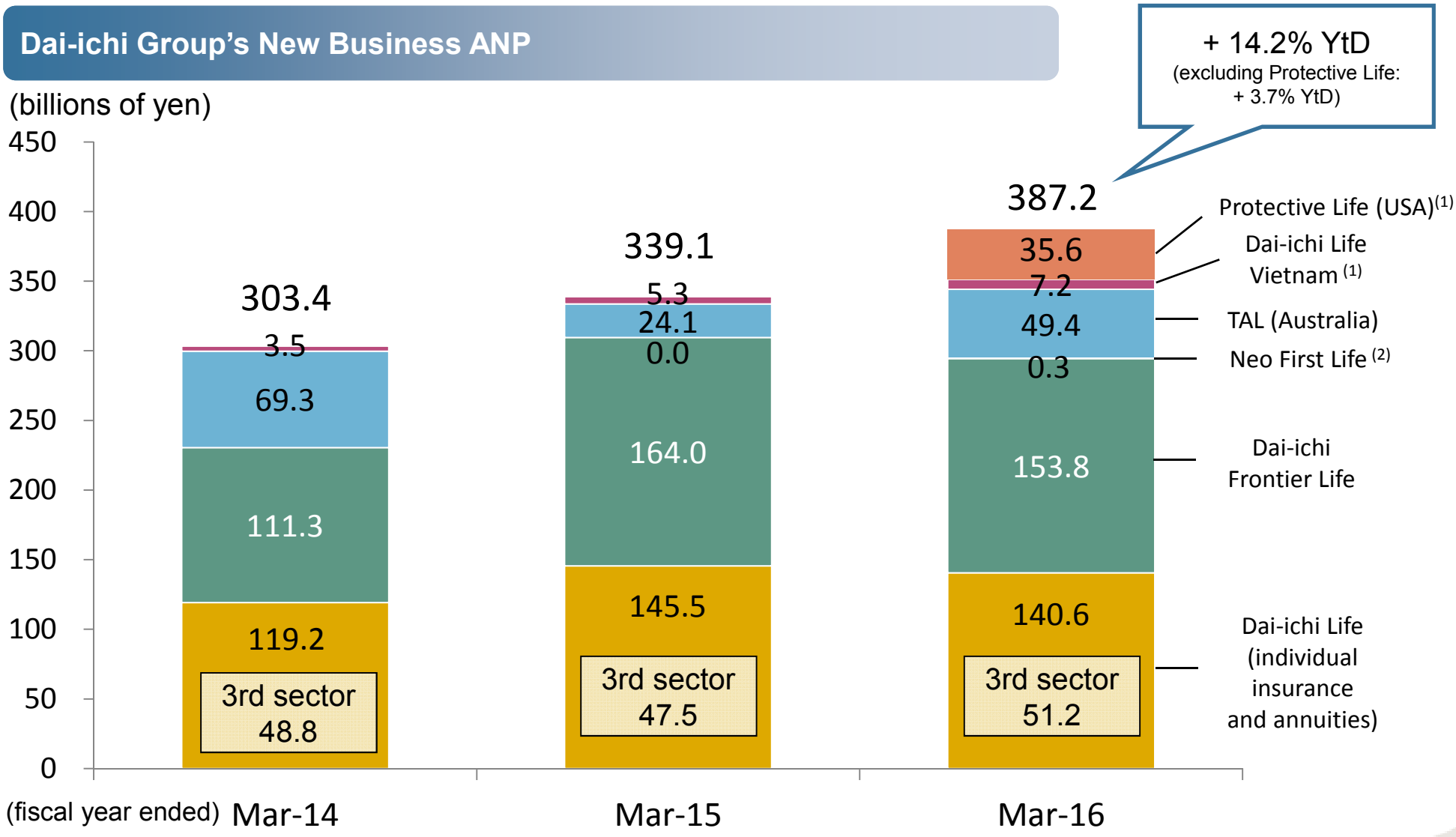
(2) Figures of "Consolidated Net Income" represent those of "Net income attributable to shareholders of parent company".

(3) Adjusted net income is calculated by adding (subtracting) provision for (reversal of) reserves that are classified as liabilities such as reserve for price fluctuations and contingency reserve, over the statutory minimum, to consolidated net income (after-tax, based on 27.92% (for the year ended Mar-16) and 28.76% (for the year ended Mar-15) effective tax rate).

Overview of the Group's Financial Results - Trends in New Business (ANP basis)

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Dai-ichi Group's New Business ANP



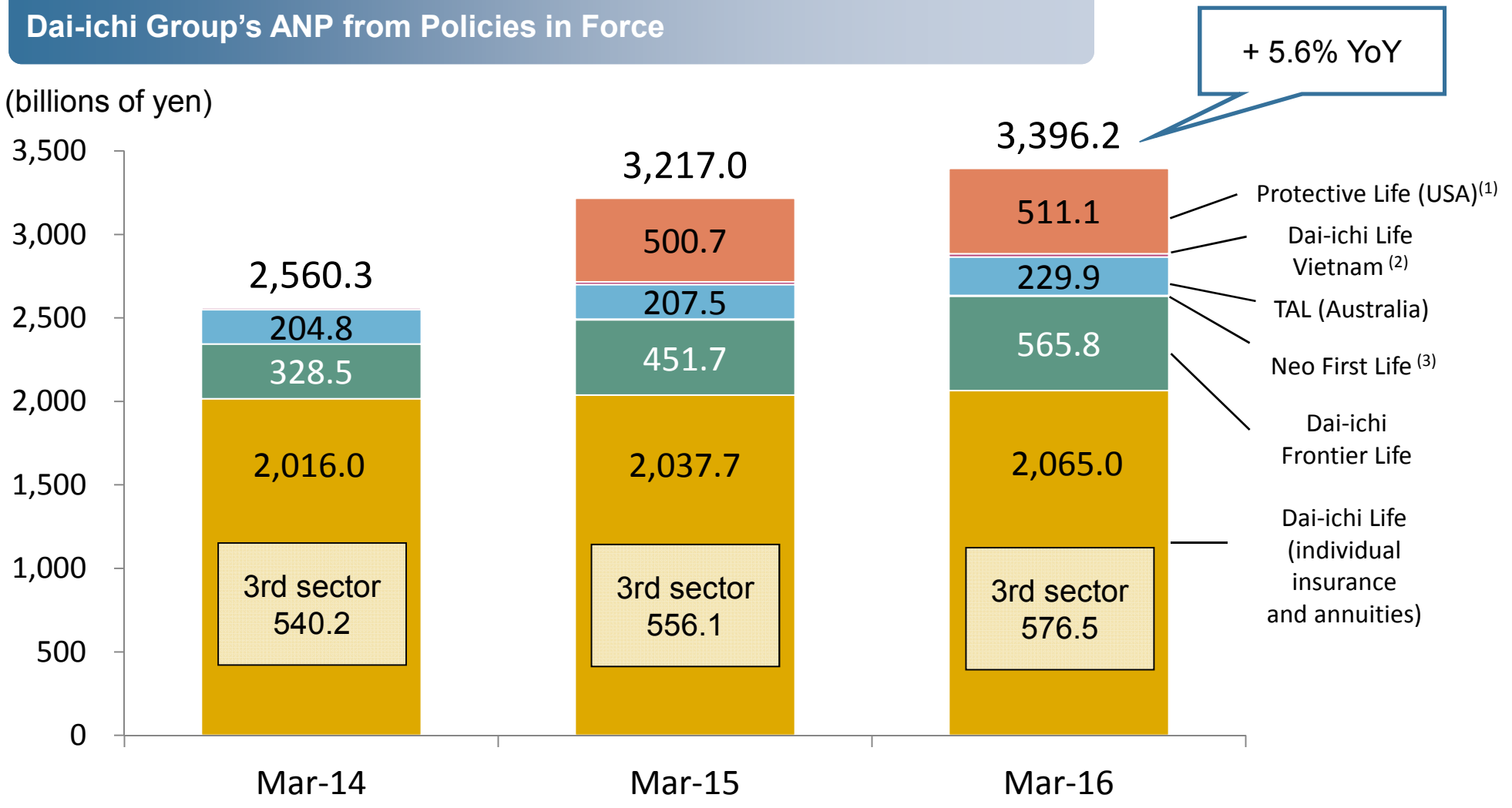
(1) *The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31.*
(2) *The figures of Protective Life are provided for the eleven months ended December 31, 2015.*
(3) *The figures of Neo First Life are provided for the nine months ended March 31, 2015 and for the fiscal year ended March 31, 2016.*

Overview of the Group's Financial Results - Trends in Policies in Force (ANP basis)

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Dai-ichi Group's ANP from Policies in Force



(1) *The fiscal year of Protective Life ends on December 31. Protective Life was acquired effective February 1, 2015 and is reported on a one quarter lag. ANP from policies in-force of the company as of March 2015 and March 2016 represent those as of February 1, 2015 (date of acquisition) and December 2015.*

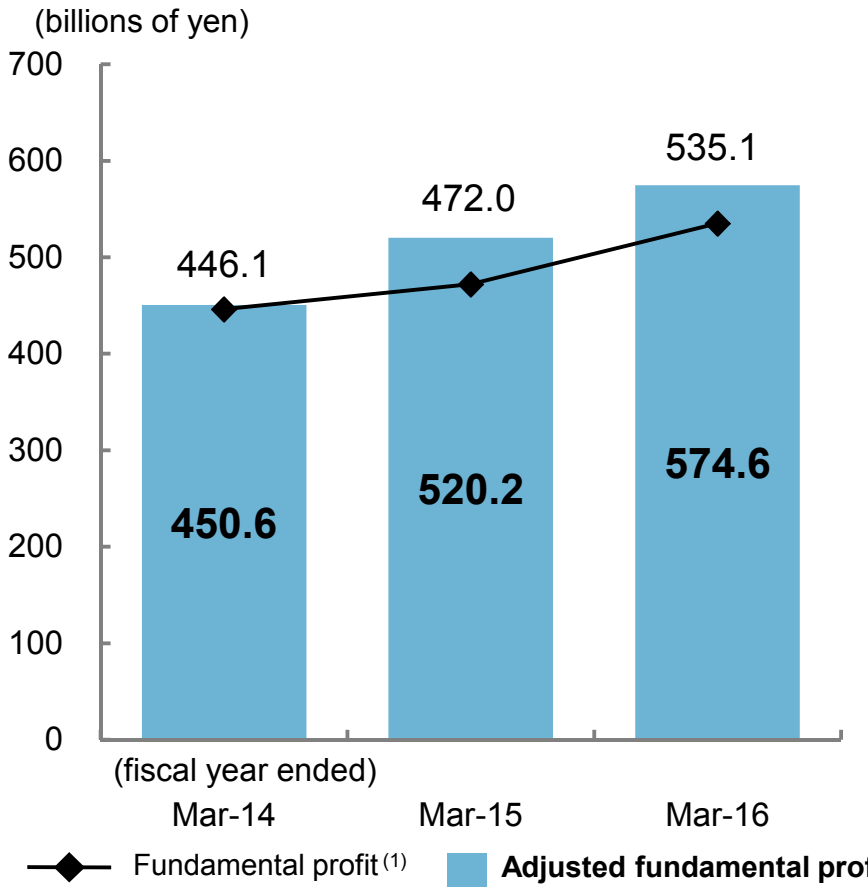
(2) *The fiscal year of Dai-ichi Life Vietnam ends on December 31. ANP from policies in-force of the company represent those as of December 2013, December 2014 and December 2015; and were 10.8 billion yen, 15.5 billion yen and 20.3 billion yen, respectively.*

(3) *ANP from policies in-force of Neo First Life as of March 2015 and March 2016 were 3.7 billion yen and 3.9 billion yen, respectively.*

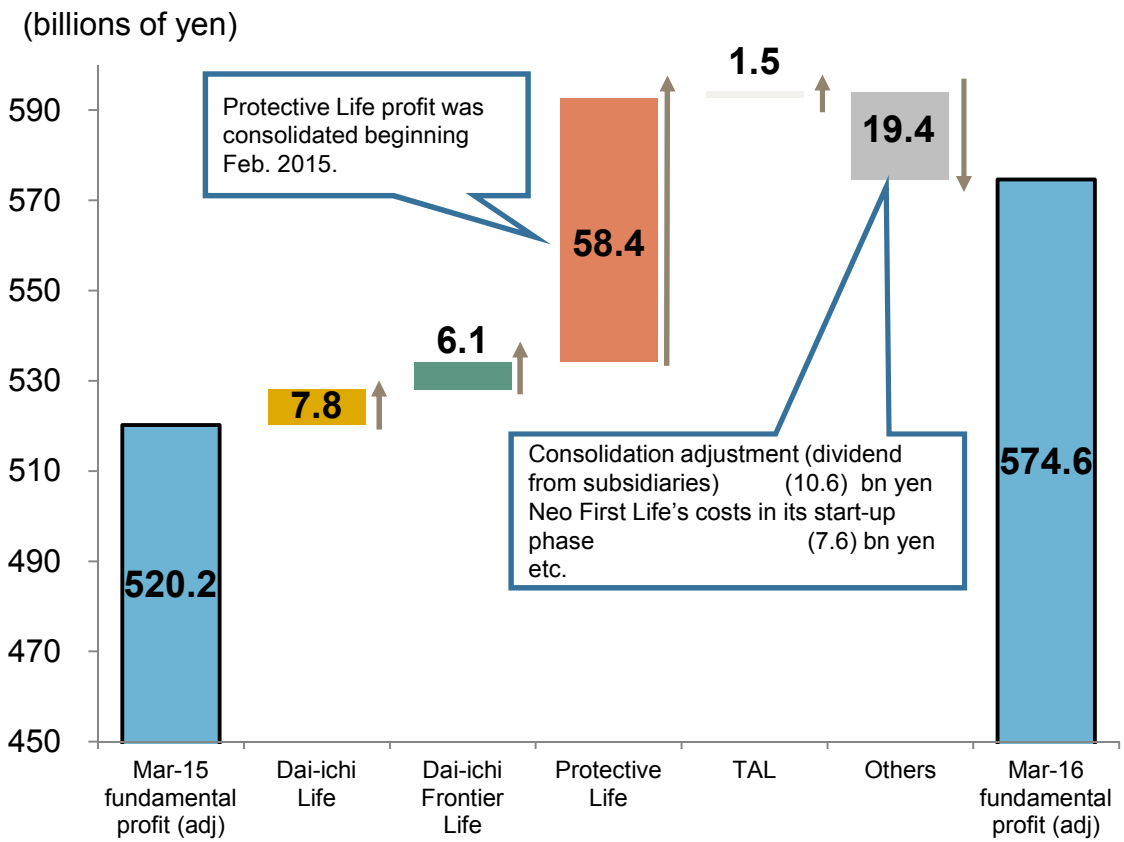
Overview of the Group's Financial Results - Fundamental Profit

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Fundamental Profit (1)(2)



Movement Analysis of Adjusted Fundamental Profit (1)(2)

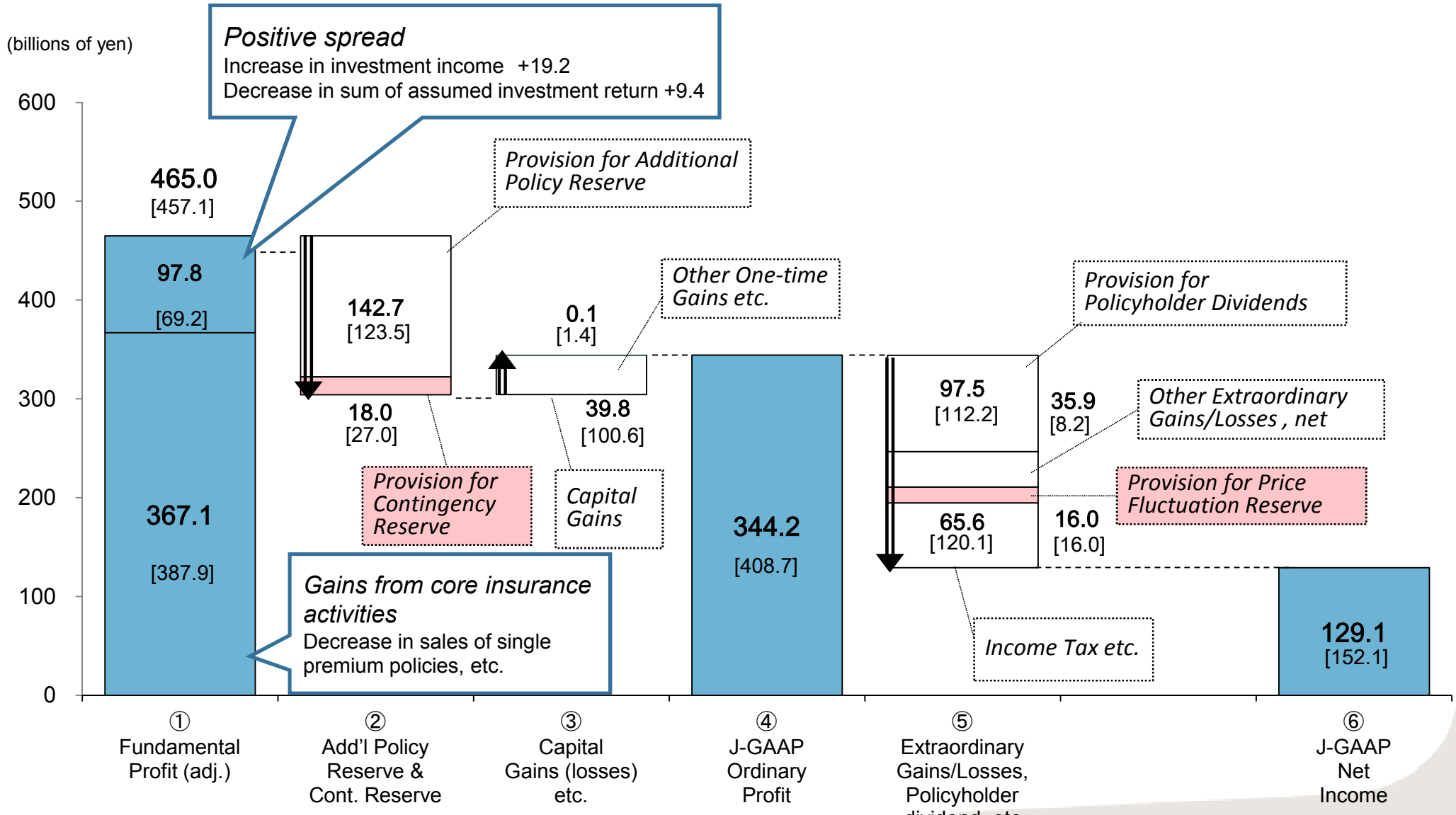


(1) *Sum of fundamental profit of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life, Protective Life's operating income before tax, TAL's underlying profit before tax and Dai-ichi Life Vietnam's net income before tax (after partial elimination of intra-group transactions)*

(2) *Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guaranteed benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products).*
Note: Provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products excludes those parts that have no impact on the ordinary profit.

Profit Structure of Dai-ichi Life (non-consolidated)

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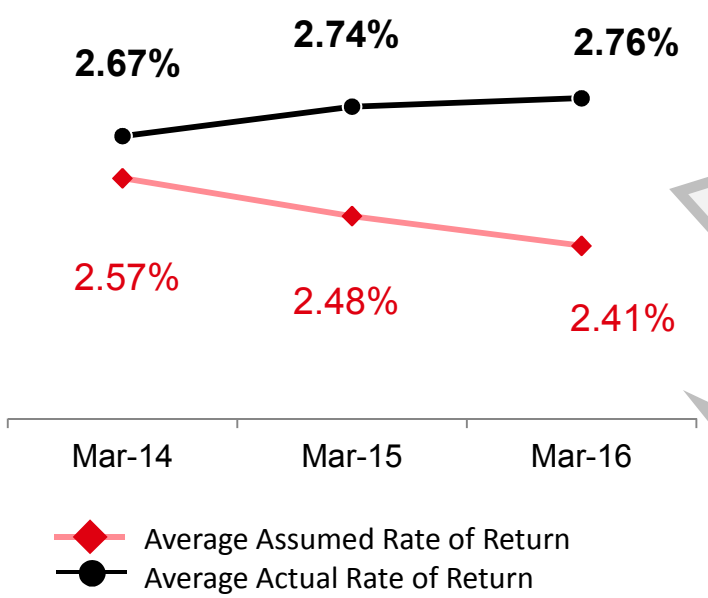
(1) Figures in [] are for previous comparable period.

(2) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guaranteed benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products).

Dai-ichi Life's Results (non-consolidated) - Positive Spread and Additional Policy Reserve

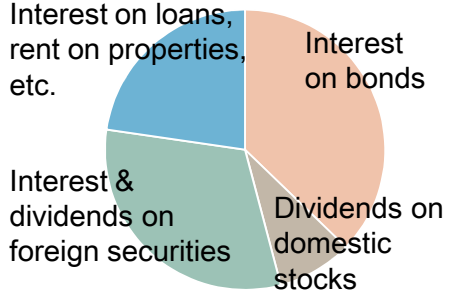
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Investment Spread



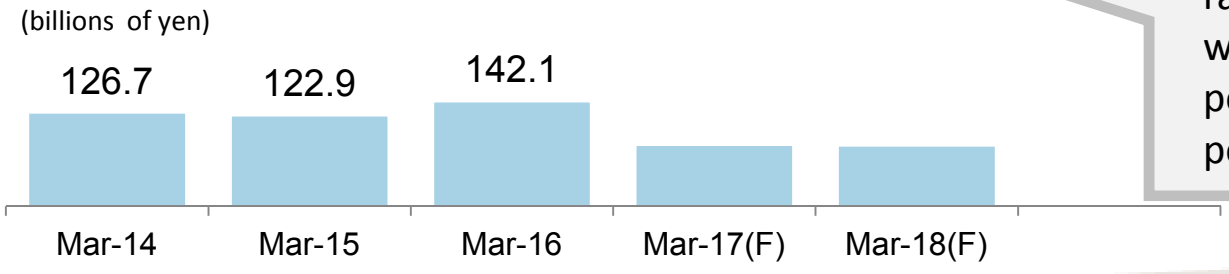
- **Secured investment returns due mainly to increased exposure to currency-hedged foreign bonds, resulting in a favorable positive investment spread.**
- **Duration of yen-denominated fixed income assets : 14+ years(1)**

Components of Interest and Dividend Income (Mar-16)



- **Assumed rate of return (policy liability cost) is on a downward trend** due to provision for additional policy reserve and adequate pricing assumptions for new policies.

Provision for Add'l Policy Reserve (2)



- Notwithstanding the negative interest rate environment, **no changes** to the plan were made for provision for additional policy reserve, taking into account the positive spread.

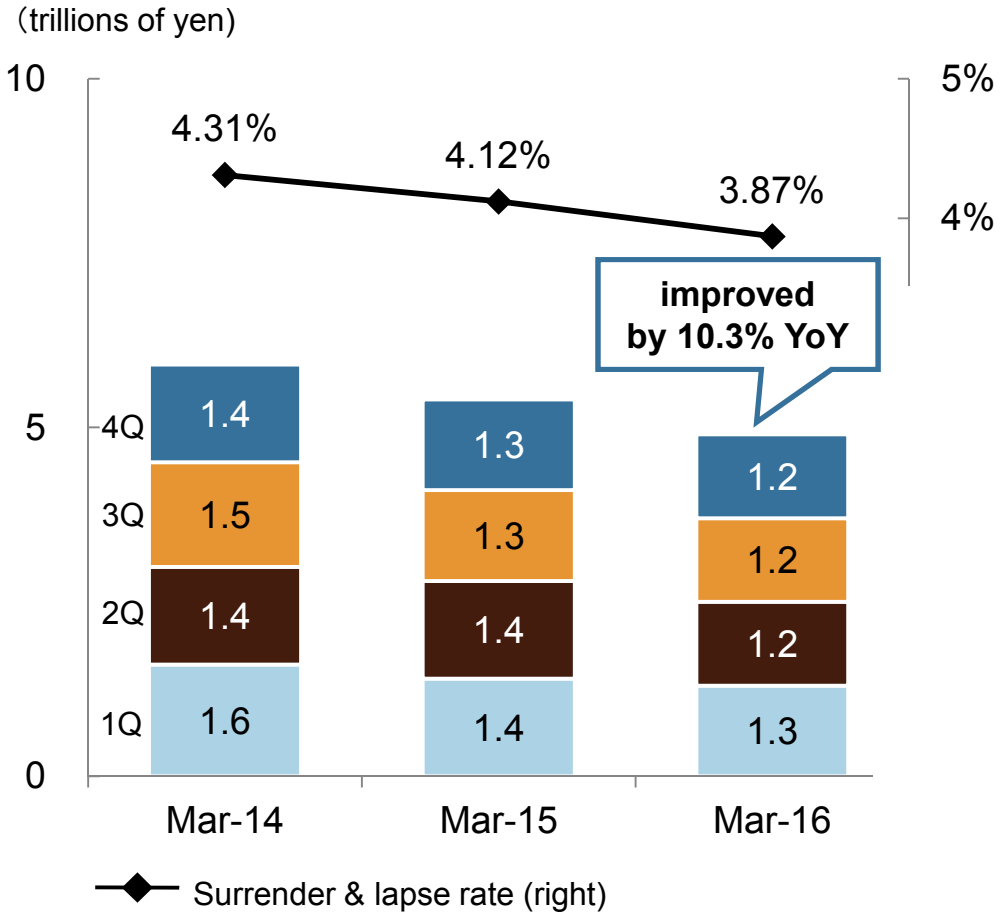
(1) Represents yen-denominated fixed income assets in the individual insurance and annuity portfolio in the company's general account.
(2) Additional Policy Reserve provided for whole life policies signed before March 1996 and paid in full

Dai-ichi Life's Results (non-consolidated) - Surrender and Lapse, Number of Sales Representatives and Productivity

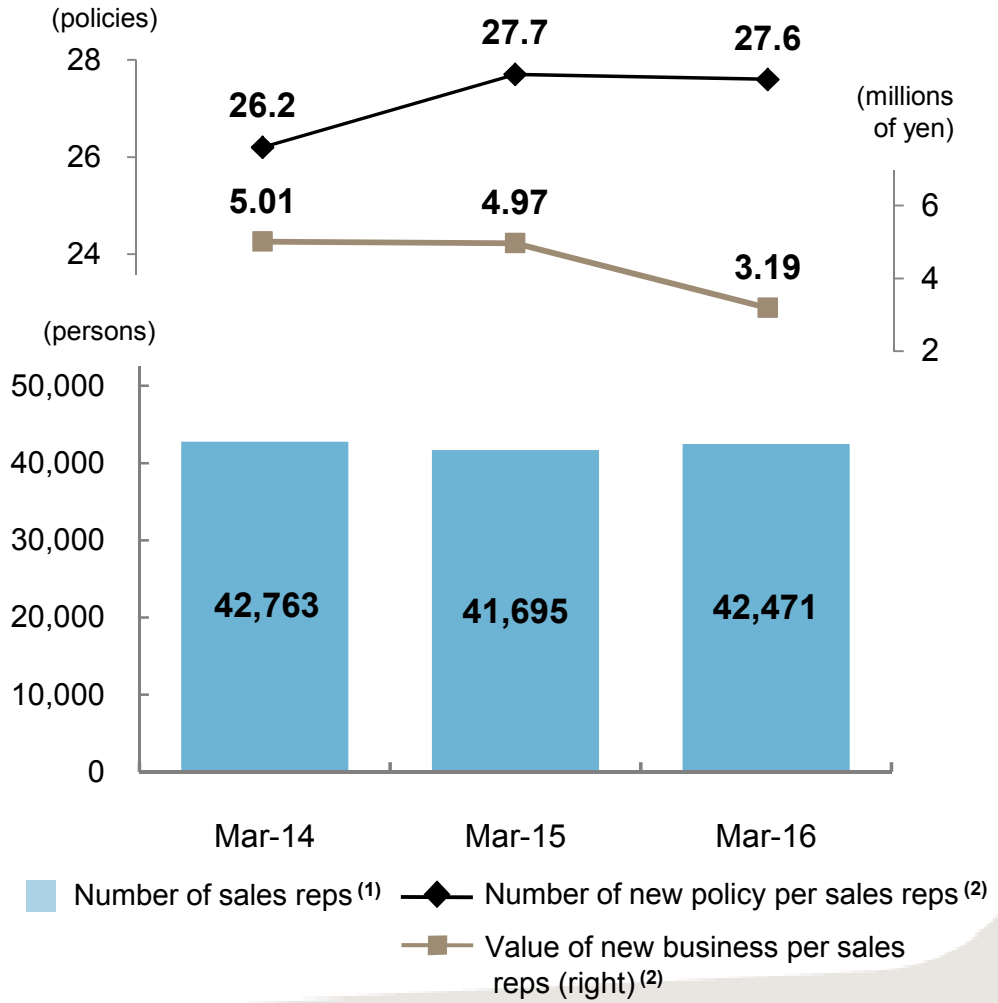
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Surrender & Lapse (Individual Insurance & Annuities)



Number of Sales Reps and Productivity



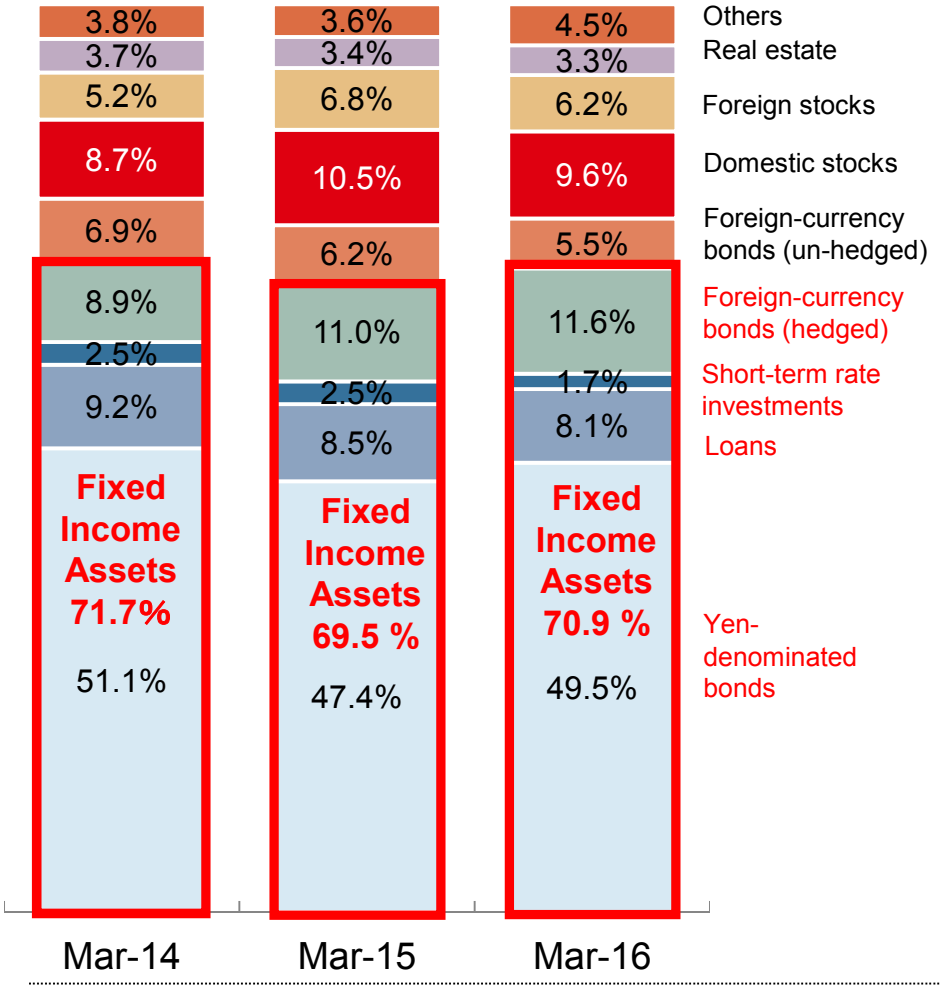
(1) *The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.*

(2) *Calculated by dividing the value of new business and number of new policy respectively, by the average number of sales representatives in each period.*

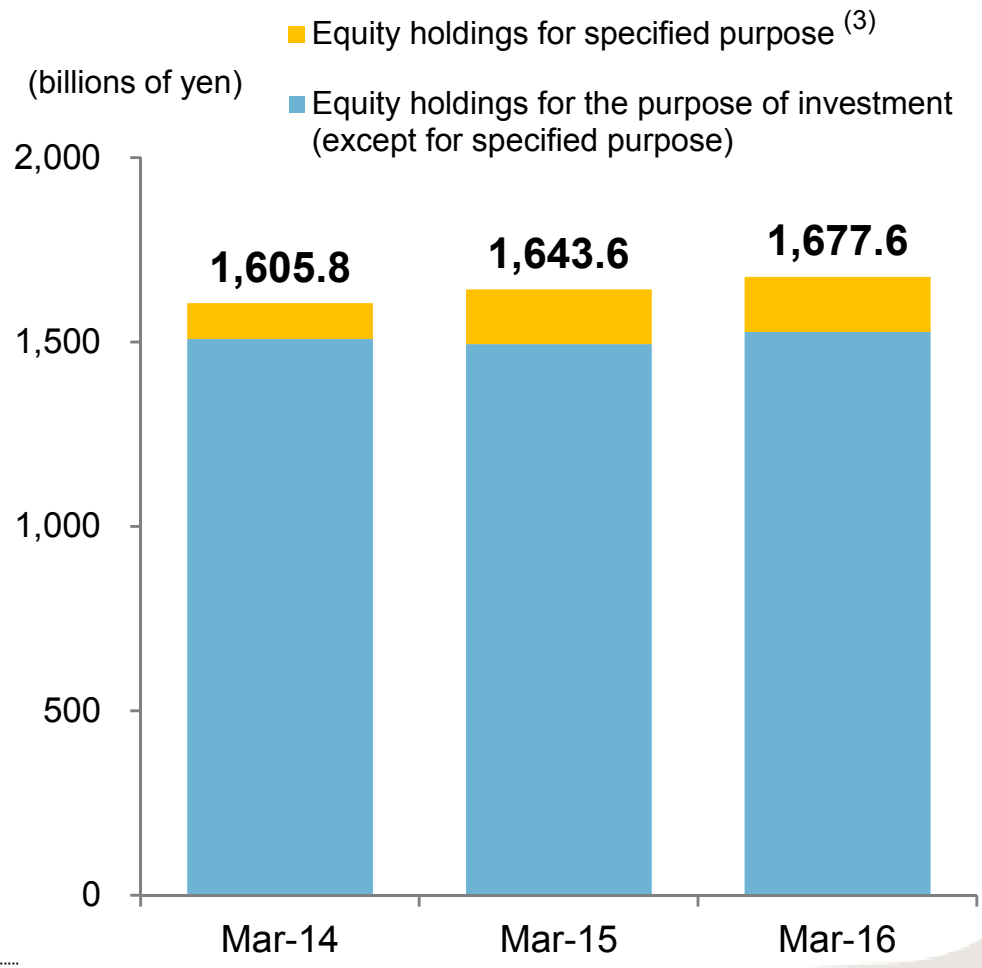
Dai-ichi Life's Results (non-consolidated) - General Account Assets (i)

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Asset Portfolio (General Account) (1)



Book Value of Domestic Stocks (2)



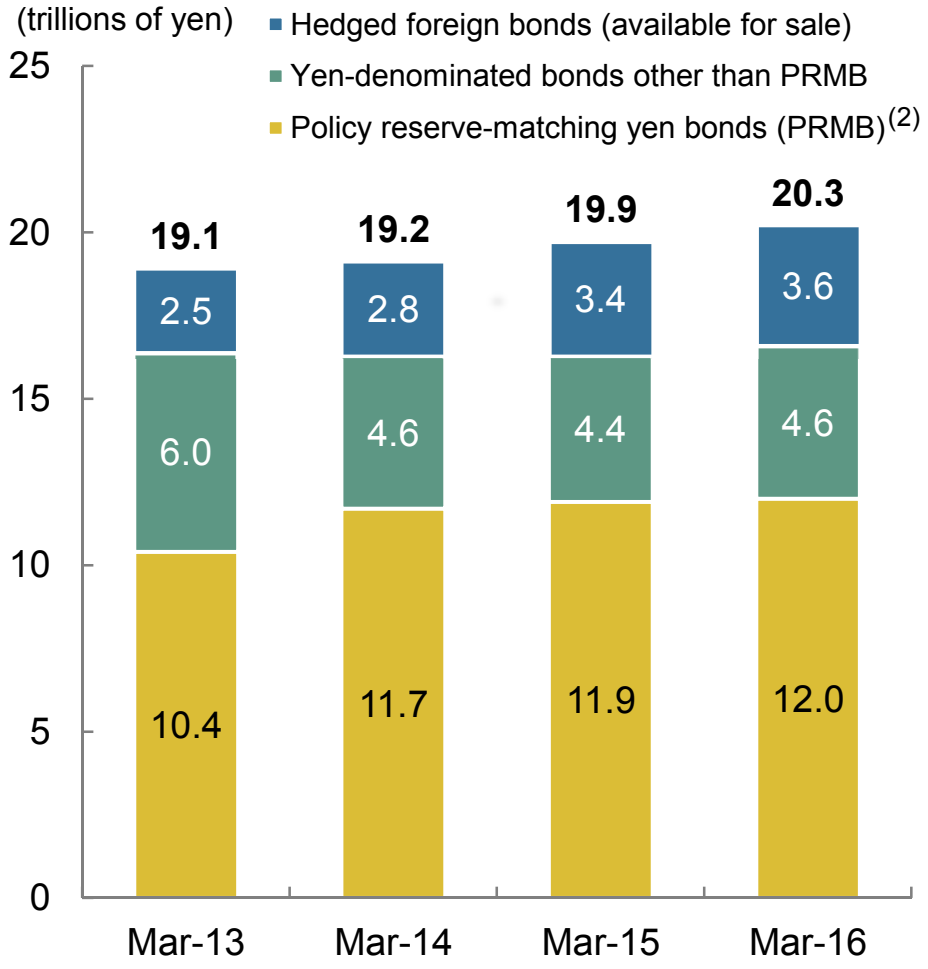
(1) *Carrying amount - basis*
(2) *Book value of domestic stocks with fair value (excluding stocks of subsidiaries / affiliated companies and unlisted companies)*
(3) *Equity holdings other than those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)*

Dai-ichi Life's Results (non-consolidated) - General Account Assets (ii)

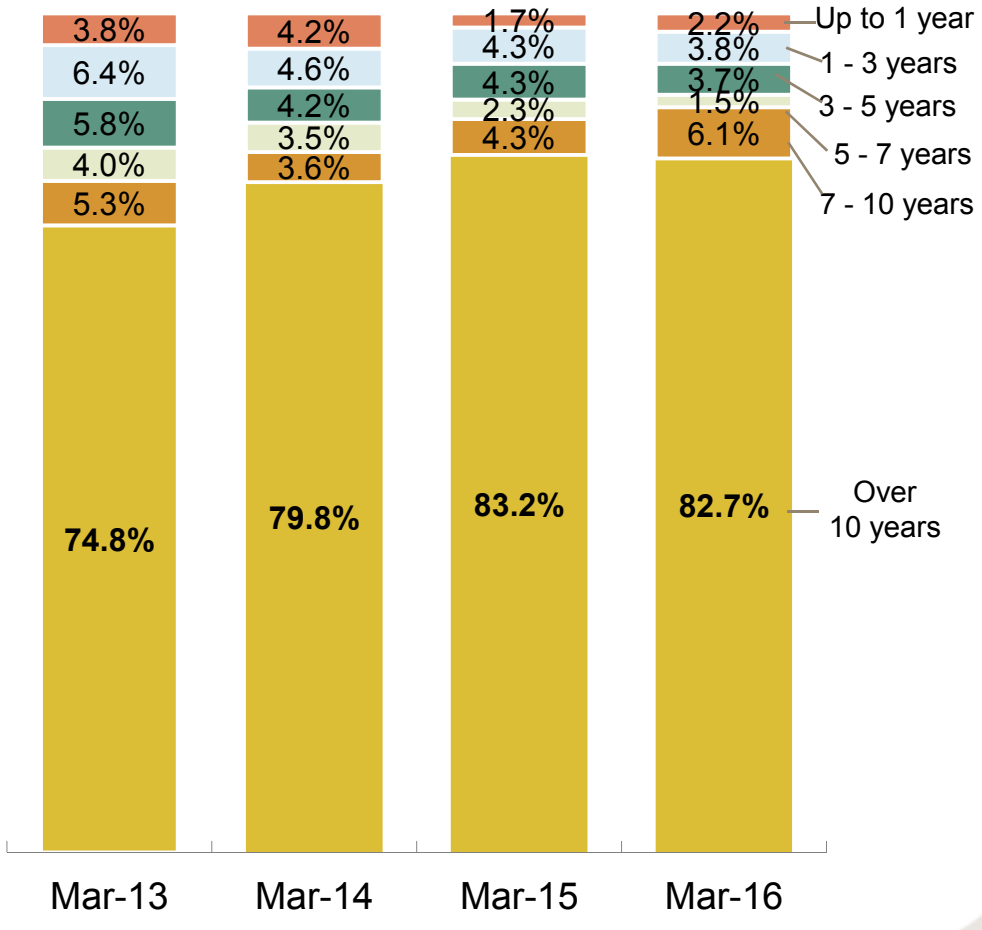
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Yen and Currency-hedged Foreign Bonds (1)



Maturity Profile of Domestic Bonds (3)



(1) *Represents yen-denominated bonds and foreign bonds with currency hedges in the company's general account. The balance is shown on an amortized cost basis.*

(2) *PRMB is a unique category for bonds, accepted under Japanese GAAP. PRMB is reported at amortized cost if the bonds meet certain requirements.*

(3) *Represents domestic bonds in the company's general account. The balance is shown on a carrying amount basis.*

Dai-ichi Life's Results (non-consolidated) - Status of Financial Soundness

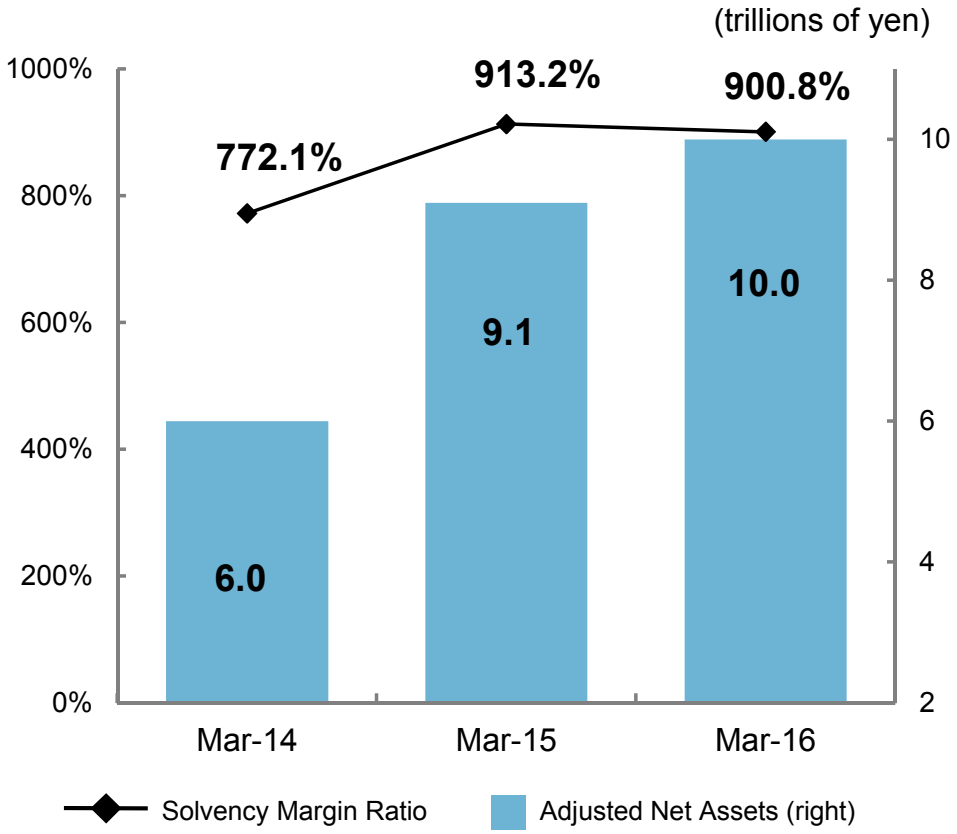
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Unrealized Gains/Losses (General Account)

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Securities	5,491.7	6,212.0	+720.3
Domestic bonds	2,236.8	4,022.9	+1,786.1
Domestic stocks	1,785.6	1,312.8	(472.8)
Foreign bonds	1,011.6	678.7	(332.9)
Foreign stocks	389.2	172.0	(217.1)
Real estate	75.5	130.3	+54.7
General Account total	5,550.7	6,334.6	+783.9

Solvency Margin Ratio & Adjusted Net Assets



<Reference> Consolidated Solvency Margin Ratio
as of March 31, 2016: 763.8%

Consolidated Subsidiaries' Results - Dai-ichi Frontier Life

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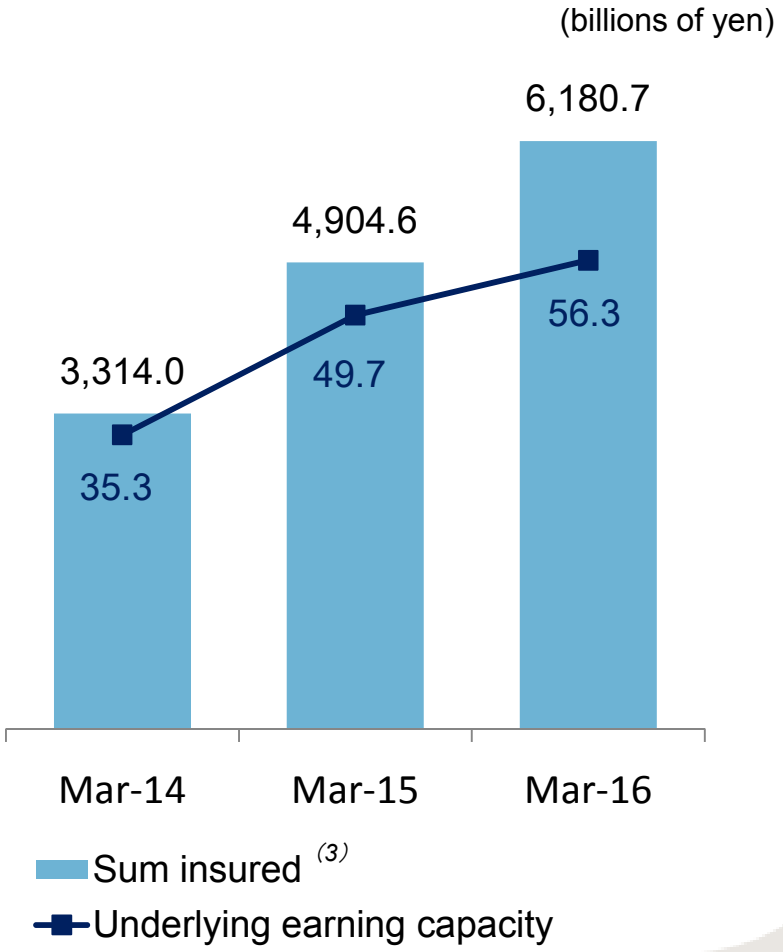
Earnings

(billions of yen)

	Year ended Mar-15	Year ended Mar-16
Ordinary revenues	2,157.5	1,967.5
Premium and other income (1)	1,899.7	1,873.0
Variable products	197.9	158.2
Fixed products (yen-denominated)	281.3	320.9
Fixed products (foreign currency-denominated)	1,236.2	1,200.3
Investment income	257.7	94.5
Hedge gains related to GMMB risk (A)	-	2.3
Ordinary expenses	2,177.3	1,937.9
Provision for policy reserves and other	1,523.2	1,136.5
Related to GMMB risk (B)	2.4	31.5
Related to market value adjustment (C) (2)	46.9	8.4
Contingency reserve (negative indicates a reversal) (D)	13.0	(5.6)
Investment expenses	52.0	197.1
Hedge losses related to GMMB risk (E)	9.2	-
Ordinary profit (loss)	(19.7)	29.6
Net income (loss)	(21.9)	24.3
<Reference>underlying earnning capacity Net income - (A) + (B) + (C) + (D) + (E)	49.7	56.3

(1) Hybrid products combining fixed and variable portions are categorized in fixed products.
(2) Excludes those parts that have no impact on the ordinary profit

Sum Insured of Policies in Force and Underlying Earning Capacity



(3) Sum insured at the end of each period

Consolidated Subsidiaries' Results - Business Results of Protective

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- Both pre-tax operating earnings of USD 484 mil. and net income of USD 268 mil. were above plan mainly due to better-than-planned mortality and investment income.
- In January 2016, Protective completed an acquisition of closed blocks of business, as announced earlier. The contribution to our consolidated results from this acquisition will start from Dai-ichi's current fiscal year.

Earnings (1)(2)

(millions of USD)

	11 months ended Dec-15
Life Marketing	57.4
Acquisitions	194.6
Annuities	180.2
Stable Value	56.5
Asset Protection	20.6
Corporate & other	(25.0)
Pre-tax Operating Earnings	484.4
Tax	(131.5)
Realized Gain (Loss) on investments	(185.1)
Realized Gain (Loss) on derivatives	100.5
Net Income	268.2

<Reference>

	Dec-15
JPY / USD exchange rate	120.61

Commentary

[Life Marketing]
The below-plan earnings were primarily driven by other benefits and unfavorable lapses.

[Acquisitions]
Favorable spread and mortality. Segment earnings were above plan.

[Annuities]
Investment income in fixed annuity products was favorable. Segment earnings were slightly above plan.

[Stable Value]
The above-plan earnings were primarily driven by favorable participating mortgage income.

[Asset Protection]
Strong sales of GAP products resulted in above-plan earnings.

(1) Figures for the consolidated holding company, Protective Life Corporation.
(2) Segment operating income (loss) is income before income tax, excluding realized gains and losses on investments and derivatives etc.

Consolidated Subsidiaries' Results - Business Results of TAL[1]

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Earnings

(millions of AUD)

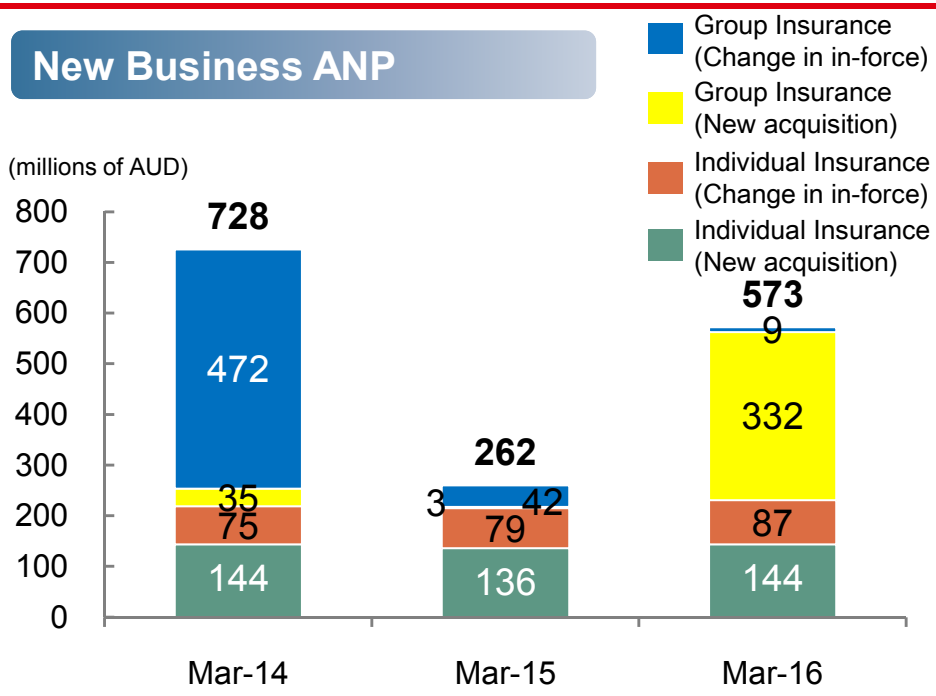
	Year ended Mar-15	Year ended Mar-16	% Change
Ordinary revenues [2]	3,166	3,231	+ 2%
Premium and other income [2]	2,745	3,020	+ 10%
Ordinary profit [2]	184	152	(17%)
Net income (A) [2]	131	119	(9%)
Adjustments after tax (B)	15	48	
Discount rate changes	(25)	(7)	
Amortization charges	21	20	
Others	18	36	
Underlying profit (A + B)	146	168	+ 15%

<Reference>

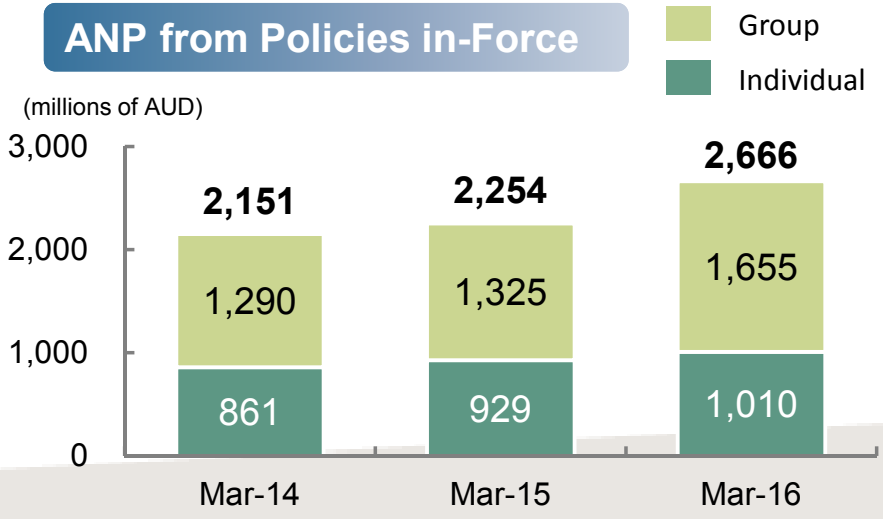
	As of Mar-15	As of Mar-16
JPY/AUD exchange rate	92.06	86.25

(1) *Figures for the consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).*
(2) *Disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards (excluding adjustments after tax and underlying profit).*

New Business ANP



ANP from Policies in-Force



Earnings Guidance - Guidance for the Year Ending March 31, 2017

By your side, for life
DAI-ICHI LIFE

- **We expect a decline in ordinary revenues as we continue to control sales of savings-type insurance in the domestic market.**
- **Net income is expected to improve as we expect a higher contribution from overseas businesses. Forecast for dividends per share is also expected to increase.**

(billions of yen unless otherwise noted)

	Year ended Mar-16	Year ending Mar-17	Change
Ordinary revenues	**7,333.9**	**6,460.0**	**(873.9)**
Dai-ichi Life non-consolidated(2)	4,265.7	3,796.0	(469.7)
Dai-ichi Frontier Life	1,967.5	1,401.0	(566.5)
Protective Life (millions of USD)	6,784	8,460	+1,675
TAL (millions of AUD)	3,231	3,900	+668
Ordinary profit	**418.1**	**406.0**	**(12.1)**
Dai-ichi Life non-consolidated	344.2	324.0	(20.2)
Dai-ichi Frontier Life	29.6	21.0	(8.6)
Protective Life (millions of USD)	399	460	+60
TAL (millions of AUD)	152	180	+27
Net income(1)	**178.5**	**197.0**	**+18.4**
Dai-ichi Life non-consolidated	129.1	133.0	3.8
Dai-ichi Frontier Life	24.3	15.0	(9.3)
Protective Life (millions of USD)	268	300	+31
TAL (millions of AUD)	119	120	+0
Dividends per share (yen)	**35**	**40**	**+5**

(1) Represents net income attributable to shareholders of parent company.

(2) Regarding Dai-ichi Life's transition to a holding company structure, please refer to page 19.

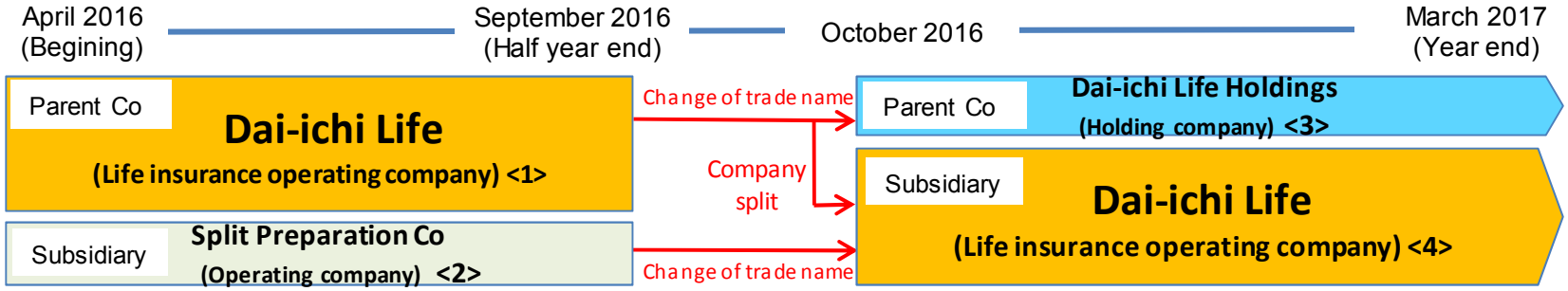
(Reference) Fundamental Profit

Dai-ichi Life Group	535.1	around 500.0	(35.1)
Dai-ichi Life non-consolidated	465.4	around 380.0	(85.4)

Disclosure of Dai-ichi Life's Transition to a Holding Company Structure

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- In this presentation the guidance for Dai-ichi Life as a life insurance operating company for the year ending March 2017 will be the sum of the results from current Dai-ichi Life <1> and Dai-ichi Life as a life operating company after the corporate split <4>. The impact of the results of the Split Preparation Company <2> will be marginal to the consolidated results.
- Dai-ichi Life as a parent company of the Group recognizes dividends received from its subsidiaries and affiliates, among others, in dividend and interest income. After the corporate split, Dai-ichi Life Holdings will hold shares in some of the subsidiaries and affiliates and thus recognize dividends from them. On the other hand, Dai-ichi Life, as a life operating company, will receive less dividends and interests. But there is no impact on a consolidated basis.
- In the ordinary course of business, Dai-ichi Life Holdings will recognize dividend income from its subsidiaries and affiliates, management fees, and holding company operating expenses. The guidance for Dai-ichi Life Holdings for the year ending March 31, 2017 is indicated in column <4> of the tables below.
- See page 34 for guidance on the listed holding company on a non-consolidated basis for the year ending March 31, 2017.



(billions of yen)

Dai-ichi Life's forecast for the year ending March 31,2017	
Ordinary revenues	3,796
Ordinary profit	324
Net income	133

=

(billions of yen)

Dai-ichi Life (current) <1> From April 1, 2016 to September 30, 2016
1,929
166
68

+

(billions of yen)

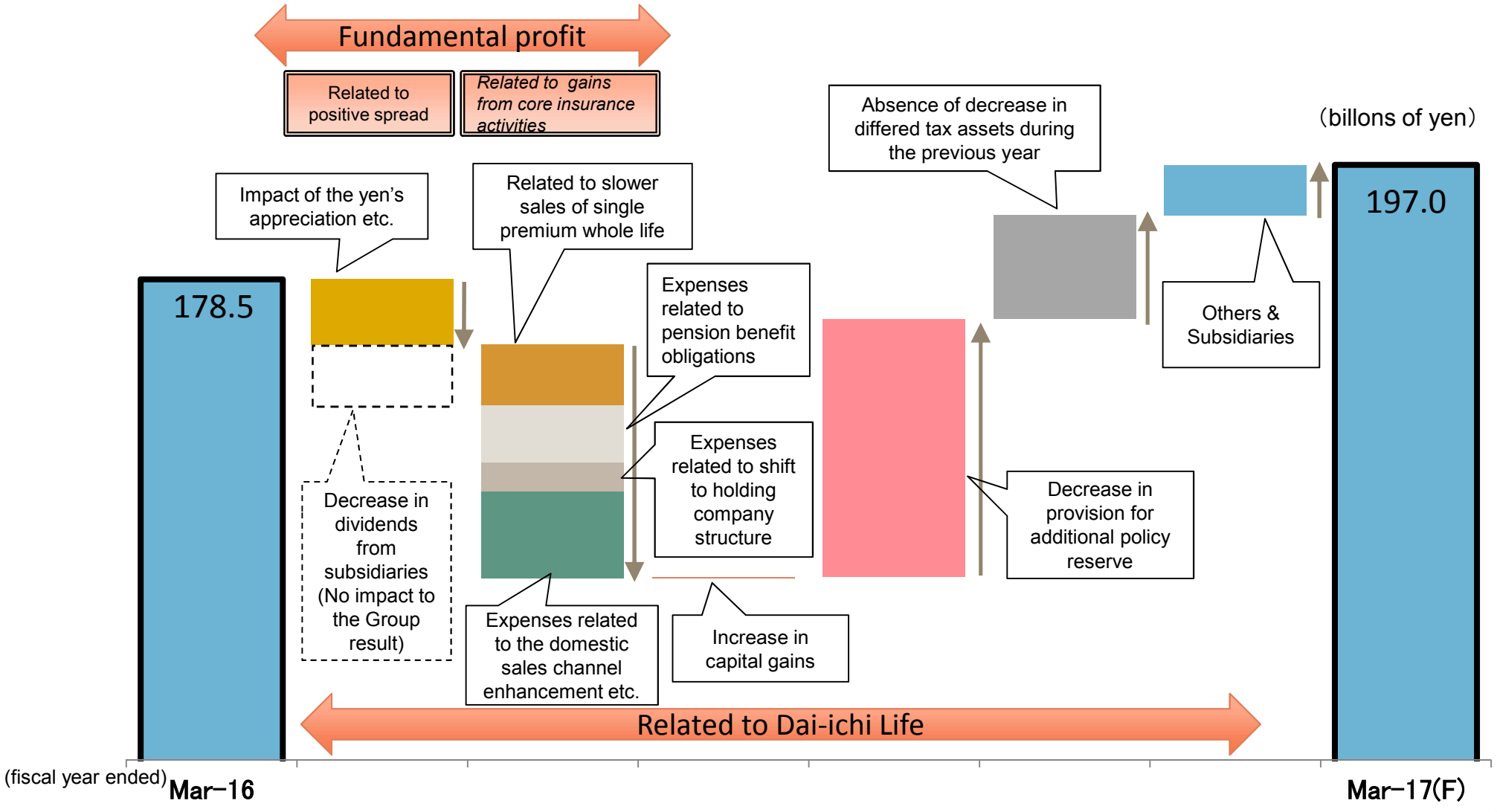
Dai-ichi Life (new) <4> From October 1, 2016 to March 31, 2017
1,867
157
65

(billions of yen)

Dai-ichi Life Holdings <3> From October 1, 2016 to March 31, 2017
18
12
12

Analysis of the reasons for the increase/decrease in consolidated net income(1)

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(1) Figures of "Consol. Net Income" represent those of "Net income attributable to shareholders of parent company".

EEV – European Embedded Value (i)

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We have changed the extrapolation method beyond the last liquid data point of Japanese interest rates from the method taking into account the yield curve of Japanese swap rate to the method using the ultimate forward rate regarding calculations of EEV as of March 31, 2016 and value of new business for the year ended March 31, 2016. For consistent valuation, we restate EEV as of March 31, 2015 and value of new business for the year ended March 31, 2015 with the new method.

■ **Group EEV decreased year-on-year. Each Group company acquired new business albeit amid adverse economic conditions, however, lower domestic interest rates impacted the Group EEV significantly.**

EEV of the Group

(billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change[(1)]
EEV	5,779.6	5,987.6	4,646.1	(1,341.5)
Adjusted net worth	5,540.8	5,540.8	6,287.3	+746.5
Value of in-force business	238.8	446.8	(1,641.2)	(2,088.1)

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change[(1)]
Value of new business	274.0	286.1	216.1	(70.0)

(1) *From Mar-15(restated) to Mar-16.*

EEV – European Embedded Value (ii)

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Reclassification of EEV from ALM point of view

EEV of Dai-ichi (stand alone)

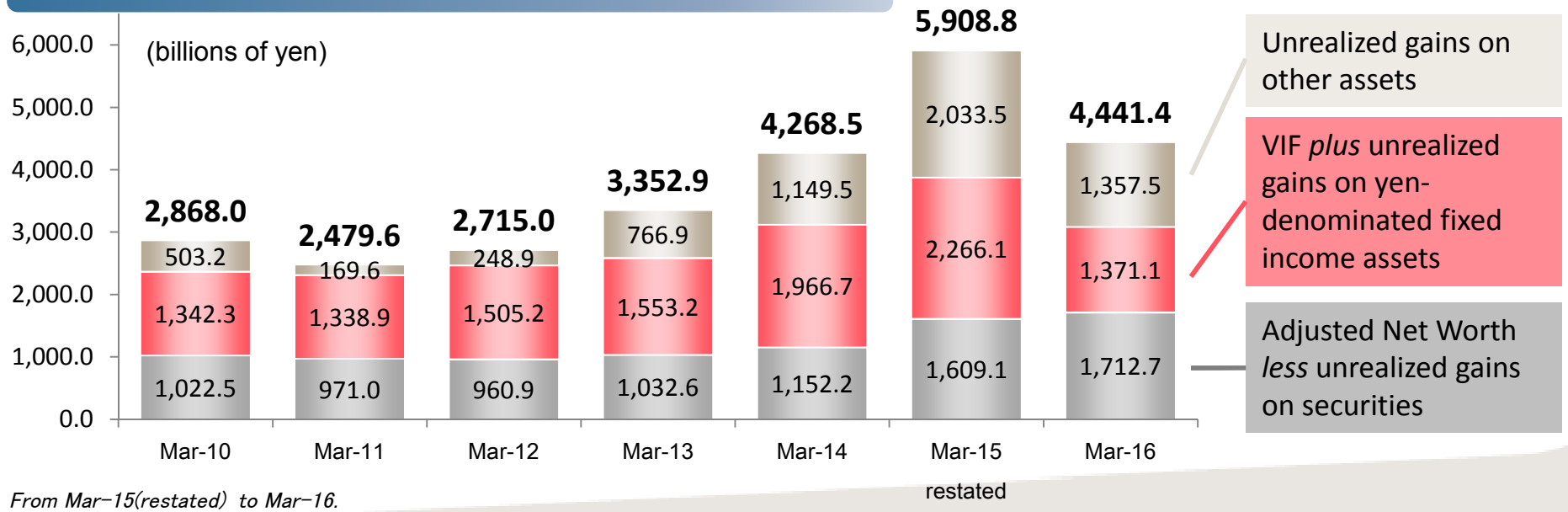
(billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change[1]
EEV	5,700.8	5,908.8	4,441.4	(1,467.3)
Adjusted net worth	5,791.8	5,791.8	6,483.3	+691.4
Value of in-force business	(91.0)	116.9	(2,041.9)	(2,158.8)

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change[1]
Value of new business	198.1	210.2	134.6	(75.5)

	Mar-15 Restated	Mar-16
E E V	5,908.8	4,441.4
Unrealized gains[2] on other assets	2,033.5	1,357.5
VIF plus unrealized gains on Yen-denominated fixed income assets	2,266.1	1,371.1
Adjusted Net Worth less unrealized gains on securities	1,609.1	1,712.7

EEV of Dai-ichi Life (stand-alone) after reclassification



(1) *From Mar-15(restated) to Mar-16.*

(2) *Yen-denominated fixed income assets include yen-denominated bonds, hedged foreign currency bonds and loans etc.*

EEV – European Embedded Value (iii)

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EEV of Dai-ichi Frontier Life (billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change[1]
EEV	252.7	252.7	303.2	+50.4
Adjusted net worth	188.2	188.2	183.8	(4.3)
Value of in-force business	64.5	64.5	119.4	+54.8

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change[1]
Value of new business	58.6	58.6	53.2	(5.3)

EEV of Neo First Life (billions of yen)

	Mar-15	Mar-16	Change
EEV	-	41.4	-
Adjusted net worth	-	27.7	-
Value of in-force business	-	13.6	-

EEV of Protective Life (billions of yen)

	1-Feb-15	Dec-15	Change
EEV	502.9	551.2	+48.3
Adjusted net worth	351.7	414.9	+63.2
Value of in-force business	151.2	136.3	(14.8)

	-	11 months ended Dec-15	Change
Value of new business	-	5.6	-

EEV of Protective Life in USD (millions of USD)

	1-Feb-15	Dec-15	Change
EEV	4,253	4,570	+317
Adjusted net worth	2,974	3,440	+465
Value of in-force business	1,278	1,130	(148)

	-	11 months ended Dec-15	Change
Value of new business	-	46	-

- Exchange rate for EEV as of 1-Feb-15: JPY 118.25 to USD 1.00
- Exchange rate for EEV as of Dec-15 and value of new business for the 11 months ended Dec-15: JPY 120.61 to USD 1.00

(1) *From Mar-15(restated) to Mar-16.*

EEV – European Embedded Value (iv)

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EEV of TAL (billions of yen)

	Mar-15	Mar-16	Change
EEV	237.8	267.3	+29.4
Adjusted net worth	123.7	135.9	+12.2
Value of in-force business	114.1	131.3	+17.1

	Year ended Mar-15	Year ended Mar-16	Change
Value of new business	17.3	22.5	+5.2

EEV of TAL in AUD (millions of AUD)

	Mar-15	Mar-16	Change
EEV	2,583	3,099	+515
Adjusted net worth	1,344	1,576	+232
Value of in-force business	1,239	1,522	+282

	Year ended Mar-15	Year ended Mar-16	Change
Value of new business	188	262	+73

- Exchange rate for EEV as of Mar-15 and value of new business for the year ended Mar-15: JPY 92.06 to AUD 1.00
- Exchange rate for EEV as of Mar-16 and value of new business for the year ended Mar-16: JPY 86.25 to AUD 1.00

[Reference/Trial Calculation] Value of in-force business taking into Dai-ichi Life's asset allocation.

- VIF based on market consistent method is calculated using risk free rate and adjusting investment risk.
- Dai-ichi Life constructs its asset portfolio based on ALM approach, and expects excess return is generated from invested assets other than risk-free assets. However, this expected return is not reflected in VIF.
- On a trial calculation basis, VIF of Dai-ichi Life (stand-alone) was 305.3 billion yen when expected excess return based on its asset allocation is taken into account.

Mar-2016 VIF Dai-ichi Life	(reference/ Trial calculation)
(2,041.9) bil.	305.3 bil.

- Expected excess return assumption (1.05% p.a.) is set based on weighted average of performance of past market indices and latest asset allocation at Dai-ichi Life.
- At the same time, WACC (5.54%) is used for discounting, in order to reflect uncertainty of expected return not realizing.

- However, please note that the above trial calculation is not based on an established method or generally used. Further, it does not imply that EEV should have increased in the same manner as VIF increased.

(Reference) Revision on extrapolation of risk free rate beyond the last liquid point

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DAI-ICHI LIFE

- We revised the method for extrapolating risk free rates to calculate EEV and economic capital adequacy, in light of low liquidity of ultra long-term bonds
- We adopted a globally-accepted method using the ultimate forward rate (UFR), which has been considered for several years.

UFR for liability discounting approach

- The UFR is a method to build a yield curve from market rates up to the last liquid point and then extrapolate to a fixed forward rate

  - Because life insurers provide ultra long-term protection, interest rate assumption for ultra long-term zone is essential for liability discounting.
  - Dai-ichi Life had been using swap rates when extrapolating ultra long-term rates.
  - However, very low liquidity is observed in the market and such rates became less credible.
  - We decided to revise our method for extrapolation to UFR, in an effort to upgrade our internal model

UFR has been used globally

- UFR is used in Solvency II calculation
- UFR is widely used in EV calculation at European companies
- UFR is adopted in ICS field test

- *ICS (Insurance Capital Standard) is a risk-based global insurance capital standard as a part of Common Framework for the supervision of Internationally Active Insurance Groups (IAIGs), known colloquially as ComFrame, being developed at International Association of Insurance Supervisors (IAIS), with full implementation expected in 2019. Dai-ichi group believe that it will be designated as IAIG and accordingly under ICS regulation. ICS is currently being field tested to assess the value and practicality prior to formal adoption.*
- *Solvency II is an economic value based, EU-wide insurance regulatory regime for the assessment of solvency, implemented since January 2016.*

Appendix

Overview of the Group's Financial Results - Balance Sheet of each Group Company

By your side, for life
DAI-ICHI LIFE

	【Dai-ichi Life】 billions of yen	【Dai-ichi Frontier Life】 billions of yen	【Protective Life (USA)】(1) millions of USD	【TAL(Australia)】(1) millions of AUD	【Others】(2) (including consolidation adjustment) billions of yen	【Consolidated】(2) billions of yen
	As of Mar-16	As of Mar-16	As of Dec-15	As of Mar-16		As of Mar-16
Total Assets	35,894.9	6,132.2	68,493	7,043	(970.8)	49,924.9
Cash, deposits and call loans	645.2	118.4	397	1,358	31.4	960.3
Securities	30,250.1	5,836.5	50,843	2,859	(905.5)	41,560.0
Loans	2,826.0	-	7,360	-	1.7	3,715.5
Tangible fixed assets	1,164.1	0.2	113	0	0.5	1,178.8
Intangible fixed assets	81.6	2.7	2,663	1,207	(102.3)	407.3
Goodwill	-	-	732	786	(101.3)	54.8
Other intangible assets	22.0	0.0	1,915	420	(0.1)	289.2
Reinsurance receivable	4.4	72.5	165	148	(3.9)	105.8
Total Liabilities	32,791.7	6,046.3	63,912	4,890	23.5	46,991.9
Policy Reserve and others	30,635.2	5,948.1	57,893	3,491	26.9	43,894.0
Reinsurance payable	0.6	20.9	244	332	(3.8)	75.8
Bonds payable	215.7	-	2,238	-	-	485.6
Other liabilities	1,095.0	53.4	2,409	978	(36.8)	1,486.6
Total net assets	3,103.1	85.9	4,581	2,152	(994.3)	2,932.9
Total shareholders' equity	1,175.5	42.7	5,822	2,152	(976.9)	1,129.2
Capital stock	343.1	117.5	0	1,630	(258.1)	343.1
Capital surplus	343.7	67.5	5,554	-	(751.0)	330.1

(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life's disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=120.61 yen and 1AUD=86.25 yen, respectively.

(2) Figures in 'Others' and 'Consolidated' include figures of other consolidated companies which are not on this page as well as consolidation adjustment.

Appendix -
Summary Financial Statements (Dai-ichi Life non-consolidated)

By your side, for life

DAI-ICHI LIFE

Statement of Earnings(1)

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	4,798.4	4,265.7	(532.6)
Premium and other income	3,266.3	2,866.6	(399.7)
Investment income	1,174.4	1,060.0	(114.4)
Interest and dividends	802.3	802.2	(0.1)
Gains on sale of securities	146.5	211.9	+65.3
Derivative transaction gains	9.4	-	(9.4)
Gains on investments in separate accounts	183.2	-	(183.2)
Other ordinary revenues	357.6	339.1	(18.5)
Ordinary expenses	4,389.7	3,921.5	(468.1)
Benefits and claims	2,718.1	2,681.3	(36.7)
Provision for policy reserves and others	702.8	209.1	(493.7)
Investment expenses	131.2	273.9	+142.7
Losses on sale of securities	24.4	62.4	+38.0
Losses on valuation of securities	0.4	0.8	+0.4
Derivative transaction losses	-	54.1	+54.1
Losses on investments in separate accounts	-	31.5	+31.5
Operating expenses	398.5	404.1	+5.5
Ordinary profit	408.7	344.2	(64.5)
Extraordinary gains	3.0	0.2	(2.7)
Extraordinary losses	27.2	52.2	+25.0
Provision for reserve for policyholder dividends	112.2	97.5	(14.7)
Income before income taxes	272.3	194.7	(77.6)
Total of corporate income taxes	120.1	65.6	(54.5)
Net income	152.1	129.1	(23.0)

Balance Sheet

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	36,828.7	35,894.9	(933.8)
Cash, deposits and call loans	1,018.7	645.2	(373.4)
Monetary claims bought	259.7	233.2	(26.5)
Securities	30,673.3	30,250.1	(423.2)
Loans	3,029.2	2,826.0	(203.2)
Tangible fixed assets	1,203.2	1,164.1	(39.1)
Total liabilities	33,277.4	32,791.7	(485.6)
Policy reserves and others	30,449.6	30,635.2	+185.5
Policy reserves	29,840.9	29,984.2	+143.2
Contingency reserve	558.0	576.0	+18.0
Reserve for employees' retirement benefits	389.4	377.9	(11.5)
Reserve for price fluctuations	132.4	148.4	+16.0
Deferred tax liabilities	413.8	138.6	(275.1)
Total net assets	3,551.3	3,103.1	(448.1)
Total shareholders' equity	1,107.3	1,175.5	+68.2
Total of valuation and translation adjustments	2,443.2	1,926.6	(516.5)
Net unrealized gains (losses) on securities, net of tax	2,488.6	1,946.9	(541.7)
Reserve for land revaluation	(33.4)	(16.4)	+17.0

(1) *Gains (losses) on investments in separate accounts are offset by provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.*

Appendix -
Summary Financial Statements (Dai-ichi Frontier Life)

By your side, for life
DAI-ICHI LIFE

Statement of Earnings

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	2,157.5	1,967.5	(190.0)
Premium and other income	1,899.7	1,873.0	(26.7)
Investment income	257.7	94.5	(163.2)
Ordinary expenses	2,177.3	1,937.9	(239.4)
Benefits and claims	496.2	495.7	(0.4)
Provision for policy reserves and others	1,523.2	1,136.5	(386.7)
Investment expenses	52.0	197.1	+145.0
Operating expenses	95.2	97.2	+2.0
Ordinary profit (loss)	(19.7)	29.6	+49.4
Extraordinary gains (losses)	(2.1)	(2.9)	(0.8)
Income (loss) before income taxes	(21.9)	26.6	+48.5
Total of corporate income taxes	0.0	2.3	+2.3
Net income (loss)	(21.9)	24.3	+46.2

Balance Sheet

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	4,937.2	6,132.2	+1,195.0
Cash, deposits and call loans	81.3	118.4	+37.1
Securities	4,715.4	5,836.5	+1,121.1
Total liabilities	4,879.8	6,046.3	+1,166.5
Policy reserves and others	4,811.6	5,948.1	+1,136.5
Policy reserves	4,807.0	5,941.1	+1,134.0
Contingency reserve	120.3	114.6	(5.6)
Total net assets	57.4	85.9	+28.5
Total shareholders' equity	18.4	42.7	+24.3
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(166.5)	(142.2)	+24.3

Appendix -
Summary Financial Statements (Protective Life)

By your side, for life

DAI-ICHI LIFE

Statement of Earnings(1)(2)

(millions of USD)

	11 months ended Dec-15
Ordinary revenues	6,784
Premium and other income	4,689
Investment income	1,701
Other ordinary revenues	393
Ordinary expenses	6,384
Benefits and claims	4,020
Provision for policy reserves and others	1,031
Investment expenses	440
Operating expenses	692
Other ordinary expenses	200
Ordinary profit	399
Total of corporate income taxes	131
Net income	268

Balance Sheet(1)(2)

(millions of USD)

	As of 1-Feb-2015	As of Dec-15	Change
Total assets	70,966	68,493	(2,473)
Cash and deposits	463	397	(65)
Securities	53,287	50,843	(2,443)
Loans	7,333	7,360	+27
Tangible fixed assets	111	113	+2
Intangible fixed assets	2,712	2,663	(49)
Goodwill	735	732	(3)
Other intangible fixed assets	1,959	1,915	(44)
Reinsurance receivable	202	165	(36)
Total liabilities	65,412	63,912	(1,500)
Policy reserves and others	58,844	57,893	(950)
Reinsurance payables	252	244	(8)
Bonds payable	2,311	2,238	(73)
Other liabilities	2,338	2,409	+71
Total net assets	5,554	4,581	(972)
Total shareholders' equity	5,554	5,822	+268
Total accumulated other comprehensive income	-	(1,241)	(1,241)

(1) Disclosed after re-classifying items from Protective Life's financial statements under U.S. accounting standards to conform to Dai-ichi Life's disclosure standards.
(2) The fiscal year of Protective Life ends on December 31. Protective Life was acquired effective February 1, 2015 and is reported on a one quarter lag.

Appendix -
Summary Financial Statements (TAL)

By your side, for life

DAI-ICHI LIFE

Statement of Earnings[1][2]

(millions of AUD)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	3,166	3,231	+64
Premium and other income	2,745	3,020	+275
Investment income	334	31	(303)
Other ordinary revenues	86	179	+93
Ordinary expenses	2,982	3,079	+96
Benefits and claims	1,808	1,949	+141
Provision for policy reserves and others	447	312	(134)
Investment expenses	38	72	+33
Operating expenses	579	636	+56
Other ordinary expenses	109	108	(0)
Ordinary profit	184	152	(31)
Total of corporate income taxes	52	32	(19)
Net income	131	119	(11)
Underlying profit	146	168	+22

Balance Sheet[1][2]

(millions of AUD)

	As of Mar-15	As of Mar-16	Change
Total assets	6,674	7,043	+369
Cash and deposits	924	1,358	+433
Securities	3,070	2,859	(211)
Tangible fixed assets	1	0	(0)
Intangible fixed assets	1,235	1,207	(28)
Goodwill	786	786	-
Other intangible fixed assets	449	420	(28)
Reinsurance receivable	116	148	+31
Other assets	1,326	1,470	+143
Total liabilities	4,641	4,890	+249
Policy reserves and others	3,340	3,491	+150
Reinsurance payables	335	332	(2)
Other liabilities	859	978	+118
Deferred tax liabilities	106	89	(16)
Total net assets	2,033	2,152	+119
Total shareholders' equity	2,033	2,152	+119
Capital stock	1,630	1,630	-
Retained earnings	402	522	+119

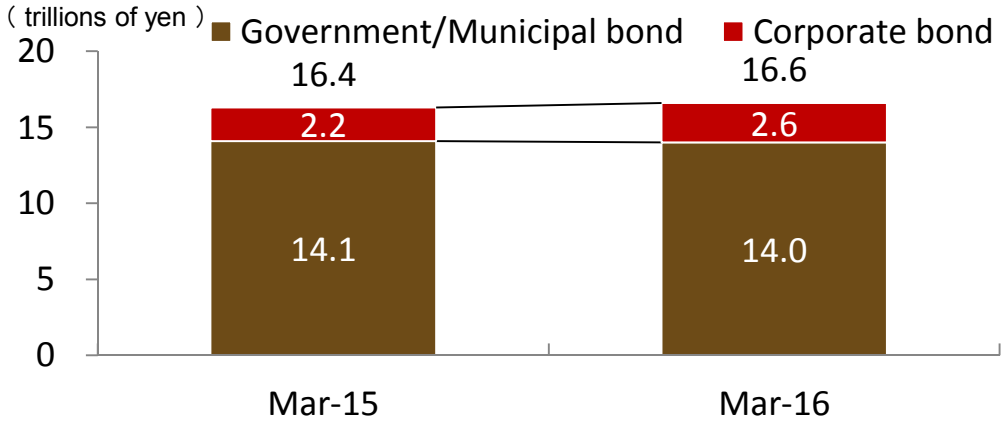
(1) Figures for consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(2) Figures for TAL (excluding underlying profit) are disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards.

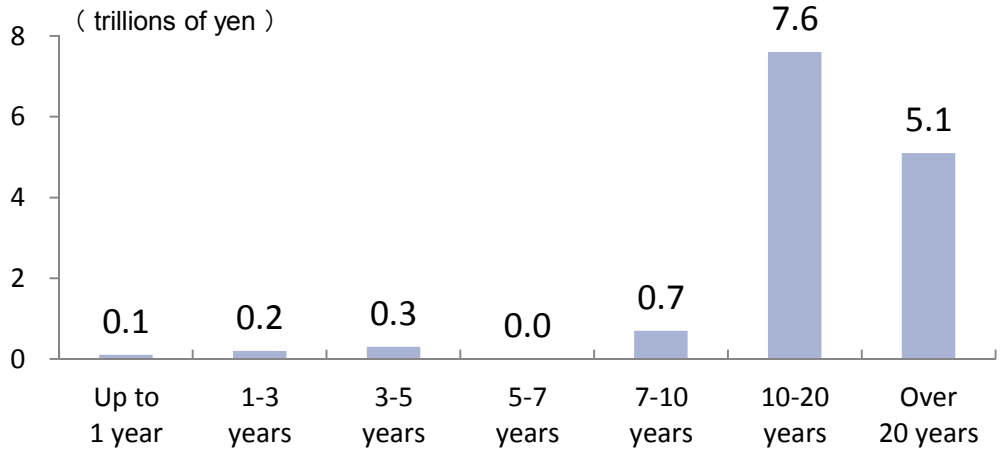
Appendix -
Profile of Domestic and Foreign Bonds (Dai-ichi Life non-consolidated)

By your side, for life
DAI-ICHI LIFE

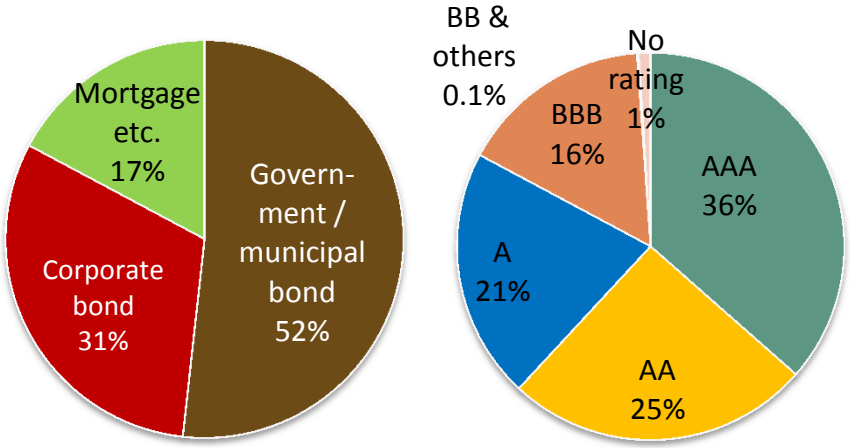
Yen-denominated Bonds (1)



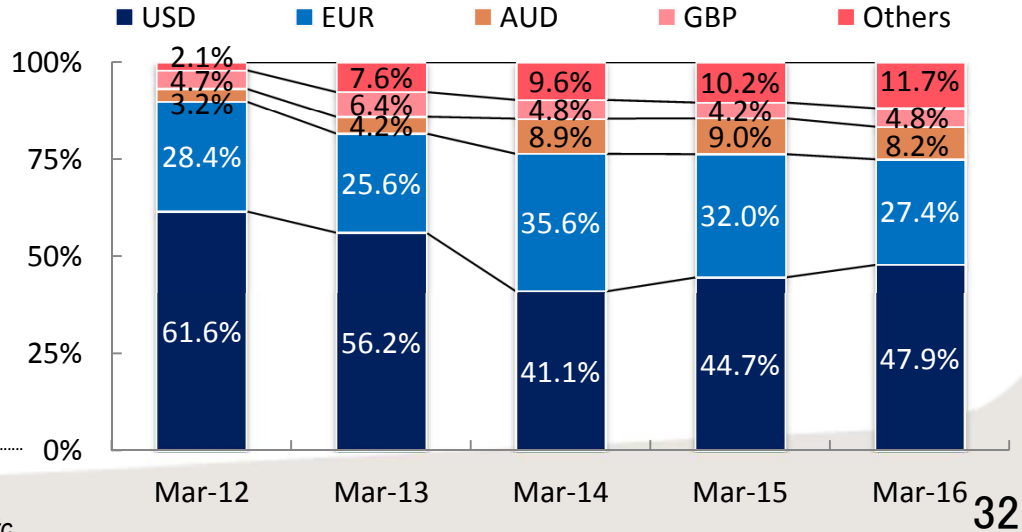
Maturity Profile of Domestic Government Bonds (2) (Mar-16)



Foreign Currency–denominated Bonds Portfolio (2) (3)(Mar-16)



Foreign Currency-denominated Bonds by currency(2)



(1) *Carrying amount - basis*
(2) *Book value - basis*
(3) *Ratings are medium revaluation between S&P & Moody's, excluding mortgage etc.*

Appendix -
Sensitivities to Financial Markets (non-consolidated basis)

By your side, for life

DAI-ICHI LIFE

	Sensitivities(1)	Breakeven Points(2)
Domestic stocks	Nikkei 225 1,000 yen change: March 2016: ±170 billion yen (March 2015: ±170 billion yen)	Nikkei 225 March 2016: 9,400 yen (March 2015: 8,900 yen)
Domestic bonds	10-year JGB Yield 10bp change: March 2016: ±290 billion yen * (March 2015: ±260 billion yen) * Available-for-sale securities: March 2016: ±40 billion yen (March 2015: ±30 billion yen)	10-year JGB Yield March 2016: 1.3% * (March 2015: 1.2%) * Available-for-sale securities: March 2016: 1.4% (March 2015: 1.4%)
Foreign securities	JPY / USD 1 yen change: March 2016: ±29 billion yen (March 2015: ±31 billion yen)	JPY / USD March 2016: $1 = 103 yen (March 2015: 100 yen)

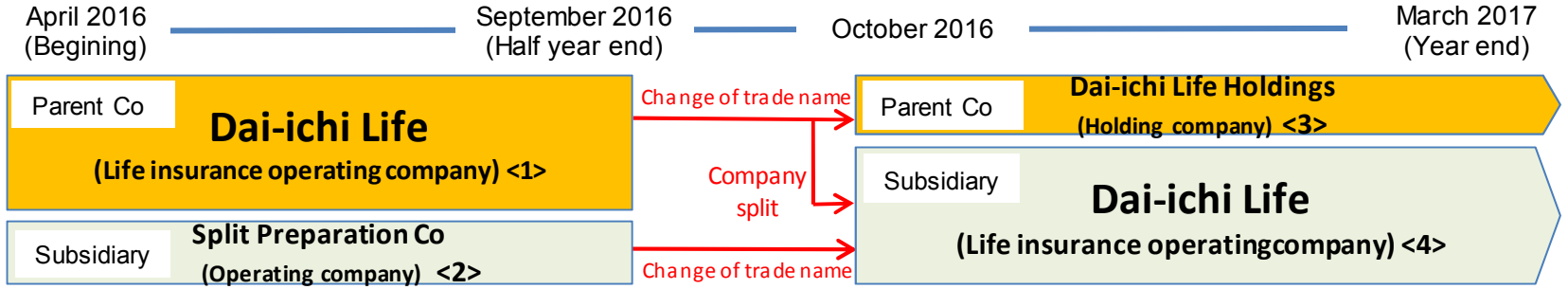
(1) Sensitivities indicate the impact of fluctuations in the market value of related assets.

(2) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on the JPY/USD exchange rate (assuming all are in USD).

(Reference) Guidance for Non-consolidated Listed Entity

By your side, for life
DAI-ICHI LIFE

- Dai-ichi Life plans to shift to a holding company structure on October 1, 2016 by means of a corporate split. Prior to the split, Dai-ichi Life, as a parent company of the Group, reports consolidated results as a listed entity. On and after the split, Dai-ichi Life Holdings, a successor company, will be the listed entity and willreport consolidated results.
- The guidance on the non-consolidated company basis for the year ending March 31, 2017 as a listed entity will be the sum of the results from Dai-ichi Life as a parent company <1> and the results of the holding company <3>.



(billions of yen)

Dai-ichi Life's forecast (as a listed company) for the year ending March 31,2017	
Ordinary revenues	1,947
Ordinary profit	179
Net income	81

=

(billions of yen)

Dai-ichi Life (current) <1> From April 1, 2016 to September 30, 2016
1,929
166
68

+

(billions of yen)

Dai-ichi Life Holdings <3> From October 1, 2016 to March 31, 2017
18
12
12

Investor Contact

The Dai-ichi Life Insurance Company, Limited
Investor Relations Center
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Disclaimer

The information in this presentation is subject to change without prior notice. Neither this presentation nor any of its contents may be disclosed or used by any other party for any other purpose without the prior written consent of the Company.

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements may include – but are not limited to – words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “possibility” and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by the Company’s management based on information that is currently available to it and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

May 13, 2016

Koichiro Watanabe
President and Representative Director
The Dai-ichi Life Insurance Company, Limited
Code: 8750 (TSE First section)

(Unofficial Translation) Summary of Financial Results for the Year Ended March 31, 2016

1. Sales Results

(millions of yen except percentages)

	Year ended/ as of March 31, 2015		Six months ended / as of September 30, 2015		Year ended/ as of March 31, 2016	
		Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of September 30, 2014		Increase (decrease) as % of March 31, 2015
Annualized net premium of new policies (sum of group companies)	339,191	+ 11.8%	176,834	+ 9.7%	387,292	+ 14.2%
DL	145,598	+ 22.1%	63,254	(0.2%)	140,645	(3.4%)
Medical and survival benefits	47,575	(2.7%)	24,975	+ 3.6%	51,249	+ 7.7%
Annualized net premium of policies in force (sum of group companies)	3,217,095	+ 25.7%	3,280,309	+ 24.3%	3,396,202	+ 5.6%
DL	2,037,762	+ 1.1%	2,043,450	+ 1.3%	2,065,032	+ 1.3%
Medical and survival benefits	556,198	+ 3.0%	565,780	+ 3.1%	576,556	+ 3.7%
Premium and other income (consolidated basis)	5,432,717	+ 24.8%	2,790,002	+ 7.8%	5,586,000	+ 2.8%
DL	3,266,361	+ 13.9%	1,407,132	(5.9%)	2,866,602	(12.2%)
Individual insurance and annuities	2,161,569	+ 16.3%	907,206	(6.3%)	1,923,189	(11.0%)
Group insurance and annuities	1,069,687	+ 10.4%	482,467	(5.4%)	908,513	(15.1%)
Sum insured of new policies (sum of DL, DFL and Neo First Life)	6,517,300	(15.1%)	2,342,306	(25.6%)	5,063,879	(22.3%)
DL	4,643,090	(28.2%)	1,406,428	(35.7%)	3,297,473	(29.0%)
Sum insured of policies in force (sum of DL, DFL and Neo First Life)	136,500,782	(2.6%)	133,599,583	(3.6%)	131,497,494	(3.7%)
DL	130,947,283	(4.3%)	127,554,110	(4.6%)	124,721,652	(4.8%)
Amount of surrenders and lapses (sum of DL, DFL and Neo First Life)	5,929,950	(5.6%)	2,751,242	(9.2%)	5,288,048	(10.8%)
DL	5,644,818	(7.6%)	2,608,448	(10.9%)	5,065,766	(10.3%)
Surrender and lapse rate (sum of DL, DFL and Neo First Life)	4.21%		2.02%		3.87%	
DL	4.12%		1.99%		3.87%	

Note: 1. "group companies" represents The Dai-ichi Life Insurance Company, Limited ("DL"), The Dai-ichi Frontier Life Insurance Co., Ltd. ("DFL"), The Neo First Life Insurance Company, Limited ("Neo First Life"), Protective Life Corporation ("Protective Life"), TAL Dai-ichi Life Australia Pty Ltd ("TAL") and Dai-ichi Life Insurance Company of Vietnam, Limited ("Dai-ichi Life Vietnam").

2. The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31.

3. Figures of Neo First Life and Protective Life are those for the period after DL completed 100% ownership acquirement of each company.
Neo first Life's annualized net premium("ANP") of new policies, ANP of policies in force, sum insured of new policies, sum insured of policies in force and amount of surrenders and lapses for the period from July 2014 are included in the above figures.
Protective Life's ANP of new policies for the consolidated fiscal period from April 2015 and ANP of policies in force for the consolidated fiscal period from March 31, 2015 are included in the above figures.

4. Figures of ANP of new policies and ANP of policies in force include Protective Life's non-life insurance premium and TAL's group insurance premium. The details are as follows:
[Protective Life]
Year ended / as of 31 March, 2015 — ANP of policies in force : 500,704 million yen (including 24,607 million yen of non-life insurance premium).
Six months ended / as of 30 September, 2015 — ANP of new policies : 16,107 million yen (including 4,302 million yen of non-life insurance premium).
ANP of policies in force : 518,410 million yen (including 28,555 million yen of non-life insurance premium).
Year ended / as of 31 March, 2016 — ANP of new policies : 35,685 million yen (including 8,931 million yen of non-life insurance premium).
ANP of policies in force : 511,128 million yen (including 28,574 million yen of non-life insurance premium).
[TAL]
Year ended / as of 31 March, 2015 — ANP of new policies : 24,167 million yen (including 4,265 million yen of group insurance premium).
ANP of policies in force : 207,593 million yen (including 122,066 million yen of group insurance premium).
Six months ended / as of 30 September, 2015 — ANP of new policies : 12,948 million yen (including 2,835 million yen of group insurance premium).
ANP of policies in force : 195,800 million yen (including 113,911 million yen of group insurance premium).
Year ended / as of 31 March, 2016 — ANP of new policies : 49,484 million yen (including 29,484 million yen of group insurance premium).
ANP of policies in force : 229,956 million yen (including 142,765 million yen of group insurance premium).

5. "Individual insurance and annuities" and "Group insurance and annuities" as a breakdown of "Premium and other income" do not include reinsurance premium.

6. Figures of "Sum insured of new policies", "Sum insured of policies in force", "Amount of surrenders and lapses" and "Surrender and lapse rate" represent those for sums of individual insurance and annuities.

7. The amounts of surrenders and lapses are not offset by the amounts of lapses which are reinstated. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force policies.

8. Figures of "Surrender and lapse rate" for the year ended March 2015 represent those for sums of DL and DFL.

2. Assets

(Consolidated Basis)

	As of March 31, 2015		As of September 30, 2015		As of March 31, 2016	
		Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of September 30, 2014		Increase (decrease) as % of March 31, 2015
Total assets (billions of yen)	49,837.2	+ 32.2%	49,888.8	+ 24.9%	49,924.9	+ 0.2%
Adjusted net assets (billions of yen)	9,430.7	+ 53.0%	8,597.6	+ 13.6%	10,227.9	+ 8.5%
Solvency margin ratio	818.2%		740.1%		763.8%	

(DL)

	As of March 31, 2015		As of September 30, 2015		As of March 31, 2016	
		Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of September 30, 2014		Increase (decrease) as % of March 31, 2015
Total assets (billions of yen)	36,828.7	+ 8.2%	36,370.1	+ 2.8%	35,894.9	(2.5%)
Adjusted net assets (billions of yen)	9,101.2	+ 51.2%	8,428.9	+ 14.9%	10,072.9	+ 10.7%
(Adjusted net assets) / (general account assets)	25.5%		23.9%		28.8%	
Solvency margin ratio	913.2%		861.8%		900.8%	

3. Fundamental Profit / Investment Spread / Investment Yield

(millions of yen except percentages)

	Year ended March 31, 2015		Year ended March 31, 2016		Year ending March 31, 2017 (forecast)
		Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of March 31, 2015	
Fundamental profit (sum of group companies)	472,001	+ 5.8%	535,139	+ 13.4%	Approx. 500.0 billion yen
Fundamental profit (sum of DL, DFL and Neo First Life)	452,473	+ 5.6%	467,443	+ 3.3%	Approx. 420.0 billion yen
Fundamental profit (DL)	458,242	+ 14.6%	465,441	+ 1.6%	Approx. 380.0 billion yen
Fundamental profit (DFL)	(6,310)	-	9,138	-	Approx. 40.0 billion yen
Fundamental profit (Neo First Life)	541	-	(7,136)	-	Negative
Fundamental profit (sum of overseas group companies)	19,527	+ 10.2%	67,696	+ 246.7%	Approx. 70.0 billion yen

Note: 1. "sum of group companies" represents the figure of DL, DFL and Neo First Life's fundamental profit plus Protective Life's operating income plus TAL's underlying profit before tax plus Dai-ichi Life Vietnam's net income before tax (after partial elimination of intra-group transactions).

2. The figures of Neo First Life before June 30, 2014 and its increase (decrease) as % of March 31, 2014 are omitted.

3. The figures of DL's forecast for the year ending March 2017 are the sum of the results of current DL for the 6 months ended September 30, 2016 and new DL for the 6 month after corporate splits on October 1, 2016.

(billions of yen)

	Year ended March 31, 2015		Year ended March 31, 2016		Year ending March 31, 2017 (forecast)
		Increase (decrease) compared to March 31, 2014		Increase (decrease) compared to March 31, 2015	
Investment spread (sum of DL, DFL and Neo First Life)	74.3	+ 42.0	106.4	+ 32.0	Expected to decrease
Investment spread (DL)	69.2	+ 41.1	97.8	+ 28.6	Expected to decrease
Investment spread (DFL)	5.1	+ 0.8	8.5	+ 3.3	Expected to decrease
Investment spread (Neo First Life)	(0.0)	-	(0.0)	-	Flat

note: Negative value in the table represents an amount of negative spread.

	Year ended March 31, 2015	Year ended March 31, 2016	Year ending March 31, 2017 (forecast)
Investment yield for fundamental profit	2.74%	2.76%	Expected to decrease
Investment yield (general account)	2.71%	2.50%	Expected to decrease
Average assumed rate of return	2.48%	2.41%	Expected to decrease

note: Non-consolidated basis (DL)

4. Breakdown of Fundamental Profit

(Sum of DL, DFL and Neo First Life) (millions of yen)

	Year ended March 31, 2015		Year ended March 31, 2016	
		Increase (decrease) compared to March 31, 2014		Increase (decrease) compared to March 31, 2015
Fundamental profit	452,473	+24,028	467,443	+14,970
Investment (Positive) spread	74,365	+42,003	106,402	+32,036
Provision for / reversal of policy reserve associated with guaranteed minimum maturity benefits etc.	(48,245)	(43,767)	(39,558)	+8,687
Gains from core insurance activities	426,352	+25,792	400,599	(25,753)

Note: 1. Figures of Neo First Life are for the period from July 2014.

2. Policy reserve associated with guaranteed minimum maturity benefit etc. represents a policy reserve associated with guaranteed minimum maturity benefit risk of variable insurance and a policy reserve associated with market value adjustments of fixed life insurance products. An increase (decrease) in such reserve reduces (increases) fundamental profit.

(DL) (millions of yen)

	Year ended March 31, 2015		Year ended March 31, 2016	
		Increase (decrease) compared to March 31, 2014		Increase (decrease) compared to March 31, 2015
Fundamental profit	458,242	+58,428	465,441	+7,199
Investment (Positive) spread	69,204	+41,185	97,876	+28,672
Provision for / reversal of policy reserve associated with guaranteed minimum maturity benefits etc.	1,073	(1,138)	439	(633)
Gains from core insurance activities	387,964	+18,381	367,125	(20,839)
Mortality and morbidity gains	354,774	+1,138	355,486	+711

5. Policy Reserves and Other Reserves (millions of yen)

	As of March 31, 2015		As of September 30, 2015		As of March 31, 2016	
		Increase (decrease) compared to March 31, 2014		Increase (decrease) compared to September 30, 2014		Increase (decrease) compared to March 31, 2015
Policy reserve (excluding contingency reserve)	29,282,880	+ 614,704	29,289,666	+ 333,076	29,408,116	+ 125,236
General account (excluding contingency reserve)	28,054,776	+ 605,313	28,160,689	+ 462,688	28,389,457	+ 334,680
Separate account (excluding contingency reserve)	1,228,103	+ 9,391	1,128,976	(129,611)	1,018,659	(209,444)
Reserve for price fluctuations	132,453	+ 16,000	140,453	+ 17,000	148,453	+ 16,000
Contingency reserve	558,093	+ 27,000	567,093	+ 27,000	576,093	+ 18,000
Contingency reserve 1	131,610	(5,521)	128,516	(5,580)	125,457	(6,152)
Contingency reserve 2	249,357	+ 31,320	261,607	+ 32,106	272,149	+ 22,792
Contingency reserve 3	8,134	(938)	6,673	(1,888)	5,811	(2,322)
Contingency reserve 4	168,991	+ 2,139	170,296	+ 2,362	172,674	+ 3,683
Fund for risk allowance	43,120	-	43,120	-	43,120	-
Fund for price fluctuation allowance	65,000	-	65,000	-	65,000	-

note: Non-consolidated basis (DL)

6. Unrealized Gains/Losses (millions of yen)

	As of March 31, 2015		As of September 30, 2015		As of March 31, 2016	
		Increase (decrease) compared to March 31, 2014		Increase (decrease) compared to September 30, 2014		Increase (decrease) compared to March 31, 2015
Securities	5,491,709	+ 2,486,044	4,721,638	+ 865,604	6,212,010	+ 720,301
Domestic stocks	1,785,671	+ 853,868	1,514,841	+ 264,602	1,312,806	(472,864)
Domestic bonds	2,236,845	+ 855,522	2,216,821	+ 527,476	4,022,989	+ 1,786,144
Foreign securities	1,400,889	+ 758,637	958,405	+ 90,751	850,834	(550,054)
Real estate	75,583	+ 27,318	84,769	+ 34,604	130,341	+ 54,758
Total unrealized gains (losses)	5,550,709	+ 2,500,193	4,791,415	+ 858,597	6,334,647	+ 783,938

Note: 1. Unrealized gains on real estate shown above represent pre-revaluation value of real estate, including land leasing rights, located in Japan.

2. Non-consolidated basis (DL)

7. Investment Results and Plans (millions of yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (PLAN)
Domestic stocks	(401,228)	Basically flat, but also flexibly increase or decrease
Domestic bonds	283,848	Increase
Foreign stocks	(249,429)	Increase
Foreign bonds	(51,535)	Basically increase, but also flexibly increase or decrease
Real estate	(38,485)	Flat

Note: 1. Carrying amount basis

2. Non-consolidated basis (DL)

8. Level of Indices where Unrealized Gains/Losses on Assets are Break-even

	As of March 31, 2016
Nikkei 225	Approx. 9,400
TOPIX	Approx. 750 pts
Domestic bonds	Approx. 1.3 %
Foreign securities	Approx. 103 yen per USD

Note: 1. For domestic stocks, calculated based on valuation method of stocks, fully linked with Nikkei 225 and TOPIX.

2. For domestic bonds, rounded to one decimal place, calculated based on newly-issued 10-year government bond yields.

3. For foreign securities, calculated based on dollar-yen rate (assuming all are in dollars).

4. Non-consolidated basis (DL)

9. Forecasts for the Year Ending March 31, 2017

	Year ending March 31, 2017 (FORECAST)
Premium and other income (consolidated basis)	Expected to decrease
Fundamental profit (sum of group companies)	Around 500 billion yen
Sum insured of policies in force (sum of DL, DFL and Neo First Life)	Expected to decrease
Annualized net premium of policies in force (sum of group companies)	Expected to increase

10. Contribution from/to Domestic Banks

i) Contributions from Domestic Banks (millions of yen)

	As of March 31, 2016
Stocks	126,696
Subordinated loans and bonds	0

Note: 1. The "Stocks" in the above table represents the market value of stocks as of March 31, 2016 issued by DL and held by Toshi Ginko (major commercial banks in Japan), regional banks, trust banks (excluding the shares held by trust accounts) and credit unions.
2. Syndicated loans are excluded from "Subordinated loans and bonds".
3. Non-consolidated basis (DL)

ii) Contributions to Domestic Banks (millions of yen)

	As of March 31, 2016
Stocks (market value basis)	346,105
Subordinated loans, subordinated bonds and preferred securities	1,125,171

Note: 1. "Stocks" includes preferred stocks. (Investment in foreign subsidiaries are not included)
2. Non-consolidated basis (DL)

11. Number of Employees

	As of March 31, 2015		As of September 30, 2015		As of March 31, 2016	
		Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of September 30, 2014		Increase (decrease) as % of March 31, 2015
Sales Representatives	42,262	(2.5%)	42,837	(0.3%)	42,983	+ 1.7%
Administrative personnel	11,828	(3.3%)	12,027	(3.2%)	11,634	(1.6%)

Note: 1. The number of sales representatives includes those who engage in ancillary work.
2. Non-consolidated basis (DL)

12. Policyholder Dividends (Provision for Policyholder Dividends for the Fiscal Year Ended March 31, 2016)

(millions of yen except percentages)

	Year ended March 31, 2015		Year ended March 31, 2016	
		Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of March 31, 2015
Individual insurance	12,300	+ 11.8%	16,439	+ 33.7%
Individual annuities	800	+ 300.0%	1,404	+ 75.5%
Group insurance	59,400	+ 7.4%	62,367	+ 5.0%
Group annuities	38,000	+ 47.3%	15,694	(58.7%)

13. Over-the-counter Sales by Financial Institutions (Sum of DL and DFL)

			Year ended March 31, 2015		Year ended March 31, 2016	
				Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of March 31, 2015
Variable annuities	Number of new policies		167,173	+ 156.6%	132,755	(20.6%)
	Premium from new policies	(millions of yen)	981,091	+ 176.5%	775,443	(21.0%)
Fixed annuities	Number of new policies		18,765	(45.5%)	12,912	(31.2%)
	Premium from new policies	(millions of yen)	87,879	(47.9%)	61,252	(30.3%)

note: Financial institutions include banks, securities companies, trust banks and credit unions.

			Year ended March 31, 2015		Year ended March 31, 2016	
				Increase (decrease) as % of March 31, 2014		Increase (decrease) as % of March 31, 2015
Single premium variable whole life insurance	Number of new policies		563	-	39,358	+6,890.8%
	Premium from new policies	(millions of yen)	8,402	-	284,624	+3,287.3%
Single premium fixed whole life insurance	Number of new policies		84,107	+0.3%	74,755	(11.1%)
	Premium from new policies	(millions of yen)	629,961	+2.5%	550,027	(12.7%)

note: Financial institutions include banks, securities companies, trust banks and credit unions.

Appendix

Other Topics

Provision for / (Reversal of) Policy Reserve Associated with Minimum Guarantee for Individual Variable Annuities and Others (General Account)

(billions of yen)

	Year ended March 31, 2015	Six months ended September 30, 2015	Year ended March 31, 2016
DL	(0.6)	0.1	0.2
DFL	2.4	28.1	31.5
Sum of DL and DFL	1.7	28.2	31.7

* Negative value in the table represents an amount of reversal.

May 13, 2016

Financial Results for the Fiscal Year Ended March 31, 2016

The Dai-ichi Life Insurance Company, Limited (the "Company" or the "Parent Company"; President: Koichiro Watanabe) announces its financial results for the fiscal year ended March 31, 2016.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2016.

For further information please contact:

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The Dai-ichi Life Insurance Company, Limited
TEL: +81-(0)50-3780-3119/7731

Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

(1) Annualized Net Premium

Policies in Force

(billions of yen)

	As of March 31, 2015		As of March 31, 2016	
		% of March 31, 2014 total		% of March 31, 2015 total
Individual insurance	1,638.3	99.9	1,629.9	99.5
Individual annuities	399.3	106.2	435.0	108.9
Total	2,037.7	101.1	2,065.0	101.3
Medical and survival benefits	556.1	103.0	576.5	103.7

New Policies

(billions of yen)

	As of March 31, 2015		As of March 31, 2016	
		% of March 31, 2014 total		% of March 31, 2015 total
Individual insurance	115.3	117.6	99.0	85.9
Individual annuities	30.2	143.0	41.6	137.6
Total	145.5	122.1	140.6	96.6
Medical and survival benefits	47.5	97.3	51.2	107.7

Note: 1. Annualized net premium is calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. New policies include net increase by conversion.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2015			
	Number of policies		Amount	
	(thousands)	% of March 31, 2014 total	(billions of yen)	% of March 31, 2014 total
Individual insurance	11,593	101.1	121,655.7	95.0
Individual annuities	1,544	104.5	9,291.5	105.6
Individual insurance and annuities	13,138	101.5	130,947.2	95.7
Group insurance	-	-	48,092.2	99.5
Group annuities	-	-	6,397.4	100.7

	As of March 31, 2016			
	Number of policies		Amount	
	(thousands)	% of March 31, 2015 total	(billions of yen)	% of March 31, 2015 total
Individual insurance	11,680	100.7	114,816.0	94.4
Individual annuities	1,650	106.9	9,905.6	106.6
Individual insurance and annuities	13,331	101.5	124,721.6	95.2
Group insurance	-	-	48,020.2	99.9
Group annuities	-	-	6,064.2	94.8

Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.

New Policies

	Year ended March 31, 2015					
	Number of policies		Amount			
	(thousands)	% of March 31, 2014 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2014 total
Individual insurance	1,053	101.2	3,753.1	4,714.6	(961.5)	64.3
Individual annuities	117	126.4	889.9	900.4	(10.5)	140.9
Individual insurance and annuities	1,170	103.3	4,643.0	5,615.1	(972.0)	71.8
Group insurance	-		414.7	414.7		120.3
Group annuities	-		0.1	0.1		41.0

	Year ended March 31, 2016					
	Number of policies		Amount			
	(thousands)	% of March 31, 2015 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2015 total
Individual insurance	1,004	95.3	2,254.3	4,152.6	(1,898.2)	60.1
Individual annuities	157	134.6	1,043.0	1,056.3	(13.2)	117.2
Individual insurance and annuities	1,161	99.2	3,297.4	5,208.9	(1,911.5)	71.0
Group insurance	-		162.4	162.4		39.2
Group annuities	-		0.2	0.2		240.8

Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.

(Reference) Surrenders and lapses in individual insurance and annuities

(billions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Amount of surrenders and lapses	5,644.8	5,065.7
Surrender and lapse rate (%)	4.12	3.87

Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.
2. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force contracts.

(3) Profit and Loss Items

(millions of yen)

	Year Ended March 31, 2015		Year Ended March 31, 2016	
		% of March 31, 2014 total		% of March 31, 2015 total
Premium and other income	3,266,361	113.9	2,866,602	87.8
Investment income	1,174,430	101.1	1,060,017	90.3
Benefits and claims	2,718,186	111.4	2,681,396	98.6
Investment expenses	131,253	61.4	273,985	208.7
Ordinary profit	408,764	132.9	344,222	84.2

(4) Total Assets

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
		% of March 31, 2014 total		% of March 31, 2015 total
Total Assets	36,828,768	108.2	35,894,956	97.5

2. Policies in Force as of March 31, 2016 by Benefit

	Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits								
general	11,102	97,941.9	-	0.0	23,833	48,013.5	34,936	145,955.4
accidental	[3,408]	[13,535.1]	[839]	[355.6]	[2,829]	[1,530.9]	[7,077]	[15,421.7]
others	[0]	[0.0]	[-]	[-]	[65]	[50.9]	[65]	[50.9]
Survival benefits	577	16,874.0	1,650	9,905.6	8	6.7	2,237	26,786.4
Hospitalization benefits								
accidental	[8,708]	[44.8]	[63]	[0.3]	[1,420]	[0.8]	[10,192]	[46.0]
illness	[8,671]	[44.7]	[64]	[0.3]	[1]	[0.0]	[8,737]	[45.0]
others	[3,888]	[22.8]	[49]	[0.2]	[54]	[0.0]	[3,993]	[23.1]
Injury benefits	[6,673]	-	[74]	-	[2,517]	-	[9,265]	-
Surgery benefits	[7,539]	-	[64]	-	-	-	[7,604]	-

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	8,810	6,064.2	78	267.1	43	98.2	8,932	6,429.5

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	390	0.7

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	29	2.4

Note:

1. Figures in [ ] show numbers and amounts of additional benefits and of benefits to be paid from riders.
2. Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
3. Amounts in 'Survival benefits' show the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced for individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
4. Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
5. Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
6. Amount in group disability insurance shows the amount of disability benefits paid per month.
7. The number of insureds and amount of policies for reinsurance written were 112 thousand and 87.2 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2016

(1) Investment Environment

- The Japanese economy experienced growth of a slow pace during the fiscal year ended March 31, 2016. Although capital investment has improved, foreign demand was weak and the recovery in individual consumption was modest, reflecting a slow down of income increase.
- The U.S. economy, on the other hand, maintained steady growth mainly led by robust individual consumption backed by improved employment and income environment.
- The European economy continued its moderate recovery owing to the enhanced monetary easing measures implemented by the European Central Bank (ECB), including buying government bonds.
- Given the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

The ten-year Japanese government bond (JGB) yield maintained a downward trend due to the maintenance and enhancement of quantitative and qualitative monetary easing measures by the Bank of Japan (BOJ). In the second half of the fiscal year, JGB yields fell significantly below zero as a result of the introduction of a negative interest rate policy by the BOJ.

Yield on ten-year government bonds:	April 1, 2015	0.395%
	March 31, 2016	▲0.050%

[Domestic stocks]

- The Nikkei 225 temporarily rose to record levels since 1996, reaching a peak similar to that experienced during the IT bubble, due to a healthy growth in corporate earnings and an increasing trend of shareholder returns. The Nikkei 225 then went on a declining trend due to the global stock market slide caused by rising concerns over the Chinese economy and the appreciation of the yen following the Federal Reserve Board's (the Fed's) cautious stance towards raising interest rates.

Nikkei 225 Stock Average:	April 1, 2015	19,206
	March 31, 2016	16,758
TOPIX:	April 1, 2015	1,543
	March 31, 2016	1,347

[Foreign currency]

- After hovering around the ¥120 level, reflecting monetary policy differentials between the Feds and the BOJ (such as the Fed's decision to raise interest rates), the U.S. dollar depreciated against the yen and decreased to around ¥112. The depreciating trend of the U.S. dollar was mainly caused by the Fed's cautious stance towards raising interest rates, due to a) the rising concerns over slowing emerging economies and b) the financial market disturbances reflecting the collapse in oil prices.
- The yen's appreciation against the euro progressed, reflecting the movements of the dollar-yen exchange rates.

yen /U.S. dollar:	April 1, 2015	¥120.17
	March 31, 2016	¥112.68
yen/euro:	April 1, 2015	¥130.32
	March 31, 2016	¥127.70

(2) Investment Results

[Asset composition]

- Although the Company continued to set fixed income investments, including government and corporate bonds, as the core of its asset portfolio, consistent with its mid- to long-term investment policies, the Company refrained from purchasing super long-term bonds classified as policy reserve-matching bonds and shifted to foreign currency-denominated bonds with currency hedges, considering investment efficiency within its fixed income assets, in order to further enhance its Asset Liability Management (ALM) strategy and improve its profitability.
- The Company has flexibly changed allocation of its risk assets (such as domestic stocks and foreign securities intended to promote diversification and to improve its profitability) by taking market trends into account.
- The table below summarizes the investment results of the Company's general account by asset class:

Assets	Investment results
Domestic bonds	Increase The overall balance of domestic bonds increased. While the Company refrained from accumulating super long-term bonds classified as policy reserve-matching bonds considering the persistency of the low interest rate environment, the Company strived to improve investment yields by making careful selection and diversification among various credit risk products, including corporate bonds and securitized products.
Loans	Decrease Although the overall balance of loans decreased due to contractual maturities and other factors, the Company provided loans to secure adequate risk-adjusted credit spreads, while also paying attention to the credit spread trends in the bond market.
Domestic stocks	Decrease on a market value basis The overall balance of domestic stocks on a market value basis decreased due to a decline in stock prices. In order to enhance the total return of its asset portfolio, the Company invested in some sectors/companies with mid- to long-term growth potential, taking into account the analyses of our in-house analysts.
Foreign bonds	Flat on a market value basis The Company actively invested in foreign currency-denominated bonds with currency hedges in order to improve investment efficiency within its fixed income assets, focusing on international interest spreads. As a result of the appreciation of the yen and the Company's flexible allocation of foreign currency-denominated bonds without currency hedges, taking market trends into account, the balance of foreign bonds was flat on a market value basis. Moreover, the Company cautiously controlled risks by diversifying its portfolio by sector and currency and tried to improve investment efficiency.
Foreign stocks	Decrease Although the Company increased the balance of foreign stocks in order to enhance the total return of its asset portfolio and promote diversification, the overall balance of foreign stocks on a market value basis decreased due to a decline in stock prices and the appreciation of the yen. The Company continued to focus on diversification by investment style and geographical composition of its foreign stock portfolio, utilizing both third-party asset managers and in-house managers.
Real estate	Flat The Company pursued improvements in profitability of the existing real estate portfolio by (a) investing in new residential properties and selling properties with lower profitability and (b) renegotiating rents and improving vacancy rates. Also, the Company strived to increase the value of existing properties by renovating and reconstructing them.

Note: Underlined changes in assets above are described on a balance sheet amount basis.

[Investment income and expenses]

- Investment income increased by ¥68.8 billion to ¥1,060.0 billion mainly due to the increase in gains on sale of securities.
- Investment expenses increased by ¥111.1 billion to ¥242.4 billion mainly due to the increase in losses on sale of securities and derivative transaction losses.
- As a result, net investment income decreased by ¥42.3 billion to ¥817.6 billion.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2017

- The Company expects a moderate growth of the Japanese economy for the fiscal year ending March 31, 2017. This is due to a slow down of the exports reflecting a slower recovery of the world economy and reduced capital investment reflecting uncertainty of currency movements, while the effects of a decrease in crude oil prices will support corporate earnings and the real purchasing power of households.

[Domestic interest rates]

- Domestic interest rates are expected to remain low for a while due to the maintenance and enhancement of quantitative and qualitative monetary easing measures by the BOJ, including a negative interest rate policy.

[Domestic stocks]

- The Company forecasts that the domestic stock market will be uncertain especially in the first half of the fiscal year. This is due to unpredictable factors such as currency movements, domestic and international election schedules as well as other factors. In the second half of the fiscal year, the Company forecasts that growth of corporate earnings will support a rise in stock prices.

[Foreign currency]

- The Company anticipates some depreciation of the yen against the U.S. dollar, as the Fed is expected to raise interest rates gradually, while the BOJ is expected to maintain or enhance its monetary easing measures for a long term. Also, the Company will closely monitor factors which raise uncertainty about foreign exchange rates, such as speculation as to monetary policy direction and geopolitical risk and others.
- For euro-yen rates, the Company anticipates only a limited fluctuation for the period in light of the monetary easing measures by both the BOJ and the ECB.

(4) Investment Policies for the Fiscal Year Ending March 31, 2017

- The Company will continue to set fixed income investments, including government and corporate bonds, as the core of its asset portfolio, consistent with its mid- to long-term investment policies. In addition, taking into account market trends, the Company will flexibly change the allocation of its risk assets, such as domestic stocks and foreign securities, carried to diversify and improve the overall returns of its investment portfolio.
- The table below summarizes the expected investments of the Company's general account by asset class:

Assets	Investment policies
Domestic bonds	Increase The Company will continue to set domestic bonds as a core asset under its ALM strategy. While the Company will continue to refrain from purchasing JGBs in consideration of the continued low interest rate environment, the Company will strive to expand its investments in infrastructure project finance-related investments. When interest rates rise, the Company will accelerate its investments in bonds with longer durations (i.e. long-term bonds and super-long-term bonds) to further enhance its ALM.
Loans	Decrease While actively providing new loans to fulfill capital needs in growth sectors/companies, the overall loan balance of the Company is expected to decrease mainly due to contractual maturities. The Company intends to provide new loans by setting appropriate credit spreads, with attention to borrowers' profiles and credit spread levels in the corporate bond market.
Domestic stocks	Basically flat but flexibly increase or decrease The overall domestic stocks balance of the Company is expected to be flat taking into account appropriate risk control, but the Company will flexibly change the allocation of domestic stocks, taking market trends into account. In order to improve the profitability of the portfolio, the Company may replace some companies/sectors based on competitiveness, growth potential, and/or valuation.
Foreign bonds	Basically increase but flexibly increase or decrease As for foreign currency-denominated bonds without currency hedges, the Company will flexibly change the allocation of this asset class based on exchange rate trends, while carefully monitoring the effect of diversification among risk assets. The Company is expected to increase foreign currency-denominated bonds with currency hedges in order to improve investment efficiency within its fixed income assets while carefully monitoring domestic and foreign interest rate differentials and flexibly change its overall balance.
Foreign stocks	Increase Taking market trends into account, the Company will increase its exposure to foreign stocks. In order to improve the profitability and stability of the portfolio, the Company also continues to seek regional diversification, as well as investment style diversification.

(2) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	901,853	2.5	607,476	1.7
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	259,735	0.7	233,206	0.7
Trading account securities	-	-	-	-
Money held in trust	36,122	0.1	52,806	0.2
Securities	29,670,244	83.2	29,407,417	84.1
Domestic bonds	16,088,970	45.1	16,372,818	46.8
Domestic stocks	3,754,780	10.5	3,353,552	9.6
Foreign securities	9,392,567	26.3	9,091,602	26.0
Foreign bonds	6,959,454	19.5	6,907,918	19.8
Foreign stocks and other securities	2,433,112	6.8	2,183,683	6.2
Other securities	433,926	1.2	589,444	1.7
Loans	3,029,295	8.5	2,826,052	8.1
Policy loans	428,555	1.2	405,056	1.2
Ordinary loans	2,600,740	7.3	2,420,995	6.9
Real estate	1,196,028	3.4	1,157,543	3.3
Real estate for rent	783,264	2.2	784,749	2.2
Deferred tax assets	-	-	-	-
Others	564,554	1.6	688,292	2.0
Reserve for possible loan losses	(2,105)	(0.0)	(1,237)	(0.0)
Total	35,655,728	100.0	34,971,556	100.0
Foreign currency-denominated assets	7,780,820	21.8	7,661,764	21.9

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(3) Changes (Increase/Decrease) in Assets (General Account)

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash, deposits, and call loans	74,438	(294,377)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	(16,083)	(26,528)
Trading account securities	-	-
Money held in trust	1,423	16,683
Securities	2,764,765	(262,827)
Domestic bonds	(31,339)	283,848
Domestic stocks	892,594	(401,228)
Foreign securities	1,856,823	(300,965)
Foreign bonds	1,142,106	(51,535)
Foreign stocks and other securities	714,716	(249,429)
Other securities	46,687	155,518
Loans	6,121	(203,243)
Policy loans	(24,383)	(23,498)
Ordinary loans	30,504	(179,744)
Real estate	(10,147)	(38,485)
Real estate for rent	1,669	1,485
Deferred tax assets	(11,163)	-
Others	25,693	123,737
Reserve for possible loan losses	648	868
Total	2,835,696	(684,171)
Foreign currency-denominated assets	1,741,015	(119,056)

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(4) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2015		Year ended March 31, 2016	
	Amount	%	Amount	%
Interest and dividends	802,330	80.9	802,203	75.7
Interest from bank deposits	11,973	1.2	11,213	1.1
Interest and dividends from securities	645,467	65.1	647,317	61.1
Interest from loans	66,896	6.7	62,387	5.9
Rental income	68,030	6.9	69,545	6.6
Other interest and dividends	9,962	1.0	11,738	1.1
Gains on trading account securities	-	-	-	-
Gains on money held in trust	7,668	0.8	-	-
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	146,542	14.8	211,921	20.0
Gains on sale of domestic bonds	17,198	1.7	6,598	0.6
Gains on sale of domestic stocks	43,460	4.4	38,011	3.6
Gains on sale of foreign securities	84,268	8.5	166,611	15.7
Others	1,615	0.2	698	0.1
Gains on redemption of securities	23,906	2.4	44,645	4.2
Derivative transaction gains	9,411	0.9	-	-
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	468	0.0	838	0.1
Reversal of reserve for possible investment losses	214	0.0	-	-
Other investment income	623	0.1	409	0.0
Total	991,166	100.0	1,060,017	100.0

(5) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2015		Year ended March 31, 2016	
	Amount	%	Amount	%
Interest expenses	16,024	12.2	15,242	6.3
Losses on trading account securities	-	-	-	-
Losses on money held in trust	-	-	791	0.3
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	24,412	18.6	62,457	25.8
Losses on sale of domestic bonds	2,294	1.7	464	0.2
Losses on sale of domestic stocks	4,744	3.6	5,017	2.1
Losses on sale of foreign securities	16,978	12.9	54,989	22.7
Others	393	0.3	1,987	0.8
Losses on valuation of securities	469	0.4	873	0.4
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	153	0.1	178	0.1
Losses on valuation of foreign securities	315	0.2	695	0.3
Others	-	-	-	-
Losses on redemption of securities	305	0.2	1,201	0.5
Derivative transaction losses	-	-	54,120	22.3
Foreign exchange losses	38,047	29.0	53,872	22.2
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	-	-	423	0.2
Write-down of loans	43	0.0	59	0.0
Depreciation of real estate for rent and others	14,633	11.1	14,165	5.8
Other investment expenses	37,317	28.4	39,209	16.2
Total	131,253	100.0	242,417	100.0

(6) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Net investment income	859,912	817,600

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash, deposits, and call loans	0.34	(0.22)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	2.21	2.16
Trading account securities	-	-
Money held in trust	26.81	(1.70)
Securities	3.02	2.79
Domestic bonds	1.69	1.68
Domestic stocks	4.42	4.85
Foreign securities	5.06	4.24
Foreign bonds	5.27	4.06
Foreign stocks and other securities	4.36	4.74
Loans	2.22	2.17
Ordinary loans	1.81	1.76
Real estate	3.49	3.73
Total	2.71	2.50
Foreign investments	4.64	3.87

Note: 1. Rates of return above are calculated by dividing the net investment income included in ordinary profit by the average daily balance on a book value basis.
2. "Foreign investments" include yen-denominated assets.

B. Average daily balance (general account)

(billions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash, deposits, and call loans	909.4	740.8
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	256.0	234.4
Trading account securities	-	-
Money held in trust	28.6	46.6
Securities	25,301.3	26,494.8
Domestic bonds	15,586.0	15,794.0
Domestic stocks	1,913.5	2,018.8
Foreign securities	7,443.6	8,233.3
Foreign bonds	5,743.0	6,113.9
Foreign stocks and other securities	1,700.6	2,119.4
Loans	3,028.8	2,910.0
Ordinary loans	2,588.3	2,492.8
Real estate	783.9	792.7
Total	31,768.3	32,647.0
Foreign investments	8,218.8	8,997.5

Note: "Foreign investments" include yen-denominated assets.

C. Valuation gains and losses on trading securities (General account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	33,245	3,962	50,166	(4,459)
Trading account securities	-	-	-	-
Money held in trust	33,245	3,962	50,166	(4,459)

D. Fair value information on securities (General account) (securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2015					
Held-to-maturity bonds	45,411	49,940	4,529	4,529	-
Domestic bonds	45,411	49,940	4,529	4,529	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,996,350	13,835,074	1,838,724	1,839,401	677
Domestic bonds	11,965,521	13,803,860	1,838,339	1,838,998	658
Foreign bonds	30,828	31,213	384	403	19
Stocks of subsidiaries and affiliates	26,605	76,937	50,332	50,332	-
Available-for-sale securities	12,413,822	15,907,148	3,493,326	3,524,928	31,601
Domestic bonds	3,683,212	4,077,188	393,975	394,394	418
Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
Foreign securities	6,531,753	7,777,156	1,245,403	1,254,663	9,260
Foreign bonds	5,917,345	6,928,625	1,011,280	1,015,396	4,115
Foreign stocks and other securities	614,408	848,531	234,123	239,267	5,144
Other securities	266,385	320,841	54,455	54,644	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
Total	24,482,189	29,869,101	5,386,912	5,419,191	32,279
Domestic bonds	15,694,144	17,930,989	2,236,845	2,237,922	1,077
Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
Foreign securities	6,588,411	7,884,503	1,296,091	1,305,371	9,279
Foreign bonds	5,948,174	6,959,838	1,011,664	1,015,799	4,134
Foreign stocks and other securities	640,237	924,664	284,427	289,572	5,144
Other securities	267,161	321,645	54,483	54,672	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
As of March 31, 2016					
Held-to-maturity bonds	45,712	51,296	5,583	5,583	-
Domestic bonds	45,712	51,296	5,583	5,583	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,027,685	15,449,932	3,422,247	3,422,586	339
Domestic bonds	11,948,259	15,369,411	3,421,152	3,421,152	-
Foreign bonds	79,425	80,520	1,095	1,434	339
Stocks of subsidiaries and affiliates	26,570	61,653	35,082	35,101	18
Available-for-sale securities	12,927,650	15,628,568	2,700,917	2,874,655	173,738
Domestic bonds	3,782,592	4,378,846	596,253	596,857	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,759,695	7,526,318	766,622	830,252	63,629
Foreign bonds	6,150,829	6,828,492	677,663	714,258	36,594
Foreign stocks and other securities	608,865	697,825	88,959	115,994	27,035
Other securities	484,658	497,071	12,412	25,441	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
Total	25,027,619	31,191,450	6,163,830	6,337,926	174,095
Domestic bonds	15,776,565	19,799,554	4,022,989	4,023,592	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,864,951	7,667,606	802,655	866,642	63,987
Foreign bonds	6,230,255	6,909,013	678,758	715,692	36,933
Foreign stocks and other securities	634,695	758,592	123,896	150,950	27,053
Other securities	485,399	497,958	12,558	25,587	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

* Carrying amount of securities whose fair value is deemed extremely difficult to recognize is as follows:

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	1,041,622	1,100,671
Unlisted domestic stocks (except over-the-counter stocks)	206,964	236,944
Unlisted foreign stocks (except over-the-counter stocks)	777,254	783,945
Others	57,403	79,781
Available-for-sale securities	955,690	813,855
Unlisted domestic stocks (except over-the-counter stocks)	118,466	126,122
Unlisted foreign stocks (except over-the-counter stocks)	765,001	665,001
Unlisted foreign bonds	-	-
Others	72,223	22,731
Total	1,997,313	1,914,526

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. The amounts of foreign exchange valuation gains/losses on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows: gain of 104,797 million yen as of March 31, 2015 and gain of 48,179 million yen as of March 31, 2016.

(Reference) Fair value information of securities, taking into account foreign exchange valuation gains (losses) of foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above, in addition to the figures in the table D, is as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2015					
Held-to-maturity bonds	45,411	49,940	4,529	4,529	-
Domestic bonds	45,411	49,940	4,529	4,529	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,996,350	13,835,074	1,838,724	1,839,401	677
Domestic bonds	11,965,521	13,803,860	1,838,339	1,838,998	658
Foreign bonds	30,828	31,213	384	403	19
Stocks of subsidiaries and affiliates	1,068,227	1,223,357	155,129	158,063	2,933
Domestic stocks	206,964	206,964	-	-	-
Foreign stocks	809,699	964,801	155,101	158,035	2,933
Other securities	51,563	51,591	27	27	-
Available-for-sale securities	13,369,513	16,862,839	3,493,326	3,524,928	31,602
Domestic bonds	3,684,062	4,078,038	393,975	394,394	418
Domestic stocks	1,762,145	3,547,816	1,785,671	1,807,394	21,723
Foreign securities	7,306,634	8,552,038	1,245,403	1,254,663	9,260
Foreign bonds	5,917,345	6,928,625	1,011,280	1,015,396	4,115
Foreign stocks and other securities	1,389,289	1,623,412	234,123	239,267	5,144
Other securities	327,879	382,334	54,455	54,644	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
Total	26,479,502	31,971,211	5,491,709	5,526,922	35,213
Domestic bonds	15,694,994	17,931,839	2,236,845	2,237,922	1,077
Domestic stocks	1,969,109	3,754,780	1,785,671	1,807,394	21,723
Foreign securities	8,147,163	9,548,053	1,400,889	1,413,102	12,213
Foreign bonds	5,948,174	6,959,838	1,011,664	1,015,799	4,134
Foreign stocks and other securities	2,198,989	2,588,214	389,224	397,303	8,078
Other securities	379,442	433,926	54,483	54,672	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
As of March 31, 2016					
Held-to-maturity bonds	45,712	51,296	5,583	5,583	-
Domestic bonds	45,712	51,296	5,583	5,583	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,027,685	15,449,932	3,422,247	3,422,586	339
Domestic bonds	11,948,259	15,369,411	3,421,152	3,421,152	-
Foreign bonds	79,425	80,520	1,095	1,434	339
Stocks of subsidiaries and affiliates	1,127,241	1,210,444	83,202	90,994	7,792
Domestic stocks	236,944	236,944	-	-	-
Foreign stocks	819,672	902,729	83,056	90,849	7,792
Other securities	70,625	70,770	145	145	-
Available-for-sale securities	13,741,506	16,442,484	2,700,977	2,874,715	173,738
Domestic bonds	3,782,592	4,378,846	596,253	596,857	603
Domestic stocks	1,803,801	3,116,608	1,312,806	1,409,264	96,457
Foreign securities	7,425,826	8,192,510	766,683	830,313	63,629
Foreign bonds	6,150,829	6,828,492	677,663	714,258	36,594
Foreign stocks and other securities	1,274,997	1,364,017	89,019	116,055	27,035
Other securities	506,260	518,673	12,412	25,441	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
Total	26,942,146	33,154,157	6,212,010	6,393,880	181,870
Domestic bonds	15,776,565	19,799,554	4,022,989	4,023,592	603
Domestic stocks	2,040,745	3,353,552	1,312,806	1,409,264	96,457
Foreign securities	8,324,925	9,175,760	850,834	922,596	71,761
Foreign bonds	6,230,255	6,909,013	678,758	715,692	36,933
Foreign stocks and other securities	2,094,670	2,266,746	172,076	206,904	34,828
Other securities	576,885	589,444	12,558	25,587	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

E. Fair value information on money held in trust (General account)

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2015	36,122	36,122	4,251	9,302	5,051
As of March 31, 2016	52,806	52,806	(4,407)	7,143	11,551

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	33,245	3,962	50,166	(4,459)

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:

(millions of yen)

	As of March 31, 2015					As of March 31, 2016				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust classified as held-to-maturity	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as policy-reserve-matching	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as available-for-sale	2,587	2,876	288	288	-	2,587	2,640	52	52	-

F. Total net unrealized gains (losses) of general account assets

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Securities	5,491,709	6,212,010
Domestic bonds	2,236,845	4,022,989
Domestic stocks	1,785,671	1,312,806
Foreign securities	1,400,889	850,834
Foreign bonds	1,011,664	678,758
Foreign stocks and other securities	389,224	172,076
Other securities	54,483	12,558
Others	13,820	12,821
Real estate	75,583	130,341
Total (including others not listed above)	5,550,709	6,334,647

Note: 1. Only foreign exchange valuation gains (losses) are taken into account for foreign securities whose fair value is deemed extremely difficult to recognize.
2. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

4. Unaudited Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2015	As of March 31, 2016		As of March 31, 2015	As of March 31, 2016
(ASSETS)			(LIABILITIES)		
Cash and deposits	663,427	528,337	Policy reserves and others	30,449,617	30,635,217
Cash	217	196	Reserves for outstanding claims	203,076	260,304
Bank deposits	663,209	528,140	Policy reserves	29,840,974	29,984,210
Call loans	355,300	116,900	Reserve for policyholder dividends	405,566	390,701
Monetary claims bought	259,735	233,206	Reinsurance payable	609	684
Money held in trust	36,122	52,806	Subordinated bonds	215,727	215,727
Securities	30,673,366	30,250,119	Other liabilities	1,496,483	1,095,099
Government bonds	14,531,309	14,545,593	Collateral for securities lending transactions	731,505	473,284
Local government bonds	135,572	125,047	Long-term debt and other borrowings	325,198	286,277
Corporate bonds	1,675,152	1,910,798	Corporate income tax payable	52,296	28,307
Stocks	4,007,030	3,560,485	Accounts payable	83,212	77,232
Foreign securities	9,799,414	9,451,844	Accrued expenses	51,619	48,456
Other securities	524,887	656,349	Unearned revenue	785	728
Loans	3,029,295	2,826,052	Deposits received	53,105	53,528
Policy loans	428,555	405,056	Guarantee deposits received	51,008	51,110
Ordinary loans	2,600,740	2,420,995	Differential account for futures trading	17	-
Tangible fixed assets	1,203,289	1,164,183	Derivatives	124,556	60,808
Land	801,088	792,101	Lease liabilities	4,552	4,393
Buildings	394,089	363,038	Asset retirement obligations	2,789	2,675
Leased assets	4,658	4,491	Suspense receipt	15,345	7,695
Construction in progress	850	2,402	Other liabilities	490	601
Other tangible fixed assets	2,602	2,149	Reserve for employees' retirement benefits	389,480	377,967
Intangible fixed assets	83,719	81,603	Reserve for retirement benefits of directors, executive officers and corporate auditors	1,990	1,868
Software	61,602	59,516	Reserve for possible reimbursement of prescribed claims	700	800
Other intangible fixed assets	22,116	22,086	Reserve for price fluctuations	132,453	148,453
Reinsurance receivable	7,916	4,434	Deferred tax liabilities	413,815	138,696
Other assets	427,053	541,917	Deferred tax liabilities for land revaluation	84,908	80,189
Accounts receivable	58,176	75,541	Acceptances and guarantees	91,648	97,056
Prepaid expenses	13,009	12,019	**Total liabilities**	**33,277,434**	**32,791,760**
Accrued revenue	156,983	155,664	(NET ASSETS)		
Deposits	42,217	40,545	Capital stock	343,104	343,146
Margin money for futures trading	56,390	57,785	Capital surplus	343,255	343,772
Differential account for futures trading	-	47	Legal capital surplus	343,104	343,146
Derivatives	82,448	179,189	Other capital surplus	151	625
Suspense payment	6,172	9,536	Retained earnings	430,738	511,892
Other assets	11,655	11,586	Legal retained earnings	5,600	5,600
Customers' liabilities for acceptances and guarantees	91,648	97,056	Other retained earnings	425,138	506,292
Reserve for possible loan losses	(2,105)	(1,237)	Fund for risk allowance	43,120	43,120
Reserve for possible investment losses	-	(423)	Fund for price fluctuation allowance	65,000	65,000
			Reserve for tax basis adjustments of real estate	24,875	25,517
			Retained earnings brought forward	292,143	372,655
			Treasury stock	(9,723)	(23,231)
			Total shareholders' equity	1,107,375	1,175,581
			Net unrealized gains (losses) on securities, net of tax	2,488,665	1,946,957
			Deferred hedge gains (losses)	(12,036)	(3,865)
			Reserve for land revaluation	(33,424)	(16,402)
			Total of valuation and translation adjustments	2,443,204	1,926,688
			Subscription rights to shares	753	925
			Total net assets	**3,551,333**	**3,103,195**
Total assets	**36,828,768**	**35,894,956**	**Total liabilities and net assets**	**36,828,768**	**35,894,956**

5. Unaudited Non-Consolidated Statement of Earnings

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
ORDINARY REVENUES	**4,798,467**	**4,265,779**
Premium and other income	3,266,361	2,866,602
Premium income	3,265,798	2,865,384
Reinsurance income	563	1,218
Investment income	1,174,430	1,060,017
Interest and dividends	802,330	802,203
Interest from bank deposits	11,973	11,213
Interest and dividends from securities	645,467	647,317
Interest from loans	66,896	62,387
Rental income	68,030	69,545
Other interest and dividends	9,962	11,738
Gains on money held in trust	7,668	-
Gains on sale of securities	146,542	211,921
Gains on redemption of securities	23,906	44,645
Derivative transaction gains	9,411	-
Reversal of reserve for possible loan losses	468	838
Reversal of reserve for possible investment losses	214	-
Other investment income	623	409
Gains on investments in separate accounts	183,263	-
Other ordinary revenues	357,675	339,158
Fund receipt for annuity rider of group insurance	674	708
Fund receipt for claim deposit payment	323,932	301,478
Reversal of reserve for employees' retirement benefits	3,287	11,931
Other ordinary revenues	29,781	25,039
ORDINARY EXPENSES	**4,389,702**	**3,921,556**
Benefits and claims	2,718,186	2,681,396
Claims	749,138	709,000
Annuities	629,874	592,255
Benefits	412,439	381,741
Surrender values	532,807	584,186
Other refunds	392,652	412,606
Ceding reinsurance commissions	1,272	1,604
Provision for policy reserves and others	702,820	209,103
Provision for reserves for outstanding claims	52,367	57,227
Provision for policy reserves	641,704	143,236
Provision for interest on policyholder dividends	8,748	8,639
Investment expenses	131,253	273,985
Interest expenses	16,024	15,242
Losses on money held in trust	-	791
Losses on sale of securities	24,412	62,457
Losses on valuation of securities	469	873
Losses on redemption of securities	305	1,201
Derivative transaction losses	-	54,120
Foreign exchange losses	38,047	53,872
Provision for reserve for possible investment losses	-	423
Write-down of loans	43	59
Depreciation of real estate for rent and others	14,633	14,165
Other investment expenses	37,317	39,209
Losses on investments in separate accounts	-	31,568
Operating expenses	398,588	404,114
Other ordinary expenses	438,854	352,956
Claim deposit payments	365,251	281,561
National and local taxes	28,611	28,411
Depreciation	35,210	32,770
Other ordinary expenses	9,781	10,213
ORDINARY PROFIT	**408,764**	**344,222**
EXTRAORDINARY GAINS	**3,029**	**286**
Gains on disposal of fixed assets	3,029	286
EXTRAORDINARY LOSSES	**27,252**	**52,274**
Losses on disposal of fixed assets	5,279	1,307
Impairment losses on fixed assets	5,472	34,548
Provision for reserve for price fluctuations	16,000	16,000
Other extraordinary losses	501	418
Provision for reserve for policyholder dividends	**112,200**	**97,500**
Income before income taxes	**272,341**	**194,734**
Corporate income taxes-current	**119,336**	**95,850**
Corporate income taxes-deferred	**808**	**(30,238)**
Total of corporate income taxes	**120,145**	**65,611**
Net income	**152,196**	**129,123**

6. Unaudited Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2015

(millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	210,224	210,224	37	210,262	5,600	43,120	65,000	23,534	150,031
Cumulative effect of changes in accounting policies				-					10,330
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	210,224	210,224	37	210,262	5,600	43,120	65,000	23,534	160,362
Changes for the year									
Issuance of new shares	132,842	132,842		132,842					
Issuance of new shares - exercise of subscription rights to shares	37	37		37					
Dividends				-					(19,846)
Net income				-					152,196
Purchase of treasury stock				-					
Disposal of treasury stock			113	113					
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate				-				670	(670)
Transfer to reserve for tax basis adjustments of real estate				-				796	(796)
Transfer from reserve for tax basis adjustments of real estate				-				(125)	125
Transfer from reserve for land revaluation				-					771
Net changes of items other than shareholders' equity									
Total changes for the year	132,879	132,879	113	132,993	-	-	-	1,340	131,780
Balance at the end of the year	343,104	343,104	151	343,255	5,600	43,120	65,000	24,875	292,143

(millions of yen)

	Shareholders' equity			Valuation and translation adjustments					
	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments	Subscription rights to shares	Total net assets
	Total retained earnings								
Balance at the beginning of the year	287,286	(11,500)	696,272	1,315,890	(2,586)	(38,320)	1,274,983	583	1,971,839
Cumulative effect of changes in accounting policies	10,330		10,330						10,330
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	297,617	(11,500)	706,603	1,315,890	(2,586)	(38,320)	1,274,983	583	1,982,170
Changes for the year									
Issuance of new shares	-		265,684						265,684
Issuance of new shares - exercise of subscription rights to shares	-		74						74
Dividends	(19,846)		(19,846)						(19,846)
Net income	152,196		152,196						152,196
Purchase of treasury stock	-		-						-
Disposal of treasury stock	-	1,776	1,890						1,890
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate	-		-						-
Transfer to reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for land revaluation	771		771						771
Net changes of items other than shareholders' equity				1,172,775	(9,450)	4,896	1,168,221	170	1,168,391
Total changes for the year	133,121	1,776	400,771	1,172,775	(9,450)	4,896	1,168,221	170	1,569,163
Balance at the end of the year	430,738	(9,723)	1,107,375	2,488,665	(12,036)	(33,424)	2,443,204	753	3,551,333

Year ended March 31, 2016

(millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	343,104	343,104	151	343,255	5,600	43,120	65,000	24,875	292,143
Cumulative effect of changes in accounting policies				-					
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,104	343,104	151	343,255	5,600	43,120	65,000	24,875	292,143
Changes for the year									
Issuance of new shares				-					
Issuance of new shares - exercise of subscription rights to shares	42	42		42					
Dividends				-					(33,359)
Net income				-					129,123
Purchase of treasury stock				-					
Disposal of treasury stock			474	474					
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate				-				297	(297)
Transfer to reserve for tax basis adjustments of real estate				-				470	(470)
Transfer from reserve for tax basis adjustments of real estate				-				(126)	126
Transfer from reserve for land revaluation				-					(14,609)
Net changes of items other than shareholders' equity									
Total changes for the year	42	42	474	517	-	-	-	641	80,512
Balance at the end of the year	343,146	343,146	625	343,772	5,600	43,120	65,000	25,517	372,655

(millions of yen)

	Shareholders' equity			Valuation and translation adjustments					
	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments	Subscription rights to shares	Total net assets
	Total retained earnings								
Balance at the beginning of the year	430,738	(9,723)	1,107,375	2,488,665	(12,036)	(33,424)	2,443,204	753	3,551,333
Cumulative effect of changes in accounting policies	-		-						-
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	430,738	(9,723)	1,107,375	2,488,665	(12,036)	(33,424)	2,443,204	753	3,551,333
Changes for the year									
Issuance of new shares	-		-						-
Issuance of new shares - exercise of subscription rights to shares	-		84						84
Dividends	(33,359)		(33,359)						(33,359)
Net income	129,123		129,123						129,123
Purchase of treasury stock	-	(15,000)	(15,000)						(15,000)
Disposal of treasury stock	-	1,492	1,967						1,967
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate	-		-						-
Transfer to reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for land revaluation	(14,609)		(14,609)						(14,609)
Net changes of items other than shareholders' equity				(541,708)	8,170	17,021	(516,516)	171	(516,344)
Total changes for the year	81,153	(13,507)	68,206	(541,708)	8,170	17,021	(516,516)	171	(448,138)
Balance at the end of the year	511,892	(23,231)	1,175,581	1,946,957	(3,865)	(16,402)	1,926,688	925	3,103,195

I. NOTES TO THE UNAUDITED NON-CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2016

1. Valuation Methods of Securities

Securities held by the Company, including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities
Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds
Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) 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 Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))
Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies
Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities
a) Available-for-sale Securities with Market Value
Available-for-sale securities which have market value are valued at fair value as of March 31, 2016 (for domestic stocks, the average value during March), with cost determined by the moving average method.
b) Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize
i) Government/Corporate Bonds (including foreign bonds), whose premium or discount represents interest adjustment, are valued at the amortized cost determined by the moving average method.

ii) All other securities are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statement of earnings.

2. Policy-reserve-matching Bonds

(1) Book Value and Market Value
The book value and the market value of policy-reserve-matching bonds as of March 31, 2016 were ¥12,027,685 million and ¥15,449,932 million, respectively.

(2) Risk Management Policy
The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, it periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products are:

a) individual life insurance and annuities,
b) non-participating single premium whole life insurance (without duty of medical disclosure),
c) financial insurance and annuities, and
d) group annuities,

with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No.34, Promulgated on March 31, 1998), the Company revalued land for business use. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

(1) Date of revaluation: March 31, 2001

(2) Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No.119, Issued on March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method) and is computed by proportionally allocating the estimated depreciation for the fiscal year.

Estimated useful lives of major assets are as follows:

- Buildings two to sixty years
- Other tangible fixed assets two to twenty years

Tangible fixed assets other than land, buildings and leased assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that are acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years following the fiscal year end when such assets were depreciated to their final depreciable limit.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses the straight-line method for amortization of intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of five years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value and using the lease periods as the useful lives.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2016 was ¥662,411 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translated foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates as of March 31, 2016. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to and claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral or guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2016 was ¥58 million.

8. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount is provided based on the projected benefit obligations and pension assets as of March 31, 2016.

Accounting treatment of retirement benefit obligations and retirement benefit expenses are as follows.

(1) Allocation of Estimated Retirement Benefits

Estimated retirement benefits are allocated under the benefit formula basis over the period ended March 31, 2016.

(2) Amortization of Actuarial Differences

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year.

The accounting treatment of unrecognized actuarial differences related to the retirement benefits for the non-consolidated financial statements is different from that for the consolidated financial statements.

9. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Parent Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

10. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of the Company, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of the Company and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of the Company are provided.

11. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, the Company provided for reserve for the possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No. 10). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; and (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps ……	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps ……...	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts …….	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transaction)
Currency options ……..	Foreign currency-denominated bonds
Bond over-the-counter options……..……..	Foreign currency-denominated bonds
Equity options ……..	Domestic stocks, foreign currency-denominated stocks (forecasted transaction)
Equity forward contracts ……..	Domestic stocks

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain price fluctuation risk and foreign currency risk of underlying assets to be hedged, in accordance with internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of the hedging instruments.

14. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserve

Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of the Financial Services Agency (Notification of the Minister of Finance No.48, 1996).
(2) Reserves for other policies are established based on the net level premium method.

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act and will be provided over the following nine years. As a result, the amount of the additional provision for policy reserves for the fiscal year ended March 31, 2016 was ¥142,163 million.

16. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent as of March 31, 2016 was ¥2,230,552 million.

17. Problem Loans

As of March 31, 2016, the total amount of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which was included in loans, was ¥3,513 million. The amount of credits to bankrupt borrowers was ¥93 million, the amount of delinquent loans was ¥3,005 million, the Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥415 million.

Credits to bankrupt borrowers are loans for which interest is not accrued as income, except for a portion of loans written off, and to which any event specified in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act has occurred. Interest is not accrued as income for the loans

since the recovery of principal or interest on the loans is unlikely due to the fact that principal repayments and interest payments are overdue for a significant period of time or for other reasons.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7 above, credits to bankrupt borrowers and delinquent loans decreased by ¥2 million and ¥56 million, respectively.

18. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act was ¥1,042,803 million. Separate account liabilities were the same amount as the separate account assets.

19. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies were ¥27,653 million and ¥4,599 million, respectively.

20. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2016

(Unit: million yen)

Deferred tax assets:	
Insurance policy reserve	434,946
Reserve for employees' retirement benefits	129,729
Reserve for price fluctuations	41,484
Impairment losses	17,178
Losses on valuation of securities	13,219
Others	29,997
Subtotal	666,556
Valuation allowances	(27,575)
Total	638,981
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(744,651)
Reserve for tax basis adjustments of real estate	(9,884)
Dividend receivable from domestic stocks	(7,470)
Others	(15,671)
Total	(777,677)
Net deferred tax liabilities	(138,696)

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2016

Statutory tax rate ……	28.76 %
(Adjustments)	
Decrease in deferred tax assets in relation to changes in tax rates ……	9.02 %
Transfer from reserve for land revaluation……	(3.48)%
Others ……	(0.61)%
Actual effective tax rate after considering deferred taxes ……	33.69 %

(3) Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Pursuant to the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." and "Act for Partial Amendment of the Local Tax Act, etc." in the Diet on March 29, 2016, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities has been reduced from 28.76% to 28.16% for the fiscal year beginning on April 1, 2016 or later, and to 27.92% for the fiscal year beginning on April 1, 2018 or later.

As a result, its deferred tax liabilities decreased by ¥5,083 million and corporate income taxes-deferred increased by ¥17,568 million.

21. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

(Unit: million yen)

Balance at the beginning of the fiscal year ended March 31, 2016 ……	405,566
Dividends paid during the fiscal year ended March 31, 2016 …….....	(121,003)
Interest accrual during the fiscal year ended March 31, 2016 …….....	8,639
Provision for reserve for policyholder dividends……	97,500
Balance as of March 31, 2016 ……...	390,701

22. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Company held as of March 31, 2016 was ¥1,127,381 million.

23. Organization Change Surplus

The amount of the Company's organization change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

24. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows:

(Unit: million yen)

Securities (Government bonds) ……	393,315
Securities (Foreign securities) ……..	4,606
Cash and deposits …….	86
Securities, cash and deposits pledged as collateral ……...	398,008

The amounts of secured liabilities were as follows:

(Unit: million yen)

Cash collateral for securities lending transactions ……..	473,284

"Securities (Government bonds)" includes securities pledged as collateral for securities lending transactions with cash collateral as of March 31, 2016 for the amount of ¥381,453 million.

25. Reinsurance

The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter "reserves for outstanding claims reinsured") was ¥4 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance (hereinafter "policy reserves reinsured") was ¥0 million.

26. Net Assets per Share

The amount of net assets per share of the Company was ¥2,616.50.

27. Securities Borrowing

Of securities borrowed under borrowing agreements, the market value of the securities which can be sold or pledged as collateral but were not sold nor pledged as of March 31, 2016 was ¥226,969 million, out of which no securities were pledged as collateral.

28. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥32,391 million.

29. Subordinated Debt

Other liabilities included subordinated debt of ¥283,000 million, the repayment of which is subordinated to other obligations.

30. Subordinated Bonds

Subordinated bonds recorded in liabilities included foreign currency-denominated subordinated bonds for the amount of ¥215,727 million, the repayment of which is subordinated to other obligations.

31. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥52,002 million as of March 31, 2016. These obligations will be recognized as operating expenses in the period in which they are paid.

32. Incentive Programs Granting Employees Company Shares

Notes to incentive programs granting employees shares of the Company through dedicated trusts are omitted as the same notes are described in the notes to the consolidated financial statements.

33. Subsequent Event

The Company intends to shift to a holding company structure (the "Transition"). In connection with the Transition, the Company resolved at its Board of Directors meeting held on April 8, 2016 that its domestic life insurance business will be succeeded by The Dai-ichi Life Split Preparation Company, Limited, a wholly-owned subsidiary of the Company that was incorporated on April 1, 2016 (the "Successor"). Accordingly, the Company concluded a definitive agreement with the Successor with respect to an absorption-type corporate split (the "Agreement") which is expected to become effective on October 1, 2016.

The Agreement and necessary amendments to the Articles of Incorporation of the Company shall become effective subject to the approvals of: (i) the 6th annual general meeting of shareholders to be held on June 24, 2016; and (ii) regulatory authorities.

With effect from October 1, 2016, the Company will become a holding company with a new trade name, "Dai-ichi Life Holdings, Inc.", and a new corporate purpose of managing the group's operating companies.

<Overview of the Parties to the Agreement>

	The Company (as of March 31, 2016)	The Successor (as of April 1, 2016)
(1) Trade name	The Dai-ichi Life Insurance Company, Limited*1	The Dai-ichi Life Split Preparation Company, Limited*2
(2) Address	13-1, Yurakucho 1-chome,Chiyoda-ku, Tokyo, Japan	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative	Koichiro Watanabe, President and Representative Director	Yuji Kawazoe, Representative Director
(4) Business	Life insurance business	Preparation for undertaking life insurance business, etc.
(5) Capital stock	343,146 million yen	100 million yen

(6) Date of incorporation	September 15, 1902	April 1, 2016
(7) Number of shares issued	1,198,023,000	10
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders *3	Japan Trustee Services Bank, Ltd. (Trust Account): 5.14% BNY GCM Client Account JPRD AC ISG (FE-AC): 4.02% Mizuho Bank, Ltd: 3.77% The Master Trust Bank of Japan, Ltd. (Trust Account): 3.60% GOLDMAN SACHS INTERNATIONAL: 2.64%	The Dai-ichi Life Insurance Company, Limited: 100%

(10) Consolidated results of operations and financial position

	Fiscal Year ended March 31, 2016
Net assets	2,932,959 million yen
Total assets	49,924,922 million yen
Net assets per share	2,472.86 yen
Ordinary revenues	7,333,947 million yen
Ordinary profit	418,166 million yen
Net income attributable to shareholders of Dai-ichi Life	178,515 million yen
Net income per share	150.53 yen

*1 The trade name will be changed to “Dai-ichi Life Holdings, Inc.” as of October 1, 2016.

*2 The trade name will be changed to “The Dai-ichi Life Insurance Company, Limited” as of October 1, 2016.

*3 The percentage of shares outstanding are calculated by excluding the treasury stock (6,878 thousand shares).

II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2016

1. Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥23,361 million and ¥21,856 million, respectively.

2. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sale of domestic bonds, domestic stocks, foreign securities and other securities of ¥6,598 million, ¥38,011 million, ¥166,611 million and ¥698 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks, foreign securities and other securities of ¥464 million, ¥5,017 million, ¥54,989 million and ¥1,987 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥178 million and ¥695 million, respectively.

3. Reinsurance

In calculating the provision for reserves for outstanding claims, a reversal of reserves for outstanding claims reinsured of ¥13 million was added. In calculating the provision for policy reserves, a provision for reserves for policy reserves reinsured of ¥0 million was subtracted.

4. Gains/Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥4,459 million.

5. Derivative Transaction Gains/Losses

Derivative transaction losses included valuation losses of ¥22,643 million.

6. Net Income and Diluted Net Income per Share

Net income per share for the fiscal year ended March 31, 2016 was ¥108.88. Diluted net income per share for the same period was ¥108.81.

III. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2016

1. Treasury Stock

(Unit: thousands of shares)

	Number of shares of treasury stock outstanding at the beginning of the fiscal year ended March 31, 2016	Increase in treasury stock	Decrease in treasury stock	Number of treasury stock outstanding as of March 31, 2016
Treasury stock Shares of Common Stock	6,518	6,878	1,028	12,368

(*1) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2016, includes 6,518 thousand shares and 5,490 thousand shares held by the trust fund through the J-ESOP and the trust fund for Dai-ichi Life Insurance Employee Stock Holding Partnership through the E-Ship®, respectively.

(*2) The increase of 6,878 thousand shares of treasury stock was due to the repurchase of outstanding common stock.

(*3) The decrease of 1,028 thousand shares of treasury stock represents the sum of (a) shares granted to eligible employees at retirement by the J-ESOP and (b) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership under the E-Ship®.

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Year ended March 31, 2015	Year ended March 31, 2016
Fundamental revenues		4,634,409	4,071,163
	Premium and other income	3,266,361	2,866,602
	Investment income	1,010,372	847,917
	[Interest and dividends]	802,330	802,203
	Other ordinary revenues	357,675	356,643
Fundamental expense		4,176,167	3,605,721
	Benefits and claims	2,718,186	2,681,396
	Provision for policy reserves and others	552,258	65,867
	Investment expenses	68,281	101,387
	Operating expenses	398,588	404,114
	Other ordinary expenses	438,854	352,956
Fundamental profit	***A***	458,242	465,441
Capital gains		163,622	211,921
	Gains on money held in trust	7,668	-
	Gains on investments in trading securities	-	-
	Gains on sale of securities	146,542	211,921
	Derivative transaction gains	9,411	-
	Foreign exchange gains	-	-
	Others	-	-
Capital losses		62,929	172,115
	Losses on money held in trust	-	791
	Losses on investments in trading securities	-	-
	Losses on sale of securities	24,412	62,457
	Losses on valuation of securities	469	873
	Derivative transaction losses	-	54,120
	Foreign exchange losses	38,047	53,872
	Others	-	-
Net capital gains	***B***	100,693	39,805
Fundamental profit plus net capital gains	***A + B***	558,936	505,247
Other one-time gains		434	179
	Reinsurance income	-	-
	Reversal of contingency reserve	-	-
	Reversal of specific reserve for possible loan losses	219	179
	Others	214	-
Other one-time losses		150,606	161,204
	Ceding reinsurance commissions	-	-
	Provision for contingency reserve	27,000	18,000
	Provision for specific reserve for possible loan losses	-	-
	Provision for specific reserve for loans to refinancing countries	-	-
	Write-down of loans	43	59
	Others	123,562	143,144
Other one-time profits	***C***	(150,171)	(161,024)
Ordinary profit	***A + B + C***	408,764	344,222

Note 1: "Others" in "Other one-time gains" represents the reversal of reserve for possible investment losses (the fiscal year ended March 31, 2015: 214 million yen).

2: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (the fiscal year ended March 31, 2016:423million yen) and the amount of the additional policy reserves provided (the fiscal year ended March 31, 2015: 123,562 million yen, the fiscal year ended March 31, 2016: 142,721 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Claims against bankrupt and quasi-bankrupt obligors	147	129
Claims with collection risk	3,487	2,969
Claims for special attention	459	437
Subtotal	4,094	3,536
[Percentage]	[0.08%]	[0.07%]
Claims against normal obligors	5,024,594	5,169,698
Total	5,028,688	5,173,234

Note:
1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
4. Claims against normal obligors are all other loans.

9. Risk-Monitored Loans

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Credits to bankrupt borrowers	109	93
Delinquent loans	3,525	3,005
Loans past due for three months or more	-	-
Restructured loans	434	415
Total	4,068	3,513
[Percentage of total loans]	[0.13%]	[0.12%]

Note:
1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2015 and March 31, 2016 were 4 million yen and 2 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2015 and March 31, 2016 were 54 million yen and 56 million yen, respectively.
2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

10. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2015	As of March 31, 2016
Total solvency margin	***(A)***	7,261,032	6,741,736
Common stock, etc. *1		1,072,124	1,132,993
Reserve for price fluctuations		132,453	148,453
Contingency reserve		558,093	576,093
General reserve for possible loan losses		1,146	487
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2		3,143,993	2,426,025
Net unrealized gains (losses) on real estate × 85% *2		40,735	82,189
Policy reserves in excess of surrender values		1,846,734	1,932,954
Qualifying subordinated debt		535,727	498,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(71,310)	(56,028)
Excluded items		(169,507)	(199,507)
Others		170,842	199,348
Total risk	$\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ ***(B)***	1,590,217	1,496,746
Insurance risk	R_1	78,608	74,483
3rd sector insurance risk	R_8	168,853	172,591
Assumed investment yield risk	R_2	244,812	233,024
Guaranteed minimum benefit risk	R_7 *3	3,427	3,341
Investment risk	R_3	1,286,509	1,205,585
Business risk	R_4	35,644	33,780
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		913.2%	900.8%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

11. Status of Separate Account for the Fiscal Year Ended March 31, 2016

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Individual variable insurance	60,475	56,211
Individual variable annuities	94,089	60,298
Group annuities	1,104,893	926,292
Separate account total	1,259,458	1,042,803

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2015		As of March 31, 2016	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	163	816	147	727
Variable insurance (whole life)	44,438	274,919	43,567	269,119
Total	44,601	275,736	43,714	269,847

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Amount	%	Amount	%
Cash, deposits, and call loans	7	0.0	3	0.0
Securities	54,569	90.2	52,206	92.9
Domestic bonds	15,633	25.9	14,117	25.1
Domestic stocks	18,404	30.4	16,841	30.0
Foreign securities	20,531	33.9	21,246	37.8
Foreign bonds	6,898	11.4	6,338	11.3
Foreign stocks and other securities	13,632	22.5	14,907	26.5
Other securities	-	-	-	-
Loans	-	-	-	-
Others	5,898	9.8	4,002	7.1
Reserve for possible loan losses	-	-	-	-
Total	60,475	100.0	56,211	100.0

C. Investment gains and losses of separate account for individual variable insurance

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Interest and dividends	1,060	1,022
Gains on sale of securities	5,507	3,936
Gains on redemption of securities	-	-
Gains on valuation of securities	11,317	6,123
Foreign exchange gains	138	175
Derivative transaction gains	15	17
Other investment income	11	1
Losses on sale of securities	567	1,462
Losses on redemption of securities	-	-
Losses on valuation of securities	7,748	12,061
Foreign exchange losses	100	143
Derivative transaction losses	12	13
Other investment expenses	0	0
Net investment income	9,620	(2,405)

D. Fair value information on securities in separate account for individual variable insurance

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	54,569	3,568	52,206	(5,938)

* Fair value information on money held in trust

The Company had no balance as of March 31, 2015 or March 31, 2016.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2015		As of March 31, 2016	
	Number	Amount	Number	Amount
Individual variable annuities	21,519	107,654	15,442	86,159

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Amount	%	Amount	%
Cash, deposits, and call loans	1,252	1.3	869	1.4
Securities	90,379	96.1	57,556	95.5
Domestic bonds	6,696	7.1	6,848	11.4
Domestic stocks	5,488	5.8	5,267	8.7
Foreign securities	5,635	6.0	4,417	7.3
Foreign bonds	1,837	2.0	1,472	2.4
Foreign stocks and other securities	3,798	4.0	2,945	4.9
Other securities	72,559	77.1	41,022	68.0
Loans	-	-	-	-
Others	2,457	2.6	1,872	3.1
Reserve for possible loan losses	-	-	-	-
Total	94,089	100.0	60,298	100.0

C. Investment gains and losses of separate account for individual variable annuities

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Interest and dividends	12,457	11,263
Gains on sales of securities	1,125	966
Gains on redemption of securities	-	-
Gains on valuation of securities	29,649	14,356
Foreign exchange gains	6	10
Derivative transaction gains	-	-
Other investment income	1	0
Losses on sales of securities	119	272
Losses on redemption of securities	-	-
Losses on valuation of securities	24,159	29,179
Foreign exchange losses	5	8
Derivative transaction losses	-	-
Other investment expenses	84	34
Net investment income	18,870	(2,897)

D. Fair value information on securities in separate account for individual variable annuities

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	90,379	5,489	57,556	(14,822)

* Fair value information on money held in trust

The Company had no balance as of March 31, 2015 or March 31, 2016.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Ordinary revenues	7,252,242	7,333,947
Ordinary profit	406,842	418,166
Net income attributable to shareholders of parent company	142,476	178,515
Comprehensive income	1,384,315	(592,867)

Effective the fiscal year ended March 31, 2016, a change from "Net income for the year" to "Net income attributable to shareholders of parent company" has been made.

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Total assets	49,837,202	49,924,922
Solvency margin ratio	818.2%	763.8%

(2) Scope of Consolidation and Application of Equity Method

	Year ended March 31, 2015	Year ended March 31, 2016
Number of consolidated subsidiaries	61	61
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	46	48

(3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
ASSETS		
Cash and deposits	873,444	843,405
Call loans	380,400	116,900
Monetary claims bought	265,813	239,299
Money held in trust	65,283	87,476
Securities	41,105,413	41,560,060
Loans	3,898,148	3,715,562
Tangible fixed assets	1,217,070	1,178,817
Land	804,035	795,829
Buildings	402,693	371,304
Leased assets	4,687	4,712
Construction in progress	850	2,402
Other tangible fixed assets	4,804	4,567
Intangible fixed assets	437,677	407,367
Software	63,364	63,268
Goodwill	79,293	54,832
Other intangible fixed assets	295,019	289,266
Reinsurance receivable	101,290	105,876
Other assets	1,401,047	1,573,118
Net defined benefit assets	705	764
Deferred tax assets	1,379	1,344
Customers' liabilities for acceptances and guarantees	91,648	97,056
Reserve for possible loan losses	(2,120)	(1,702)
Reserve for possible investment losses	-	(423)
Total assets	**49,837,202**	**49,924,922**
LIABILITIES		
Policy reserves and others	42,547,013	43,894,014
Reserves for outstanding claims	506,735	580,778
Policy reserves	41,634,712	42,922,534
Reserve for policyholder dividends	405,566	390,701
Reinsurance payable	56,248	75,883
Bonds payable	489,045	485,682
Other liabilities	1,864,717	1,486,611
Net defined benefit liabilities	331,322	443,842
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,017	1,886
Reserve for possible reimbursement of prescribed claims	700	800
Reserve for price fluctuations	136,254	155,246
Deferred tax liabilities	643,398	270,750
Deferred tax liabilities for land revaluation	84,908	80,189
Acceptances and guarantees	91,648	97,056
Total liabilities	**46,247,274**	**46,991,963**
NET ASSETS		
Capital stock	343,104	343,146
Capital surplus	343,255	330,105
Retained earnings	352,985	479,241
Treasury stock	(9,723)	(23,231)
Total shareholders' equity	1,029,622	1,129,262
Net unrealized gains (losses) on securities, net of tax	2,528,262	1,840,084
Deferred hedge gains (losses)	(12,036)	(3,865)
Reserve for land revaluation	(33,424)	(16,402)
Foreign currency translation adjustments	22,654	16,570
Accumulated remeasurements of defined benefit plans	54,027	(33,688)
Total accumulated other comprehensive income	2,559,484	1,802,698
Subscription rights to shares	753	925
Non-controlling interests	67	72
Total net assets	**3,589,927**	**2,932,959**
Total liabilities and net assets	**49,837,202**	**49,924,922**

(4) Unaudited Consolidated Statement of Earnings and Comprehensive Income

[Unaudited Consolidated Statement of Earnings]

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
ORDINARY REVENUES	7,252,242	7,333,947
Premium and other income	5,432,717	5,586,000
Investment income	1,444,012	1,344,852
Interest and dividends	856,550	1,075,389
Gains on money held in trust	3,228	-
Gains on investments in trading securities	26,405	-
Gains on sale of securities	162,163	222,409
Gains on redemption of securities	24,652	45,598
Reversal of reserve for possible loan losses	460	844
Reversal of reserve for possible investment losses	214	-
Other investment income	623	612
Gains on investments in separate accounts	369,713	-
Other ordinary revenues	375,513	403,094
ORDINARY EXPENSES	6,845,400	6,915,780
Benefits and claims	3,380,827	3,830,941
Claims	829,650	1,079,990
Annuities	672,898	629,640
Benefits	472,705	461,503
Surrender values	790,234	809,069
Other refunds	615,339	850,738
Provision for policy reserves and others	2,271,268	1,496,360
Provision for reserves for outstanding claims	87,946	91,447
Provision for policy reserves	2,174,573	1,396,273
Provision for interest on policyholder dividends	8,748	8,639
Investment expenses	168,935	524,041
Interest expenses	16,934	29,536
Losses on money held in trust	-	1,782
Losses on investments in trading securities	-	36,943
Losses on sale of securities	24,221	64,289
Losses on valuation of securities	469	4,128
Losses on redemption of securities	305	1,269
Derivative transaction losses	5,551	53,857
Foreign exchange losses	68,177	180,451
Provision for reserve for possible investment losses	-	423
Write-down of loans	43	233
Depreciation of real estate for rent and others	14,633	14,176
Other investment expenses	38,599	40,753
Losses on investments in separate accounts	-	96,194
Operating expenses	559,344	661,384
Other ordinary expenses	465,022	403,052
Ordinary profit	406,842	418,166
EXTRAORDINARY GAINS	3,310	308
Gains on disposal of fixed assets	3,030	287
Gain on step acquisition	273	-
Other extraordinary gains	7	20
EXTRAORDINARY LOSSES	29,451	55,272
Losses on disposal of fixed assets	5,396	1,310
Impairment losses on fixed assets	5,472	34,548
Provision for reserve for price fluctuations	18,067	18,992
Other extraordinary losses	514	421
Provision for reserve for policyholder dividends	112,200	97,500
Income before income taxes	268,502	265,702
Corporate income taxes-current	125,503	103,064
Corporate income taxes-deferred	509	(15,887)
Total of corporate income taxes	126,013	87,177
Net income	142,489	178,524
Net income attributable to non-controlling interests	12	9
Net income attributable to shareholders of parent company	142,476	178,515

[Unaudited Consolidated Statement of Comprehensive Income]

(millions of yen)

	Year ended March 31,2015	Year ended March 31,2016
Net income	142,489	178,524
Other comprehensive income	1,241,826	(771,392)
Net unrealized gains (losses) on securities, net of tax	1,203,801	(687,935)
Deferred hedge gains (losses)	(9,450)	8,170
Reserve for land revaluation	5,668	2,411
Foreign currency translation adjustments	(5,940)	(2,180)
Remeasurements of defined benefit plans, net of tax	37,171	(87,716)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	10,575	(4,142)
Comprehensive income	1,384,315	(592,867)
Attributable to shareholders of the parent company	1,384,296	(592,879)
Attributable to non-controlling interests	19	12

(5) Unaudited Consolidated Statement of Cash Flows

(millions of yen)

	Year ended March 31,2015	Year ended March 31,2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes	268,502	265,702
Depreciation of real estate for rent and others	14,633	14,176
Depreciation	37,650	49,623
Impairment losses on fixed assets	5,472	34,548
Amortization of goodwill	5,858	3,567
Increase (decrease) in reserves for outstanding claims	91,675	87,668
Increase (decrease) in policy reserves	2,164,622	1,261,466
Provision for interest on policyholder dividends	8,748	8,639
Provision for (reversal of) reserve for policyholder dividends	112,200	97,500
Increase (decrease) in reserve for possible loan losses	(640)	(418)
Increase (decrease) in reserve for possible investment losses	(215)	424
Write-down of loans	43	233
Decrease (increase) in net defined benefit assets	108	122
Increase (decrease) in net defined benefit liabilities	(2,502)	(10,816)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(146)	(131)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(100)	100
Increase (decrease) in reserve for price fluctuations	18,067	18,992
Interest and dividends	(856,550)	(1,075,389)
Securities related losses (gains)	(557,939)	(65,181)
Interest expenses	16,934	29,536
Foreign exchange losses (gains)	68,177	180,451
Losses (gains) on disposal of fixed assets	1,585	846
Equity in losses (income) of affiliates	(6,460)	(6,119)
Loss (gain) on step acquisitions	(273)	-
Decrease (increase) in reinsurance receivable	(44,978)	(7,804)
Decrease (increase) in other assets unrelated to investing and financing activities	(23,605)	(44,454)
Increase (decrease) in reinsurance payable	(458)	20,744
Increase (decrease) in other liabilities unrelated to investing and financing activities	36,326	(46,653)
Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan	(7,782)	(6,707)
Others, net	43,551	140,905
Subtotal	1,392,504	951,573
Interest and dividends received	901,607	1,302,101
Interest paid	(14,968)	(36,019)
Policyholder dividends paid	(109,404)	(121,003)
Others, net	(153,024)	35,963
Corporate income taxes paid	(141,072)	(118,807)
Net cash flows provided by (used in) operating activities	1,875,642	2,013,807
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(15,500)	(9,800)
Proceeds from sale and redemption of monetary claims bought	31,407	35,567
Purchases of money held in trust	(1,900)	(27,500)
Proceeds from decrease in money held in trust	6,000	3,000
Purchases of securities	(7,052,529)	(7,668,854)
Proceeds from sale and redemption of securities	5,617,127	5,513,007
Origination of loans	(422,203)	(457,401)
Proceeds from collection of loans	413,966	646,044
Others, net	(42,431)	(258,221)
Total of net cash provided by (used in) investment transactions	(1,466,063)	(2,224,157)
Total of net cash provided by (used in) operating activities and investment transactions	409,579	(210,350)
Acquisition of tangible fixed assets	(27,858)	(22,049)
Proceeds from sale of tangible fixed assets	6,792	1,856
Acquisition of intangible fixed assets	(18,091)	(21,327)
Proceeds from sale of intangible fixed assets	303	18
Acquisition of stock of subsidiaries and affiliates resulting in change in scope of consolidation	(526,206)	-
Acquisition of stock of subsidiaries and affiliates	(1,020)	-
Net cash flows provided by (used in) investing activities	(2,032,143)	(2,265,659)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	322,801
Repayment of borrowings	(1,862)	(350,263)
Proceeds from issuing bonds	106,808	7,839
Redemption of bonds	-	(12,434)
Repayment of financial lease obligations	(1,669)	(1,726)
Net increase (decrease) in short-term financing	-	46,818
Proceeds from issuing common stock	264,175	-
Purchase of treasury stock	-	(15,000)
Proceeds from disposal of treasury stock	1,830	1,879
Cash dividends paid	(19,783)	(33,346)
Others, net	(7)	(7)
Net cash flows provided by (used in) financing activities	349,490	(33,439)
Effect of exchange rate changes on cash and cash equivalents	377	(8,247)
Net increase (decrease) in cash and cash equivalents	193,366	(293,538)
Cash and cash equivalents at the beginning of the year	1,061,394	1,254,760
Cash and cash equivalents at the end of the year	1,254,760	961,221

(6) Unaudited Consolidated Statement of Changes in Net Assets

Year ended March 31, 2015

(millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	210,224	210,262	219,552	(11,500)	628,538	1,322,731	(2,586)
Cumulative effect of changes in accounting policies			11,272		11,272		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	210,224	210,262	230,824	(11,500)	639,810	1,322,731	(2,586)
Changes for the year							
Issuance of new shares	132,842	132,842			265,684		
Issuance of new shares - exercise of subscription rights to shares	37	37			74		
Dividends			(19,846)		(19,846)		
Net income attributable to shareholders of parent company			142,476		142,476		
Purchase of treasury stock					-		
Disposal of treasury stock		113		1,776	1,890		
Transfer from reserve for land revaluation			771		771		
Others			(1,239)		(1,239)		
Net changes of items other than shareholders' equity						1,205,531	(9,450)
Total changes for the year	132,879	132,993	122,161	1,776	389,811	1,205,531	(9,450)
Balance at the end of the year	343,104	343,255	352,985	(9,723)	1,029,622	2,528,262	(12,036)

(millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	(38,320)	19,756	16,854	1,318,435	583	55	1,947,613
Cumulative effect of changes in accounting policies							11,272
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(38,320)	19,756	16,854	1,318,435	583	55	1,958,885
Changes for the year							
Issuance of new shares							265,684
Issuance of new shares - exercise of subscription rights to shares							74
Dividends							(19,846)
Net income attributable to shareholders of parent company							142,476
Purchase of treasury stock							-
Disposal of treasury stock							1,890
Transfer from reserve for land revaluation							771
Others							(1,239)
Net changes of items other than shareholders' equity	4,896	2,898	37,172	1,241,048	170	11	1,241,230
Total changes for the year	4,896	2,898	37,172	1,241,048	170	11	1,631,042
Balance at the end of the year	(33,424)	22,654	54,027	2,559,484	753	67	3,589,927

Year ended March 31, 2016

(millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	343,104	343,255	352,985	(9,723)	1,029,622	2,528,262	(12,036)
Cumulative effect of changes in accounting policies		(13,667)	(3,295)		(16,962)		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,104	329,588	349,690	(9,723)	1,012,659	2,528,262	(12,036)
Changes for the year							
Issuance of new shares					-		
Issuance of new shares - exercise of subscription rights to shares	42	42			84		
Dividends			(33,359)		(33,359)		
Net income attributable to shareholders of parent company			178,515		178,515		
Purchase of treasury stock				(15,000)	(15,000)		
Disposal of treasury stock		474		1,492	1,967		
Transfer from reserve for land revaluation			(14,609)		(14,609)		
Others			(995)		(995)		
Net changes of items other than shareholders' equity						(688,178)	8,170
Total changes for the year	42	517	129,550	(13,507)	116,602	(688,178)	8,170
Balance at the end of the year	343,146	330,105	479,241	(23,231)	1,129,262	1,840,084	(3,865)

(millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	(33,424)	22,654	54,027	2,559,484	753	67	3,589,927
Cumulative effect of changes in accounting policies							(16,962)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(33,424)	22,654	54,027	2,559,484	753	67	3,572,965
Changes for the year							
Issuance of new shares							-
Issuance of new shares - exercise of subscription rights to shares							84
Dividends							(33,359)
Net income attributable to shareholders of parent company							178,515
Purchase of treasury stock							(15,000)
Disposal of treasury stock							1,967
Transfer from reserve for land revaluation							(14,609)
Others							(995)
Net changes of items other than shareholders' equity	17,021	(6,084)	(87,715)	(756,785)	171	5	(756,608)
Total changes for the year	17,021	(6,084)	(87,715)	(756,785)	171	5	(640,006)
Balance at the end of the year	(16,402)	16,570	(33,688)	1,802,698	925	72	2,932,959

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2016

I. GUIDELINES FOR PREPARATION OF UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of consolidated subsidiaries for the fiscal year ended March 31, 2016: 61

The sixty-one subsidiaries of The Dai-ichi Life Insurance Company, Limited (the "Parent Company") include:

- The Dai-ichi Life Information Systems Co., Ltd.,
- The Dai-ichi Frontier Life Insurance Co., Ltd.,
- The Neo First Life Insurance Company, Limited ("Neo First Life")
- Dai-ichi Life Insurance Company of Vietnam, Limited ("DLVN")
- TAL Dai-ichi Life Australia Pty Ltd ("TDLA"), and
- Protective Life Corporation

(2) Number of non-consolidated subsidiaries for the fiscal year ended March 31, 2016: 18

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Seimei Business Service K.K and First U Anonymous Association.

The eighteen non-consolidated subsidiaries had, individually, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others for reasonable assessment of financial situation, management performance and the situation of cash flows. Therefore, these entities are excluded from the scope of consolidation.

2. Application of the Equity Method

(1) Number of non-consolidated subsidiaries under the equity method for the fiscal year ended March 31, 2016: 0

(2) Number of affiliated companies under the equity method for the fiscal year ended March 31, 2016: 48

The forty-eight affiliated companies of the Parent Company include:

- DIAM Co., Ltd.
- Mizuho-DL Financial Technology Co., Ltd.
- Trust & Custody Services Bank Ltd.
- Corporate-pension Business Service Co., Ltd.
- Japan Excellent Asset Management Co., Ltd.
- NEOSTELLA CAPITAL CO., LTD.
- OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED
- Star Union Dai-ichi Life Insurance Company Limited
- Janus Capital Group Inc., and
- PT Panin Internasional

Effective the fiscal year ended March 31, 2016, three subsidiaries of Janus Capital Group Inc. which became affiliated companies of the Parent Company are newly accounted for under the equity method.

Effective the fiscal year ended March 31, 2016, one affiliated company of Protective Life Corporation is excluded from the scope of the equity method as it has been liquidated.

(3) Non-consolidated subsidiaries and affiliated companies

The non-consolidated subsidiaries (Dai-ichi Seimei Business Service K.K., First U Anonymous Association and others), as well as affiliated companies (NEOSTELLA No.1 Investment Limited Partnership, O.M. Building Management Co., Ltd. and others) of the Parent Company were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of Consolidated Subsidiaries

The closing date of domestic consolidated subsidiaries is March 31, whereas that of foreign consolidated subsidiaries is December 31 or March 31. Financial information as of those closing dates is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

4. Amortization of Goodwill

Goodwill is amortized over a period of 20 years under the straight-line method. The entire amount is expensed in the fiscal year in which it is incurred if the amount is immaterial.

II. NOTES TO UNAUDITED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2016

1. Valuation Methods of Securities

Securities held by the Parent Company and its consolidated subsidiaries including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method

(3) 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 Insurance Industry" issued by JICPA)

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

a) Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value as of March 31, 2016 (for domestic stocks, the average value during March), with cost determined by the moving average method.

b) Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

i) Government/Corporate bonds (including foreign bonds) whose premium or discount represents interest adjustment are valued at the amortized cost determined by the moving average method.

ii) All other securities are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.

The cost of securities held by certain foreign consolidated subsidiaries are determined by the first-in first-out method.

2. Risk Management Policy of Policy-Reserve-Matching Bonds

The Parent Company and certain of its consolidated subsidiaries categorize their insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate their policies on investments and resource allocation based on the balance of the sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups of insurance groups of the Parent Company are:

a) individual life insurance and annuities,
b) non-participating single premium whole life insurance (without duty of medical disclosure),
c) financial insurance and annuities, and
d) group annuities,

with the exception of certain types.

The sub-groups of insurance groups of certain consolidated subsidiaries of the Parent Company are:

a) individual life insurance and annuities (yen-denominated, short-term),
b) individual life insurance and annuities (yen-denominated, long-term),
c) individual life insurance and annuities (U.S. dollar-denominated),
d) individual life insurance and annuities (Australian dollar-denominated), and
e) individual life insurance and annuities (New Zealand dollar-denominated)

with the exception of certain types and contracts.

In order to conduct appropriate duration control that accounts for the debt situation, and thus promote more sophisticated asset liability management, or ALM, certain consolidated subsidiaries of the Parent Company added individual life insurance and annuities (New Zealand dollar-denominated) as a new sub-group of life insurance products, effective the year ended March 31, 2016. This addition did not have any impacts on profits and losses for the year ended March 31, 2016.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No.34, Promulgated on March 31, 1998), the Parent Company revalued land for business use. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

(1) Date of revaluation: March 31, 2001

(2) Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No.119, Issued on March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method) and is computed by proportionally allocating the estimated depreciation for the fiscal year.

Estimated useful lives of major assets are as follows:

- Buildings: two to sixty years
- Other tangible fixed assets: two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years following the fiscal year end when such assets were depreciated to their final depreciable limit.

Depreciation of tangible fixed assets owned by consolidated subsidiaries in Japan is principally calculated by the declining balance method, while the straight-line method is principally used to compute depreciation for such assets of consolidated overseas subsidiaries.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Parent Company and its consolidated subsidiaries use the straight-line method for amortization of intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of two to eight years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2016 was ¥664,386 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Parent Company and its domestic consolidated subsidiaries translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rate as of March 31, 2016. Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are translated into yen at the exchange rate on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Parent Company's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their fiscal years. Translation adjustments associated with the consolidated overseas subsidiaries are included in "foreign currency translation adjustments" in the net assets section of the consolidated balance sheet.

For certain consolidated subsidiaries of the Parent Company, changes in fair value of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two items: changes in fair value due to changes in market prices in their original currencies are accounted for as "net unrealized gains (losses) on securities", and the remaining changes are reported in "foreign exchange gains (losses)".

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Parent Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to and claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2016 was ¥58 million.

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Parent Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of the Parent Company, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of the Parent Company and (2) an estimated amount for future corporate-

pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of the Parent Company are provided.

For the reserve for retirement benefits of directors, executive officers, and corporate auditors of certain consolidated subsidiaries, an amount considered to have been incurred is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, the Parent Company provided for reserve for the possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

11. Net Defined Benefit Liabilities and Net Defined Benefit Assets

For the net defined benefit liabilities and the net defined benefit assets, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2016.

The accounting treatment for retirement benefits is as follows.

(1) Allocation of estimated retirement benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefits to the period until March 31, 2016.

(2) Amortization of actuarial differences

Actuarial differences are amortized under the straight-line method over a certain period (three or seven years) within the employees' average remaining service period, starting from the following year. Certain foreign consolidated subsidiaries applied corridor approach.

Certain consolidated subsidiaries applied the simplified method in calculating their projected benefit obligations.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; and (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps ……..	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps……..	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts ……...	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transactions)
Currency options ……	Foreign currency-denominated bonds
Bond over-the-counter options……..	Foreign currency-denominated bonds
Equity options ……	Domestic stocks, foreign currency-denominated stocks (forecasted transactions)
Equity forward contracts…….	Domestic stocks

(3) Hedging Policies

The Parent Company conducts hedging transactions with regard to certain price fluctuation risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

14. Calculation of National and Local Consumption Tax

The Parent Company and its domestic consolidated subsidiaries account for national and local consumption tax mainly by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserve

Policy reserve of the Parent Company and its consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).

(2) Reserves for other policies are established based on the net level premium method.

Policy reserves of consolidated foreign subsidiaries are calculated based on each country's accounting standard, such as US GAAP.

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired by the Parent Company on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act and will be provided over the following nine years. As a result, the amount of the additional provisions for policy reserves for the fiscal year ended March 31, 2016 was ¥142,163 million.

16. Changes in Accounting Policies

Effective the fiscal year ended March 31, 2016, the Parent Company applied the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on September 13, 2013), the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 issued on September 13, 2013) and other standards.

Accordingly, the accounting method was changed (i) to record the difference arising from changes in equity interest in those subsidiaries over which the Parent Company continues to exercise control, as capital surplus of the Parent Company, and (ii) to record business acquisition costs as expenses for the relevant fiscal year. Regarding business combinations which became effective on or after April 1, 2015, the accounting method was changed to retroactively reflect adjustments to the provisional allocation of acquisition cost recorded in the relevant consolidated financial statements. In addition, the changes in the presentation of net income and the changes in the presentation from minority interests to non-controlling interests have been implemented.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the "Revised Accounting Standard for Business Combinations", Paragraph 44-5 (3) of the "Revised Accounting Standard for Consolidated Financial Statements" and Paragraph 57-4 (3) of the "Revised Accounting Standard for Business Divestitures". The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, goodwill decreased by ¥16,962 million, capital surplus decreased by ¥13,667 million, and retained earnings decreased by ¥3,295 million as of April 1, 2015. In addition, both ordinary profits and income before income taxes for the year ended March 31, 2016 increased by ¥879 million.

In the consolidated statement of cash flow, the cash flow for the costs of the acquisition or sales of ownership interests in subsidiaries that do not result in change in scope of consolidation is stated in the net cash provided by (used in) financing activities, and the cash flow for the costs of the acquisition of ownership interests in subsidiaries resulting in change in scope of consolidation or the acquisition or sales of ownership interests in subsidiaries that do not result in change in scope of consolidation is stated in the net cash provided by (used in) operating activities

As cumulative effects have been reflected in net assets for the beginning of the fiscal year under review, the beginning balances of capital surplus decreased by ¥13,667 million and retained earnings in the consolidated statements of changes in net assets decreased by ¥3,295 million.

17. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

In an effort to manage our investment assets in a manner appropriate to our liabilities, which arise from the insurance policies we underwrite, we engage in asset liability management, or ALM, which considers the long-term balance between assets and liabilities in an effort to ensure stable returns. With this strategy, the Parent Company and certain of its consolidated subsidiaries hold fixed income investments, including bonds and loans, as the core of their asset portfolio. While placing priority on its financial soundness, the Parent Company holds stocks and foreign securities within a tolerable risk level to enhance its profitability and facilitate diversification of investment risks.

The Parent Company and certain of its consolidated subsidiaries use derivatives primarily to hedge market risks associated with their existing asset portfolio and supplement their investment objectives, taking into account the exposure of underlying assets. Moreover, they utilize derivatives to mitigate the risks associated with guaranteed minimum benefits of individual variable annuity insurance.

With respect to financing, the Parent Company and certain of its consolidated subsidiaries have raised capital directly from the capital markets mainly by issuing subordinated bonds as well as indirectly from banks in order to strengthen their capital base and to invest such capital in growth areas. To avoid impact from interest-rate fluctuations, the Parent Company utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Parent Company and certain of its consolidated subsidiaries, mainly stocks and bonds, are categorized by their investment objectives such as held-to-maturity securities, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest-rate risk and some of the securities denominated in foreign currencies are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Parent Company and certain of its consolidated subsidiaries might be exposed to liquidity risk in certain circumstances in which they cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or are forced to raise capital with interest rates substantially higher than usual. Also, some of the loans payable and bonds payable which are floating interest rate-based and denominated in foreign currencies are exposed to interest-rate risk and foreign currency risk.

The Parent Company and certain of its consolidated subsidiaries utilize interest rate swaps to hedge interest-rate risk associated with certain of their loans receivable and payable and adopt hedge accounting.

In addition, the Parent Company and certain of its consolidated subsidiaries utilize i) equity forward contracts to hedge market fluctuation risk associated with domestic stocks, and ii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10), the Parent Company and certain of its consolidated subsidiaries have established an investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Parent Company and certain of its domestic consolidated subsidiaries is as follows:

i) Market Risk Management

Under the internal investment policy and risk management policy, they manage market risk by conducting mid- to long-term asset allocation in a manner appropriate to their liabilities. Therefore, they categorize their portfolio into sub-groups, based on their investment purpose, and manage them taking into account each of their risk characteristics.

(a) Interest-rate risk

They keep track of interest rates and durations of their assets and liabilities, monitor their internal analyses on duration gap and interest rate sensitivity, and periodically report their findings to their board of directors, etc.

(b) Currency risk

They keep track of currency composition of their financial assets and liabilities, conduct sensitivity analyses, and periodically report their findings to their board of directors, etc.

(c) Fluctuation in market values

They define risk management policies and management procedures for each asset categories of the overall asset portfolio including securities based on the risk characteristics of the categories, and set and manage limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by their risk management sections to their board of directors, etc.

(d) Derivative transactions

For derivative transactions, they have established an internal check system by segregating (i) executing department, (ii) the department which engages in assessment of hedge effectiveness, and (iii) the back-office.

Additionally, in order to limit speculative use of derivatives, they have put restrictions on utilization purpose, such as hedging, and established position limits for each asset class.

They also utilize derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of variable annuities. In accordance with their internal regulations to manage the risks associated with their guaranteed minimum maturity benefits, they (i) assess hedge effectiveness of derivative transactions, (ii) manage gains and losses from derivative transactions on a daily basis, and (iii) periodically check their progress on reducing the risk associated with their guaranteed minimum maturity benefits and measure estimated losses based on VaR (value-at-risk). The risk management sections periodically report the overall risk status including the risk associated with their guaranteed minimum maturity to their board of directors, etc.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, they have established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk taking is restricted since front offices make investments within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. The above credit management has been conducted by the credit and risk management sections, and has been periodically reported to their board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically calculates current exposures.

In each of certain overseas consolidated subsidiaries, a committee established by their board of directors approves its investment policy, and periodically monitors compliance and the status of each risk, thus enabling the subsidiaries to manage their risks in conformity with their risk characteristics.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the values based on market prices, fair value of financial instruments includes values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2016 were as follows. The following table does not include financial instruments whose fair value is extremely difficult to recognize. (Please refer to (Note 2))

As of March 31, 2016	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)	
(1) Cash and deposits ……	843,405	843,411	6
(2) Call loans ……	116,900	116,900	-
(3) Monetary claims bought ……	239,299	239,299	-
(4) Money held in trust ……	87,476	87,476	-
(5) Securities			
a. Trading securities ……	5,157,337	5,157,337	-
b. Held-to-maturity bonds ……	117,272	113,410	(3,862)
c. Policy-reserve-matching bonds ……	14,610,220	18,195,238	3,585,018
d. Stock of subsidiaries and affiliate companies ..	40,526	62,802	22,275
e. Available-for-sale securities ……	20,641,643	20,641,643	-
(6) Loans ……	3,715,562		
Reserve for possible loan losses (*1) ……	(549)		
	3,715,013	3,854,510	139,497
Total assets ……	45,569,095	49,312,031	3,742,935
(1) Bonds payable……	485,682	497,702	12,019
(2) Long-term borrowings ……	364,050	366,516	2,466
Total liabilities ……	849,733	864,219	14,486
Derivative transactions (* 2)			
a. Hedge accounting not applied ……	(24,791)	(24,791)	-
b. Hedge accounting applied ……	104,489	100,948	(3,540)
Total derivative transactions ……	79,698	76,157	(3,540)

(*1) Excluding general reserves for possible loan losses and reserves for possible loan losses related to specific loans.

(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in ( ) represent net liabilities.

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

- **Assets**

a) Cash and deposits

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying amount for each segment based on the term, using a deposit interest rate which is assumed to be applied to new deposits. As for deposits close to maturity and deposits without maturity, fair value is based on the carrying amount since fair value is close to the carrying amount.

b) Call loans

Since all call loans are close to the due date and their fair value is close to their carrying amounts, fair value of call loans is based on their carrying amount.

c) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated prices.

d) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. The fair value of derivative transactions included in money held in trust is based on the price on derivatives markets.

e) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to the partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in "(3) Securities".

f) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the balance sheet minus reserve for possible loan losses as of March 31, 2016. Therefore, that amount (the carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value.

- **Liabilities**

a) Bonds payable

The fair value of bonds is based on the price on the bond market.

b) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowings. Also, certain of long-term borrowings are deemed to have fair value close to book value, taking into account interest rates. Therefore, their book value is recorded as the fair value.

- **Derivative Transactions**

The breakdown of derivative transactions is a) currency-related transactions (currency forward contracts, currency options, etc.); b) interest-related transactions (interest rate futures, interest rate swaps, etc.); c) stock-related transactions (yen stock index futures, foreign currency-denominated stock index futures, etc.); and d) bond-related transactions (yen bond futures, foreign currency-denominated bond futures, etc.). The fair value of the instruments is based on the exchange-traded prices and the prices quoted from financial institution, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of e) Securities in (Note 1)

As of March 31, 2016	Carrying amount
	(Unit: million yen)
1. Unlisted domestic stocks (*1)(*2) ……	161,949
2. Unlisted foreign stocks (*1)(*2)……	46,950
3. Other foreign securities (*1)(*2) ……	692,672
4. Other securities (*1)(*2) ……	91,486
Total	993,059

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of market value information.

(*2) The Parent Company recorded impairment charges of ¥21 million for the fiscal year ended March 31, 2016.

(Note 3) Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2016	Due in 1 year or less	Due over 1 year to 5 years	Due over 5 years to 10 years	Due over 10 years
		(Unit: million yen)		
Cash and deposits……..	842,670	335	399	-
Call loans……	116,900	-	-	-
Monetary claims bought……	12,000	11,000	-	203,454
Money held in trust (*1)……	2,550	-	-	-
Securities				
Held-to-maturity bonds (bonds)……	-	-	47,900	-
Held-to-maturity bonds (foreign securities)……	-	-	-	60,305
Policy-reserve-matching bonds (bonds)……	62,635	318,002	771,693	11,536,628
Policy-reserve-matching bonds (foreign securities)……	22,500	57,112	1,497,463	233,797
Available-for-sale securities with maturities (bonds)……	353,235	1,133,089	537,277	1,802,166
Available-for-sale securities with maturities (foreign securities)….	601,818	2,273,995	2,701,541	4,844,218
Available-for-sale securities with maturities (other securities)……	17,389	101,700	283,211	15,088
Loans (*2)……	408,915	977,330	991,702	682,284

(*1) ¥84,836 million of money held in trust without maturities was not included.

(*2) Loans for which interest or principal payments cannot be expected, such as credits to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounting to ¥761 million, were not included. Also, ¥616,770 million of loans without maturities were not included.

(Note 4) Scheduled maturities of bonds payable and long-term borrowings

As of March 31, 2016	Due in 1 year or less	Due over 1 year to 2 years	Due over 2 years to 3 years	Due over 3 years to 4 years	Due over 4 years to 5 years	Due over 5 years
			(unit: million yen)			
Bonds payable(*1)	-	-	18,091	48,244	-	159,118
Long-term borrowings(*2)	3,277	-	-	19,276	58,495	-

(*1) ¥215,727 million of bonds payable without maturities were not included.

(*2) ¥283,000 million of long-term borrowings without maturities were not included.

(3) Securities

a) Trading securities:

	Year ended March 31, 2016
	(Unit: million yen)
Gains (losses) on valuation of trading securities……	(389,394)

b) Held-to-maturity Bonds:

As of March 31, 2016	Carrying amount	Fair value	Unrealized gains (losses)
		(Unit: million yen)	
Held-to-maturity securities with unrealized gains:			
(1) Bonds ……	45,712	51,296	5,583
a. Government bonds ……	45,712	51,296	5,583
b. Local government bonds ……	-	-	-
c. Corporate bonds ……	-	-	-
(2) Foreign securities ……	-	-	-
a. Foreign bonds ……	-	-	-
Subtotal ……	45,712	51,296	5,583
Held-to-maturity securities with unrealized losses:			
(1) Bonds ……	-	-	-
a. Government bonds ……	-	-	-
b. Local government bonds ……	-	-	-
c. Corporate bonds ……	-	-	-
(2) Foreign securities ……	71,559	62,114	(9,445)
a. Foreign bonds ……	71,559	62,114	(9,445)
Subtotal ……	71,559	62,114	(9,445)
Total ……	117,272	113,410	(3,862)

c) Policy-reserve-matching Bonds:

As of March 31, 2016	Carrying amount	Fair value	Unrealized gains (losses)
		(Unit: million yen)	
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds ……	12,732,605	16,226,332	3,493,726
a. Government bonds ……	11,970,435	15,387,062	3,416,626
b. Local government bonds ……	88,042	105,430	17,387
c. Corporate bonds ……	674,127	733,839	59,712
(2) Foreign securities ……	1,790,126	1,883,214	93,088
a. Foreign bonds ……	1,790,126	1,883,214	93,088
Subtotal ……	14,522,732	18,109,547	3,586,814
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds ……	9,644	9,455	(189)
a. Government bonds ……	500	496	(4)
b. Local government bonds ……	327	323	(4)
c. Corporate bonds ……	8,816	8,635	(180)
(2) Foreign securities ……	77,843	76,236	(1,606)
a. Foreign bonds ……	77,843	76,236	(1,606)
Subtotal ……	87,488	85,691	(1,796)
Total ……	14,610,220	18,195,238	3,585,018

d) Available-for-sale Securities:

As of March 31, 2016	Carrying amount	Purchase cost	Unrealized gains (losses)
		(Unit: million yen)	
Available-for-sale securities with unrealized gains:			
(1) Bonds	4,692,865	4,065,026	627,838
a. Government bonds	3,007,861	2,462,247	545,613
b. Local government bonds	47,178	44,485	2,693
c. Corporate bonds	1,637,825	1,558,293	79,531
(2) Domestic stocks	2,618,029	1,208,765	1,409,264
(3) Foreign securities	7,025,848	6,167,347	858,501
a. Foreign bonds	6,586,146	5,845,261	740,885
b. Other foreign securities	439,702	322,086	117,616
(4) Other securities	701,520	648,462	53,058
Subtotal	15,038,265	12,089,601	2,948,663
Available-for-sale securities with unrealized losses:			
(1) Bonds	39,190	40,299	(1,109)
a. Government bonds	8,722	8,784	(62)
b. Local government bonds	2,850	3,032	(181)
c. Corporate bonds	27,617	28,482	(865)
(2) Domestic stocks	372,455	468,913	(96,457)
(3) Foreign securities	5,136,192	5,564,987	(428,794)
a. Foreign bonds	4,755,249	5,156,003	(400,753)
b. Other foreign securities	380,942	408,983	(28,041)
(4) Other securities	294,840	308,187	(13,347)
Subtotal	5,842,678	6,382,388	(539,709)
Total	20,880,943	18,471,989	2,408,954

Note:

Figures in “Other securities” include trust beneficiary rights (purchase cost: ¥226,436 million; carrying amount: ¥239,299 million), which were recorded as monetary claims bought on the consolidated balance sheet.

e) Held-to-maturity Bonds Sold:

The Parent Company and its consolidated subsidiaries sold no held-to-maturity bonds during the fiscal year ended March 31, 2016.

f) Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the fiscal year ended March 31, 2016 were as follows:

Year ended March 31, 2016	Amounts sold	Realized gains	Realized losses
		(Unit: million yen)	
i) Bonds	8,610	310	-
a. Government bonds	-	-	-
b. Local government bonds	-	-	-
c. Corporate bonds	8,610	310	-
ii) Foreign securities	51,836	2,007	192
a. Foreign bonds	51,836	2,007	192
b. Other foreign securities	-	-	-
Total	60,446	2,317	192

g) Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2016 were as follows:

Year ended March 31, 2016	Amounts sold	Realized gains	Realized losses
		(Unit: million yen)	
i) Bonds	321,360	7,697	464
a. Government bonds……	228,109	6,438	190
b. Local Government bonds……	-	-	-
c. Corporate bonds……	93,251	1,259	274
ii) Domestic stocks……	104,291	34,591	4,406
iii) Foreign securities……	2,391,246	173,683	56,628
a. Foreign bonds……	2,125,406	112,586	38,354
b. Other foreign securities……	265,839	61,096	18,273
iv) Other securities……	88,544	4,119	2,598
Total……	2,905,443	220,092	64,097

h) Securities Written Down:

The Parent Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with market values i) when the market value of such securities declines by 50% or more of its purchase cost or ii) when the market value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost.

The aggregate amount written down from the balance of available-for-sale securities with market value for the fiscal year ended March 31, 2016 was ¥4,108 million.

(4) Money Held in Trust

a) Money held in trust for investment purpose:

As of March 31, 2016	(Unit: million yen)
Carrying amount on the consolidated balance sheet ……	84,836
Gains (losses) on valuation of money held in trust ……	(5,450)

b) Money held in trust classified as Available-for-Sale (other than for investment purpose, classified as held-to-maturity and policy-reserve-matching):

As of March 31, 2016	(Unit: million yen)
Carrying amount on the consolidated balance sheet ……	2,640
Acquisition cost……	2,587
Unrealized gains (losses)……...……	52
Unrealized gains……...……	52
Unrealized losses……...……	-

18. Real Estate for Rent

The Parent Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. For the fiscal year ended March 31, 2016, net rental income from such real estate for rent was ¥29,557 million (the rental income was included in investment income and the rental expenses were included in investment expenses) and the Parent Company recorded extraordinary loss of ¥3,419 million for impairment loss on real estate for rent.

The carrying amount, net change during the fiscal year ended March 31, 2016, and the fair value of real estate for rent were as follows:

Fiscal year ended March 31, 2016	(Unit: million yen)
Carrying amount	
Beginning balance	803,708
Net change during the period	3,580
Ending balance	807,289
Fair value	864,061

Notes:

(1) The carrying amount of real estate for rent on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.

(2) Net change in the carrying amount includes cost of acquisition of real estate for rent of ¥16,526 million, the depreciation expense of ¥14,153 million, impairment losses of ¥3,419 million and sale of the real estate of ¥2,325 million.

(3) The Parent Company calculates the fair value of the main real estate for rent based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

19. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2016 was ¥2,250,315 million.

20. Problem Loans

As of March 31, 2016, the total amount of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which was included in loans, was ¥3,513 million. The amount of credits to bankrupt borrowers was ¥93 million, the amount of delinquent loans was ¥3,005 million, the Parent Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥415 million.

Credits to bankrupt borrowers are loans for which interest is not accrued as income, except for a portion of loans written off, and to which any event specified in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act has occurred. Interest is not accrued as income for the loans since the recovery of principal or interest on the loans is unlikely due to the fact that principal repayments and interest payments are overdue for a significant period of time or for other reasons.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7, credits to bankrupt borrowers and delinquent loans decreased by ¥2 million and ¥56 million, respectively.

21. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act was ¥3,140,639 million. Separate account liabilities were the same amount as the separate account assets.

22. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2016

	(Unit: million yen)
Deferred tax assets:	
Insurance policy reserve	468,506
Net defined benefit liabilities	165,437
Net unrealized losses on securities, net of tax	80,994
Reserve for price fluctuations	43,386
Other assets	33,091
Others	115,546
Subtotal	906,963
Valuation allowances	(73,109)
Total	833,854

	(Unit: million yen)
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(761,560)
Valuation difference related to business combination	(182,284)
Other intangible fixed assets	(87,063)
Others	(72,351)
Total	(1,103,259)
Net deferred tax liabilities	(269,405)

(2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2016

Statutory tax rate	28.76%
(Adjustments)	
Decrease in deferred tax assets in relation to changes in tax rates	6.63%
Transfer from reserve for land revaluation	(2.55%)
Others	(0.03%)
Actual effective tax rate after considering deferred taxes	32.81%

(3) Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Pursuant to the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." and "Act for Partial Amendment of the Local Tax Act, etc." in the Diet on March 29, 2016, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities has been reduced from 28.76% to 28.16% for the fiscal year beginning on April 1, 2016 or later, and to 27.92% for the fiscal year beginning on April 1, 2018 or later.

As a result, deferred tax assets decreased by ¥54 million, deferred tax liabilities decreased by ¥5,188 million and corporate income taxes-deferred increased by ¥17,626 million.

23. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ended March 31, 2016	405,566
Dividends paid during the fiscal year ended March 31, 2016	121,003
Interest accrual during the fiscal year ended March 31, 2016	8,639
Provision for reserve for policyholder dividends	97,500
Balance as of March 31, 2016	390,701

24. Stock of Subsidiaries

The amount of stocks of and stakes in non-consolidated subsidiaries and affiliated companies the Parent Company held as of March 31, 2016 was as follows:

	(Unit: million yen)
Stocks	122,088
Capital	70,902
Total	192,990

25. Organizational Change Surplus

The amount of the Parent Company's organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

26. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows:

	(Unit: million yen)
Securities (Government bonds)	407,357
Securities (Foreign securities)	235,367
Securities (Corporate bonds)	3,594
Cash and deposits	9,042
Securities, cash and deposits pledged as collateral	655,362

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Cash collateral for securities lending transactions	473,284

"Securities (Government bonds)" includes securities pledged as collateral for securities lending transactions with cash collateral as of March 31, 2016 for the amount of ¥381,453 million.

27. Net Assets per Share

The amount of net assets per share of the Parent Company as of March 31, 2016 was ¥2,472.86.

28. Stock Options

(1) The Account used to record expenses associated with issuing stock options and the amount expensed during the fiscal year ended March 31, 2016
Operating expenses: ¥256 million

(2) Details of the stock options granted for the fiscal year ended March 31, 2016

a) Details of stock options

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Category and number of people to whom stock options are granted	10 directors (except outside directors) and 16 executive officers of the Parent Company	11 directors (except outside directors) and 16 executive officers of the Parent Company	11 directors (except outside directors) and 17 executive officers of the Parent Company
Class and total number (*)	169,800 shares of common stock	318,700 shares of common stock	183,700 shares of common stock
Grant date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period	From August 17, 2011 to August 16, 2041 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.	From August 17, 2012 to August 16, 2042 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.	From August 17, 2013 to August 16, 2043 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.

	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Category and number of people to whom stock options are granted	11 directors (except outside directors) and 17 executive officers of the Parent Company	11 directors (except outside directors) and 18 executive officers of the Parent Company
Class and total number (*)	179,000 shares of common stock	110,600 shares of common stock
Grant date	August 18, 2014	August 17, 2015
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A
Exercise period	From August 19, 2014 to August 18, 2044 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.	From August 18, 2015 to August 17, 2045 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.

(Note) The total number of stock options is translated to the number of shares of common stock for better understanding. As the Parent Company conducted a 1:100 share split on October 1, 2013, the above-described number of shares for each stock acquisition right is calculated taking into account the split.

b) Number of stock options

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Before vesting					
Outstanding at the end of the previous fiscal year	-	-	-	-	-
Granted	-	-	-	-	110,600
Forfeited	-	-	-	-	-
Vested	-	-	-	-	110,600
Outstanding at the end of the fiscal year	-	-	-	-	-
After vesting					
Outstanding at the end of the previous fiscal year	117,600	253,900	162,000	179,000	-
Vested	-	-	-	-	110,600
Exercised	18,900	34,500	15,100	15,800	-
Forfeited	-	-	-	-	-
Outstanding at the end of the fiscal year	98,700	219,400	146,900	163,200	110,600

(Note) As the Parent Company conducted a 1:100 share split on October 1, 2013, the above-described number of shares for each stock acquisition right is calculated taking into account the split.

c) Price information

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,788	¥1,788	¥1,788	¥1,788	-
Fair value at the granted date	¥885	¥766	¥1,300	¥1,366	¥2,318

(Note) As the Parent Company conducted a 1:100 share split on October 1, 2013, the above-described average stock price at the time of exercise and fair value at the granted date are calculated taking into account the split.

(3) Valuation method used for estimating fair value of stock options

a) Valuation method

Black-Scholes Model

b) Assumptions

	5th Series of Stock Acquisition Rights
Expected volatility (*1)	34.717%
Expected durations (*2)	3 years
Expected dividends (*3)	¥35
Risk-free interest rate (*4)	0.005%

(*1) Computed based on the closing prices of common stock in each trading day from August 15, 2012 to August 14, 2015.

(*2) Computed based on the average period from the granted date to expected exercise date.

(*3) Computed based on the expected dividend for the fiscal year ended March 31, 2016 at the granted date.

(*4) Based on yields of Japanese government bonds for a term corresponding to the expected durations.

(4) Method to estimate the number of stock options vested

Only the actual number of forfeited stock options is considered, because it is difficult to rationally estimate the number of stock options to be forfeited in the future.

29. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan of the Group

As a defined benefit plan for its sales representatives, the Parent Company has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension.

As a defined benefit plan for its administrative personnel, the Parent Company has established and maintained a benefit plan consisting of defined benefit corporate pension, retirement lump sum grants and defined contribution pension.

Certain consolidated subsidiaries in Japan maintain their benefit plan consisting of defined benefit corporate pension and retirement lump sum grants. Certain foreign consolidated subsidiaries maintain their defined benefit plan and defined contribution plan.

(2) Defined Benefit Plan

a) Beginning and ending balance of projected benefit obligations (except for benefit plans adopting simplified method)

(Unit: million yen)

a.	Beginning balance of projected benefit obligations	649,776
b.	Service cost	25,452
c.	Interest cost	11,612
d.	Accrued actuarial differences	86,221
e.	Retirement benefit payment	(34,863)
f.	Others	(495)
g.	Ending balance of projected benefit obligations (a + b + c + d + e + f)	737,704

b) Beginning and ending balance of pension assets (except for benefit plans adopting simplified method)

(Unit: million yen)

a.	Beginning balance of pension assets	319,579
b.	Estimated investment return	3,797
c.	Accrued actuarial differences	(26,447)
d.	Employer contribution	7,675
e.	Retirement benefit payment	(10,042)
f.	Others	476
g.	Ending balance of pension assets (a + b + c + d + e+ f)	295,038

c) Beginning and ending balance of net defined benefit liabilities for benefit plans adopting simplified method

(Unit: million yen)

a.	Beginning balance of net defined benefit liabilities	419
b.	Retirement benefit expenses	101
c.	Retirement benefit payment	(107)
d.	Others	(1)
e.	Ending balance of net defined benefit liabilities (a + b + c + d)	412

d) Ending balance of projected benefit obligation and pension assets and net defined benefit assets/liabilities in the consolidated balance sheet

(Unit: million yen)

a.	Projected benefit obligations for funded pensions	422,745
b.	Pension assets	(295,038)
c.	Subtotal (a + b)	127,706
d.	Projected benefit obligations for unfunded pensions	315,371
e.	Net defined benefit assets / liabilities in the consolidated balance sheet (c + d)	443,077
f.	Net defined benefit liabilities	443,842
g.	Net defined benefit assets	(764)
h.	Net defined benefit assets / liabilities in the consolidated balance sheet (f + g)	443,077

e) Breakdown of retirement benefit expenses

(Unit: million yen)

a.	Service cost	25,452
b.	Interest cost	11,612
c.	Estimated investment return	(3,797)
d.	Amortization of unrecognized actuarial differences	(10,118)
e.	Retirement benefit expenses calculated under the simplified method	101
f.	Others	418
g.	Retirement benefit expenses for defined benefit plan (a + b + c + d + e + f)	23,670

f) Remeasurement of defined benefit plans

The breakdown of remeasurement of defined benefit plans (before applying deferred tax accounting) is as follows:

(Unit: million yen)

a.	Actuarial differences	(122,463)
b.	Total	(122,463)

g) Accumulated remeasurement of defined benefit plans

The breakdown of accumulated remeasurement of defined benefit plans (before applying deferred tax accounting) is as follows:

(Unit: million yen)

a.	Unrecognized actuarial differences	46,579
b.	Total	46,579

h) Information on pension assets

i) Breakdown of pension assets

The allocation of total pension assets is as follows:

Stocks	55%
Bonds	14%
Asset Under Cooperative Management	14%
General Account of life insurance contracts	9%
Others	8%
Total	100%

Pension assets include 49% retirement benefit trust established for the retirement lump sum grant.

ii) Method for setting long-term estimated return on investment

When setting long-term estimated return on investment, the Parent Company takes into account the allocation of pension assets (both current and in the future) and long-term estimated return on investment in various assets composing pension assets.

i) Actuarial assumptions

Major actuarial assumptions for the fiscal year ended March 31, 2016 are as follows:

Discount rate ……	0.30% ～ 4.29%
Long-term estimated return on investment	
Defined benefit corporate pension ……	1.00% ～ 7.25%
Retirement benefit trust ……	0.00%

(3) Defined Contribution Plan

The amount of necessary contribution to the defined contribution plan from the Parent Company and consolidated subsidiaries is ¥2,360 million.

30. Asset Retirement Obligations

(1) Overview of Asset Retirement Obligations

The Parent Company recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to the removal of a) tangible fixed assets and b) certain harmful substances in the tangible fixed assets and recorded asset retirement obligations.

(2) Calculation Method of Asset Retirement Obligations

The Parent Company calculated asset retirement obligations by a) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and b) applying discount rates ranging from 0.144% to 2.293%.

(3) Increase and Decrease in Asset Retirement Obligations

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2016:

	(Unit: million yen)
Beginning balance ……	2,789
Time progress adjustments ……	37
Others ……	(151)
Ending balance ……	2,675

31. Securities Borrowing

Of securities borrowed under borrowing agreements and securities received as collateral of reinsurance transactions, the market value of the securities which can be sold or pledged as collateral but were not sold nor pledged as of March 31, 2016 was ¥267,875 million, among which no securities were pledged as collateral.

32. Commitment Line

There were unused commitment line agreements, under which the Parent Company is the lender, of ¥104,987 million.

33. Subordinated Debt

Other liabilities included subordinated debt of ¥283,000 million, the repayment of which is subordinated to other obligations.

34. Bonds Payable

Bonds payable included foreign currency-denominated subordinated bonds of ¥269,852 million, the repayment of which is subordinated to other obligations.

35. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Parent Company and its subsidiaries that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥55,326 million as of March 31, 2016. These obligations will be recognized as operating expenses in the period in which they are paid.

36. Incentive Programs for Employees

The Parent Company conducts transactions by granting its stocks to its employees using trust schemes (the "Stock Granting Trust (J-ESOP)" and the "Company's Trust-type Employee Shareholding Incentive Plan (E-Ship®)") to incentivize its employees to improve the corporate value and, thus, stock prices, and to provide the employees with incentives to improve the corporate value of the Parent Company in the medium- to long-term.

(1) Overview of the transactions

(a) J-ESOP

J-ESOP is a program to grant shares of common stock to the Parent Company's managerial level employees who fulfill requirements under the Stock Granting Regulations of the Parent Company. The Parent Company vests points to each managerial level employee based on her/his contribution, and vests stocks based on total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust and managed separately from books of the Company.

(b) E-Ship®

E-Ship® is an incentive program for employees who are members of the Dai-ichi Life Insurance Employee Stock Holding Partnership (the "Partnership"). In the E-Ship® plan, the Parent Company sets up a trust through a trust bank. The trust estimates the number of shares of common stock of the Parent Company which the Partnership is to acquire during the next 5 years and purchases the shares in advance. The Partnership buys shares of the Parent Company from the trust periodically. At the end of the trust period, the Partnership's retained earnings, accumulation of net gains on sale of shares of the Parent Company, are to be distributed to the members, who fulfill the requirements for eligible beneficiaries. The Parent Company will pay off retained loss, accumulation of net losses on sale of the shares and any amount equivalent to the amount of outstanding debt at the end of the trust period, as it is to guarantee the debt of the trust needed to purchase the shares.

(2) While adopting Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts. (ASBJ PITF No.30), the Parent Company applies the same accounting treatment as before.

(3) Information related to the stocks of the Parent Company which the trusts hold

(a) J-ESOP

i) Book value of the stocks of the Parent Company within the trust was ¥6,672 million. These stocks were recorded as the treasury stock in the total shareholders' equity.

ii) The number of stocks within the trust at the period end was 4,413 thousand shares and the average number of stocks within the trust was 4,437 thousand shares. The number of shares at the period end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

(b) E-Ship®

i) Book value of the stocks of the Parent Company within the trust was ¥1,558 million. These stocks were recorded as the treasury stock in the total shareholders' equity.

ii) The number of stocks within the trust at the period end was 1,076 thousand shares and the average number of stocks within the trust was 1,545 thousand shares. The number of shares at the period end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

37. Subsequent Event

The Company intends to shift to a holding company structure (the "Transition"). In connection with the Transition, the Company resolved at its Board of Directors meeting held on April 8, 2016 that its domestic life insurance business will be succeeded by The Dai-ichi Life Split Preparation Company, Limited, a wholly-owned subsidiary of the Company that was incorporated on April 1, 2016 (the "Successor"). Accordingly, the Company concluded a definitive agreement with the Successor with respect to an absorption-type corporate split (the "Agreement") which is expected to become effective on October 1, 2016.

The Agreement and necessary amendments to the Articles of Incorporation of the Company shall become effective subject to the approvals of: (i) the 6th annual general meeting of shareholders to be held on June 24, 2016; and (ii) regulatory authorities.

With effect from October 1, 2016, the Company will become a holding company with a new trade name, "Dai-ichi Life Holdings, Inc.", and a new corporate purpose of managing the group's operating companies.

<Overview of the Parties to the Agreement>

	The Company (as of March 31, 2016)	The Successor (as of April 1, 2016)
(1) Trade name	The Dai-ichi Life Insurance Company, Limited*1	The Dai-ichi Life Split Preparation Company, Limited*2
(2) Address	13-1, Yurakucho 1-chome,Chiyoda-ku, Tokyo, Japan	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative	Koichiro Watanabe, President and Representative Director	Yuji Kawazoe, Representative Director
(4) Business	Life insurance business	Preparation for undertaking life insurance business, etc.
(5) Capital stock	343,146 million yen	100 million yen
(6) Date of incorporation	September 15, 1902	April 1, 2016
(7) Number of shares issued	1,198,023,000	10
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders *3	Japan Trustee Services Bank, Ltd. (Trust Account): 5.14% BNY GCM Client Account JPRD AC ISG (FE-AC): 4.02% Mizuho Bank, Ltd: 3.77% The Master Trust Bank of Japan, Ltd. (Trust Account): 3.60% GOLDMAN SACHS INTERNATIONAL: 2.64%	The Dai-ichi Life Insurance Company, Limited: 100%

(10) Consolidated results of operations and financial position

	Fiscal Year ended March 31, 2016
Net assets	2,932,959 million yen
Total assets	49,924,922 million yen
Net assets per share	2,472.86 yen
Ordinary revenues	7,333,947 million yen
Ordinary profit	418,166 million yen

	Net income attributable to shareholders of Dai-ichi Life	178,515 million yen	
	Net income per share	150.53 yen	

*1 The trade name will be changed to “Dai-ichi Life Holdings, Inc.” as of October 1, 2016.

*2 The trade name will be changed to “The Dai-ichi Life Insurance Company, Limited” as of October 1, 2016.

*3 The percentage of shares outstanding are calculated by excluding the treasury stock (6,878 thousand shares).

III. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2016

1. Net Income per Share

Net income per share for the fiscal year ended March 31, 2016 was ¥150.53. Diluted net income per share for the same period was ¥150.44.

2. Impairment Losses on Fixed Assets

Details on the Parent Company's impairment losses on fixed assets for the fiscal year ended March 31, 2016 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value in some asset groups, the Parent Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasehold Rights	Buildings	Total
			(Unit: million yen)			
Real estate not in use	Fuchu City, Tokyo and others	100	13,780	9	20,757	34,548

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.48 % was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

IV. NOTES TO UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR ENDED MARCH 31, 2016

1. Other Comprehensive Income

The amounts reclassified and tax effect amounts related to other comprehensive income were as follows:

	(Unit: million yen)
Net unrealized gains (losses) on securities, net of tax	
Amount incurred during the fiscal year ended March 31, 2016	(863,473)
Amount reclassified	(154,986)
Before tax adjustment	(1,018,460)
Tax effect	330,525
Net unrealized gains (losses) on securities, net of tax	(687,935)
Deferred hedge gains (losses)	
Amount incurred during the fiscal year ended March 31, 2016	10,659
Amount reclassified	851
Before tax adjustment	11,511
Tax effect	(3,340)
Deferred hedge gains (losses)	8,170
Reserve for land revaluation	
Amount incurred during the fiscal year ended March 31, 2016	-
Amount reclassified	-
Before tax adjustment	-
Tax effect	2,411
Reserve for land revaluation	2,411
Foreign currency translation adjustments	
Amount incurred during the fiscal year ended March 31, 2016	(2,180)
Amount reclassified	-
Before tax adjustment	(2,180)
Tax effect	-
Foreign currency translation adjustments	(2,180)
Remeasurements of defined benefit plans	
Amount incurred during the fiscal year ended March 31, 2016	(112,409)
Amount reclassified	(10,053)
Before tax adjustment	(122,463)
Tax effect	34,746
Remeasurements of defined benefit plans	(87,716)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	
Amount incurred during the fiscal year ended March 31, 2016	(4,079)
Amount reclassified	(62)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(4,142)
Total other comprehensive income	(771,392)

V. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED MARCH 31, 2016

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following items contained in the consolidated balance sheet: cash and deposits, call loans, commercial paper included in monetary claims bought, money market funds included in securities, and overdrafts included in other liabilities.

2. Reconciliation of Cash and Cash Equivalents

The reconciliation of cash and cash equivalents to balance sheet accounts as of March 31, 2016 was as follows:

	(Unit: million yen)
Cash and deposits (a)	843,405
Call loans (b)	116,900
Money market funds included in securities (c)	916
Cash and cash equivalents (a + b + c)	961,221

VI. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2016

1. Type and Number of Shares Outstanding

	At the beginning of the fiscal year ended March 31, 2016	Increase	Decrease	As of March 31, 2016
		(Unit: thousands shares)		
Common stock ……	1,197,938	84	-	1,198,023
Treasury stock ……	6,518	6,878	1,028	12,368

Notes:

1. The 84 thousand share increase in common stock represents an increase due to the exercise of stock acquisition rights (stock options).
2. Treasury stock at the beginning and the end of the fiscal year ended March 31, 2016, includes 6,518 thousand shares and 5,490 thousand shares held by the trust fund through the J-ESOP and the trust fund for Dai-ichi Life Insurance Employee Stock Holding Partnership through the E-Ship®, respectively.
3. The increase of 6,878 thousand shares of treasury stock was due to the repurchase of outstanding common stock.
4. The 1,028 thousand share decrease in treasury stock represents the sum of (1) shares granted to eligible employees at retirement and (2) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership.

2. Stock Acquisition Rights

Issuer	Details	Balance at the end of the period (Unit: million yen)
The Parent Company	Stock acquisition rights in the form of stock options	925

3. Dividends on Common Stock

(1) Dividends Paid During the Fiscal Year Ended March 31, 2016

Date of resolution	June 23, 2015 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥33,359 million
Dividends per share	¥28
Record date	March 31, 2015
Effective date	June 24, 2015
Dividend resource	Retained earnings

Note: Total dividends did not include ¥182 million of dividends to the J-ESOP trust and the E-ship® trust, as the Parent Company recognized the shares held by those trusts as treasury shares.

(2) Dividends for Which the Record Date was March 31, 2016 but to Be Paid Out in the Year Ending March 31, 2017

Date of resolution	June 24, 2016 (at the Annual General Meeting of Shareholders to be held)
Type of shares	Common stock
Total dividends	¥41,497 million
Dividends per share	¥35
Record date	March 31, 2016
Effective date	June 27, 2016
Dividend resource	Retained earnings

Note: Total dividends did not include ¥192 million of dividends to the J-ESOP trust and the E-ship® trust, as the Parent Company recognized the shares held by those trusts as treasury shares.

(7) Risk-Monitored Loans

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Credits to bankrupt borrowers	502	93
Delinquent loans	3,525	3,005
Loans past due for three months or more	-	-
Restructured loans	2,040	415
Total	6,068	3,513
[Percentage of total loans]	[0.16%]	[0.09%]

Note: 1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2015 and March 31, 2016 were 4 million yen and 2 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2015 and March 31, 2016 were 54 million yen and 56 million yen, respectively.

2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to, foreign proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(8) Consolidated Solvency Margin Ratio

(millions of yen)

		As of March 31, 2015	As of March 31, 2016
Total solvency margin	***(A)***	6,787,809	6,037,031
Common stock, etc. *1		639,680	763,044
Reserve for price fluctuations		136,254	155,246
Contingency reserve		678,863	691,167
Catastrophe loss reserve		-	-
General reserve for possible loan losses		1,160	495
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2		3,193,431	2,270,855
Net unrealized gains (losses) on real estate × 85% *2		40,735	82,189
Sum of unrecognized actuarial differences and unrecognized past service cost		75,883	(46,579)
Policy reserves in excess of surrender values		1,970,765	2,121,848
Qualifying subordinated debt		535,727	498,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(503,214)	(521,349)
Excluded items		(152,319)	(177,962)
Others		170,842	199,348
Total risk	$\sqrt{\left(\sqrt{R_1^2+R_5^2}+R_8+R_9\right)^2+\left(R_2+R_3+R_7\right)^2}+R_4+R_6$ ***(B)***	1,659,135	1,580,596
Insurance risk	R_1	125,680	122,410
General insurance risk	R_5	4,536	5,006
Catastrophe risk	R_6	1,736	1,844
3rd sector insurance risk	R_8	181,287	186,234
Small amount and short-term insurance risk	R_9	-	-
Assumed investment yield risk	R_2	270,443	262,581
Guaranteed minimum benefit risk	R_7 *3	87,763	87,783
Investment risk	R_3	1,231,750	1,160,636
Business risk	R_4	38,063	36,529
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		818.2%	763.8%

*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The above figures are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(9) Status of Insurance Claims Paying Ability of Insurance Subsidiaries
(Solvency Margin Ratio)

The Dai-ichi Frontier Life Insurance Company (millions of yen)

	As of March 31, 2015	As of March 31, 2016
Total solvency margin ***(A)***	315,968	348,758
Common stock, etc.	18,457	42,765
Reserve for price fluctuations	3,781	6,773
Contingency reserve	120,314	114,644
General reserve for possible loan losses	15	8
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	49,369	54,049
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	124,030	188,894
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	(53,056)
Excluded items	-	(5,320)
Others	-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ ***(B)***	99,834	133,391
Insurance risk R_1	37	46
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	25,630	29,556
Guaranteed minimum benefit risk R_7	26,562	24,180
Investment risk R_3	44,732	75,767
Business risk R_4	2,908	3,886
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	632.9%	522.9%

*: Multiplied by 100% if losses.

Note 1. The above figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, an Announcement No. 50, Ministry of Finance, 1996.
2. Guaranteed minimum benefit risk is calculated by standard method.

The Neo First Life Insurance Company, Limited (millions of yen)

	As of March 31, 2015	As of March 31, 2016
Total solvency margin ***(A)***	4,936	27,795
Common stock, etc.	4,459	27,343
Reserve for price fluctuations	19	20
Contingency reserve	455	428
General reserve for possible loan losses	-	-
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	2	3
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	-	-
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Others	-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ ***(B)***	478	557
Insurance risk R_1	369	336
3rd sector insurance risk R_8	84	89
Assumed investment yield risk R_2	0	0
Guaranteed minimum benefit risk R_7	-	-
Investment risk R_3	89	323
Business risk R_4	16	22
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	2,064.1%	9,969.9%

*: Multiplied by 100% if losses.

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

(10) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life business, and therefore segment information was omitted.

13. Selected Financial Information by Insurance Product

(millions of yen)

	Individual insurance and annuities	Group insurance	Group annuities	Others	Total
Policies in force at the beginning of the fiscal year	130,947,283	48,092,270	6,397,438	-	-
Policies in force at the end of the fiscal year	124,721,652	48,020,252	6,064,247	-	-
Net increase in policies in force	(6,225,631)	(72,018)	(333,190)	-	-
Ordinary revenues	-	-	-	-	4,265,779
a. Premium and other income	1,923,711	149,928	759,280	33,681	2,866,602
Premium	1,923,189	149,232	759,280	33,681	2,865,384
b. Ordinary revenues other than a. above	-	-	-	-	1,399,176
Ordinary expenses	-	-	-	-	3,921,556
c. Benefits and claims	1,513,930	70,378	1,052,990	44,096	2,681,396
Claims	630,271	67,837	6,475	4,415	709,000
Annuities	279,892	959	303,366	8,038	592,255
Benefits	163,304	123	215,756	2,557	381,741
Surrender values	401,016	73	154,111	28,985	584,186
d. Ordinary expenses other than c. above	-	-	-	-	1,240,160
Provision for policy reserves	464,831	666	(333,190)	(7,070)	143,236
Ordinary profit	-	-	-	-	344,222

Note: 1. Categorization of insurance products:
'Others' are the sum of financial insurance, financial annuities, medical care insurance, group disability insurance and reinsurance written.

2. Policies in force:
a. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
b. Policies in force of group insurance include those of annuity riders attached to group insurance, which are the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
c. Policies in force of group annuities are equal to the amount of outstanding corresponding policy reserve.

3. Profit and loss items:
a. 'Premium and other income' shows the sum of premium and reinsurance income.
b. 'Benefits and claims' shows the sum of claims, annuities, benefits, surrender values, other payments and reinsurance premium.

May 13, 2016

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For further information please contact:

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The Dai-ichi Life Insurance Company, Limited
TEL: +81-(0)50-3780-3119/7731

Please note that this is an unofficial translation of the original disclosure in Japanese.

I. General Account Assets

1. Trading Account Securities (General Account)

(1) Breakdown of Trading Account Securities (General Account)

The Company held no balance as of March 31, 2015 or March 31, 2016.

(2) Trading Volume of Trading Account Securities (General Account)

There was no trading volume for the fiscal year ended March 31, 2015 or March 31, 2016.

2. Securities (General Account)

(1) Breakdown of Securities (General Account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
National government bonds	14,358,032	48.4	14,394,575	48.9
Local government bonds	135,572	0.5	125,047	0.4
Corporate bonds	1,595,365	5.4	1,853,195	6.3
Public entity bonds	525,420	1.8	527,917	1.8
Domestic stocks	3,754,780	12.7	3,353,552	11.4
Foreign securities	9,392,567	31.7	9,091,602	30.9
Foreign bonds	6,959,454	23.5	6,907,918	23.5
Foreign stocks and other securities	2,433,112	8.2	2,183,683	7.4
Other securities	433,926	1.5	589,444	2.0
Total	29,670,244	100.0	29,407,417	100.0

(2) Local Government Bonds by Region (General Account)

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
	Carrying amount	Carrying amount
Hokkaido	3,323	3,544
Tohoku	-	-
Kanto	51,921	56,065
Chubu	26,630	25,600
Kinki	17,680	16,687
Chugoku	4,930	4,928
Shikoku	-	-
Kyushu	19,280	16,214
Others	11,805	2,005
Total	135,572	125,047

Note: "Others" in the above table shows publicly offered co-issue local government bonds.

(3) Securities by Contractual Maturity Date (General Account)

(millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
As of March 31, 2015							
Securities	600,889	1,856,356	1,855,784	1,255,658	1,568,798	22,532,757	29,670,244
National government bonds	128,308	200,338	423,897	204,123	501,550	12,899,814	14,358,032
Local government bonds	17,868	20,460	7,005	26,479	4,962	58,796	135,572
Corporate bonds	131,432	469,355	255,924	137,218	180,410	421,023	1,595,365
Domestic stocks	-	-	-	-	-	3,754,780	3,754,780
Foreign securities	286,548	1,140,200	1,117,415	879,805	842,289	5,126,308	9,392,567
Foreign bonds	285,321	1,129,111	1,114,208	878,229	831,001	2,721,582	6,959,454
Foreign stocks and other securities	1,227	11,088	3,207	1,575	11,287	2,404,725	2,433,112
Other securities	36,732	26,001	51,540	8,031	39,586	272,033	433,926
Monetary claims bought	-	15,629	2,156	-	-	241,949	259,735
Certificates of deposit	40,000	-	-	-	-	-	40,000
Others	-	2,876	-	-	-	33,245	36,122
As of March 31, 2016							
Securities	860,955	1,477,133	1,472,819	920,254	2,103,598	22,572,655	29,407,417
National government bonds	108,757	291,868	323,800	81,278	760,723	12,828,146	14,394,575
Local government bonds	16,466	8,806	28,553	2,797	19,924	48,498	125,047
Corporate bonds	237,819	315,084	258,946	155,260	226,255	659,828	1,853,195
Domestic stocks	-	-	-	-	-	3,353,552	3,353,552
Foreign securities	475,072	800,229	820,076	671,911	1,036,864	5,287,448	9,091,602
Foreign bonds	467,946	796,450	818,875	664,634	1,020,799	3,139,212	6,907,918
Foreign stocks and other securities	7,125	3,779	1,200	7,276	16,065	2,148,235	2,183,683
Other securities	22,839	61,144	41,442	9,006	59,829	395,181	589,444
Monetary claims bought	12,210	5,283	-	-	-	215,712	233,206
Certificates of deposit	-	-	-	-	-	-	-
Others	2,640	-	-	-	-	50,166	52,806

*The table above includes assets which are treated as securities in accordance with the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No.10).

(4) Domestic Stocks by Industry (General Account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Forestry and fisheries	195	0.0	219	0.0
Mining	200	0.0	200	0.0
Construction	91,778	2.4	103,135	3.1
Manufacturing industries				
Food products	217,205	5.8	230,778	6.9
Textiles and clothing	29,553	0.8	27,722	0.8
Pulp and paper	2,887	0.1	2,982	0.1
Chemicals	166,823	4.4	140,718	4.2
Medical supplies	63,074	1.7	74,281	2.2
Oil and coal products	4,011	0.1	3,394	0.1
Rubber products	29,073	0.8	22,770	0.7
Glass and stone products	127,554	3.4	97,758	2.9
Steel	84,791	2.3	53,786	1.6
Non-steel metals	12,818	0.3	13,307	0.4
Metal products	45,416	1.2	40,101	1.2
Machinery	202,065	5.4	156,378	4.7
Electric appliances	579,755	15.4	462,475	13.8
Transportation vehicles	248,981	6.6	193,517	5.8
Precision instruments	92,063	2.5	101,576	3.0
Others	80,089	2.1	78,639	2.3
Electric and gas utilities	130,265	3.5	105,522	3.1
Transportation and communications industries				
Ground transportation	339,352	9.0	336,784	10.0
Water transportation	69	0.0	44	0.0
Air transportation	4,264	0.1	4,788	0.1
Warehouses	4,716	0.1	4,274	0.1
Telecommunications	62,806	1.7	81,682	2.4
Commerce				
Wholesale	125,693	3.3	114,824	3.4
Retail	118,877	3.2	111,611	3.3
Financial industries				
Banks	454,241	12.1	346,105	10.3
Security and trading companies	9,516	0.3	7,249	0.2
Insurance	211,781	5.6	238,548	7.1
Other	21,878	0.6	20,894	0.6
Real estate	24,833	0.7	22,100	0.7
Service	168,145	4.5	155,374	4.6
Total	3,754,780	100.0	3,353,552	100.0

Note: Industry categories above are based on classification by Securities Identification Code Committee.

3. Loans (General Account)

(1) Breakdown of Loans (General Account)

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Policy loans	428,555	405,056
Premium loans	44,351	40,085
Policyholder loans	384,203	364,970
Ordinary loans	2,600,740	2,420,995
[Loans to non-residents]	[67,806]	[45,090]
Loans to corporations	2,263,264	2,062,430
[Loans to domestic corporations]	[2,215,757]	[2,027,640]
Loans to national government, government-related organizations and international organizations	18,190	17,181
Loans to local governments and public entities	318,003	340,485
Mortgage loans	1,227	861
Consumer loans	38	36
Others	15	-
Total loans	3,029,295	2,826,052

(2) Loans by Contractual Maturity Dates (General Account)

(millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
As of March 31, 2015							
Floating-rate loans	11,894	10,232	7,138	22,193	1,000	37,855	90,314
Fixed-rate loans	220,245	517,469	389,337	302,208	468,474	612,689	2,510,425
Total	232,140	527,702	396,476	324,402	469,474	650,544	2,600,740
As of March 31, 2016							
Floating-rate loans	6,525	11,949	19,583	7,500	6,834	39,357	91,750
Fixed-rate loans	301,581	426,542	309,549	306,254	480,722	504,593	2,329,244
Total	308,107	438,492	329,133	313,754	487,556	543,951	2,420,995

(3) Loans to Domestic Companies by Company Size (General Account)

(millions of yen except number of borrowers)

		As of March 31, 2015		As of March 31, 2016	
			%		%
Large corporations	Number of borrowers	247	65.9	237	67.9
	Amount of loans	1,902,437	85.9	1,727,946	85.2
Medium-sized corporations	Number of borrowers	10	2.7	10	2.9
	Amount of loans	6,006	0.3	13,820	0.7
Small-sized corporations	Number of borrowers	118	31.5	102	29.2
	Amount of loans	307,313	13.9	285,873	14.1
Total	Number of borrowers	375	100.0	349	100.0
	Amount of loans	2,215,757	100.0	2,027,640	100.0

Note: 1. Categorization by company size is based on the following criteria:
(1) Large corporations include corporations with paid-in capital of at least ¥1 billion and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
(2) Medium-sized corporations include corporations with paid-in capital of more than ¥300 million and less than ¥1 billion (more than ¥50 million and less than ¥1 billion in the case of retailers, restaurants and service companies; more than ¥100 million and less than ¥1 billion in the case of wholesalers) and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
(3) Small corporations include all other corporations.
2. Number of borrowers does not equal the number of loan transactions.

(4) Loans by Industry (General Account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Domestic				
Manufacturing industries	389,533	15.0	375,787	15.5
Foodstuffs and beverages	34,704	1.3	34,747	1.4
Textile products	4,213	0.2	4,209	0.2
Lumber and wood products	565	0.0	500	0.0
Pulp, paper and paper products	29,844	1.1	29,948	1.2
Printing	16,298	0.6	15,035	0.6
Chemical and allied products	24,898	1.0	25,894	1.1
Petroleum refining	25,652	1.0	19,942	0.8
Ceramic, stone and clay products	29,486	1.1	29,486	1.2
Iron and steel	69,300	2.7	69,300	2.9
Non-ferrous metals and products	7,672	0.3	7,059	0.3
Fabricated metal products	840	0.0	730	0.0
General-purpose and production- and business-oriented machinery	47,729	1.8	46,544	1.9
Electrical machinery equipment and supplies	76,033	2.9	73,099	3.0
Transportation equipment	17,088	0.7	14,182	0.6
Miscellaneous manufacturing industries	5,208	0.2	5,109	0.2
Agriculture and forestry	-	-	-	-
Fishery	-	-	-	-
Mining and quarrying of stone and gravel	-	-	-	-
Construction	10,733	0.4	10,466	0.4
Electricity, gas, heat supply and water	434,627	16.7	415,564	17.2
Information and communications	50,046	1.9	49,839	2.1
Transport and postal activities	268,938	10.3	262,877	10.9
Wholesale trade	488,999	18.8	478,206	19.8
Retail trade	14,761	0.6	12,365	0.5
Finance and insurance	589,026	22.6	497,095	20.5
Real estate	140,175	5.4	132,061	5.5
Goods rental and leasing	105,690	4.1	104,154	4.3
Scientific research, professional and technical services	1,010	0.0	877	0.0
Accommodations	254	0.0	0	0.0
Eating and drinking services	-	-	-	-
Living-related and personal services and amusement services	3,186	0.1	3,235	0.1
Education, learning support	15	0.0	-	-
Medical, health care and welfare	-	-	150	0.0
Other services	3,298	0.1	3,460	0.1
Local governments	30,968	1.2	28,530	1.2
Individuals	1,266	0.0	897	0.0
Others	400	0.0	333	0.0
Total domestic	2,532,933	97.4	2,375,904	98.1
Foreign				
Governments	20,300	0.8	10,300	0.4
Financial institutions	16,544	0.6	11,544	0.5
Commercial and industrial	30,962	1.2	23,246	1.0
Total foreign	67,806	2.6	45,090	1.9
Total	2,600,740	100.0	2,420,995	100.0

Note: 1. Policy loans are excluded.

2. Domestic industry categories above are based on classification used by Bank of Japan in survey of loans.

(5) Loans by Region (General Account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Hokkaido	41,476	1.6	38,559	1.6
Tohoku	46,965	1.9	38,206	1.6
Kanto	1,936,224	76.5	1,822,780	76.7
Chubu	195,885	7.7	176,428	7.4
Kinki	174,400	6.9	166,492	7.0
Chugoku	47,609	1.9	45,412	1.9
Shikoku	20,018	0.8	19,766	0.8
Kyushu	69,086	2.7	67,360	2.8
Total	2,531,667	100.0	2,375,007	100.0

Note: 1. Loans to individuals and non-residents and policy loans are excluded.
2. Categorization of region is based on borrowers' registered head offices.

(6) Loans by Collateral Type (General Account)

(millions of yen)

		As of March 31, 2015		As of March 31, 2016	
		Carrying amount	%	Carrying amount	%
Secured loans		5,088	0.2	4,053	0.2
	Stocks and other securities	2,517	0.1	2,254	0.1
	Real and personal estate	2,570	0.1	1,743	0.1
	Others	1	0.0	56	0.0
Guarantees		91,570	3.5	93,774	3.9
Unsecured loans		2,502,814	96.2	2,322,269	95.9
Others		1,266	0.0	897	0.0
Total loans		2,600,740	100.0	2,420,995	100.0
	Subordinated loans	331,363	12.7	258,800	10.7

Note: Policy loans are excluded.

4. Foreign Investments (General Account)

(1) Breakdown of Investment by Asset Category (General Account)

A. Assets denominated in foreign currency

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Foreign bonds	6,132,736	59.6	5,971,800	59.6
Foreign stocks	1,427,623	13.9	1,341,231	13.4
Cash, cash equivalents and other assets	220,460	2.1	348,732	3.5
Sub-total	7,780,820	75.6	7,661,764	76.5

B. Assets swapped into yen

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Foreign bonds	-	-	-	-
Cash, cash equivalents and other assets	605,762	5.9	508,712	5.1
Sub-total	605,762	5.9	508,712	5.1

C. Assets denominated in yen

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Loans to borrowers outside Japan	61,219	0.6	31,868	0.3
Foreign bonds and others	1,850,491	18.0	1,818,674	18.1
Sub-total	1,911,710	18.6	1,850,542	18.5

D. Total

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Foreign investments	10,298,293	100.0	10,021,019	100.0

Note: Assets swapped into yen are assets whose settlement amounts are fixed into yen by foreign currency forward contracts and other agreements and which are reported in the yen amounts on the balance sheets.

(2) Foreign Currency-Denominated Assets by Currency (General Account)

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
U.S. dollar	3,838,834	49.3	3,995,166	52.1
Euro	2,045,482	26.3	1,757,767	22.9
Australian dollar	742,423	9.5	674,012	8.8
British pound	279,555	3.6	315,117	4.1
Mexican peso	147,723	1.9	250,197	3.3
New Zealand dollar	151,933	2.0	150,378	2.0
Polish zloty	136,193	1.8	127,925	1.7
Total (including others not listed above)	7,780,820	100.0	7,661,764	100.0

(3) Investments by Region (General Account)

(millions of yen)

	Foreign securities						Loans to borrowers located outside Japan	
			Bonds		Stocks and other securities			
	Carrying amount	%	Carrying amount	%	Carrying amount	%	Carrying amount	%
As of March 31, 2015								
North America	3,481,963	37.1	2,661,459	38.2	820,503	33.7	18,950	27.9
Europe	2,758,183	29.4	2,552,389	36.7	205,794	8.5	26,542	39.1
Oceania	912,241	9.7	729,174	10.5	183,066	7.5	5,000	7.4
Asia	330,324	3.5	119,092	1.7	211,232	8.7	1,500	2.2
Latin America	1,668,371	17.8	656,168	9.4	1,012,203	41.6	5,514	8.1
Middle East	-	-	-	-	-	-	-	-
Africa	38,898	0.4	38,585	0.6	312	0.0	-	-
International organizations	202,584	2.2	202,584	2.9	-	-	10,300	15.2
Total	9,392,567	100.0	6,959,454	100.0	2,433,112	100.0	67,806	100.0
As of March 31, 2016								
North America	3,676,241	40.4	2,887,566	41.8	788,675	36.1	11,715	26.0
Europe	2,538,727	27.9	2,341,305	33.9	197,421	9.0	11,212	24.9
Oceania	823,877	9.1	639,442	9.3	184,435	8.4	5,000	11.1
Asia	265,358	2.9	109,762	1.6	155,595	7.1	1,500	3.3
Latin America	1,591,568	17.5	734,273	10.6	857,295	39.3	5,362	11.9
Middle East	-	-	-	-	-	-	-	-
Africa	26,074	0.3	25,813	0.4	260	0.0	-	-
International organizations	169,754	1.9	169,754	2.5	-	-	10,300	22.8
Total	9,091,602	100.0	6,907,918	100.0	2,183,683	100.0	45,090	100.0

Note: Categorization of region is generally based on nationalities of issuers or borrowers.

5. Fair Value Information on Derivative Transactions (General Account)

(Sum of Hedge-Accounting-Applied and Not-Applied)

A. Gains and losses on derivatives

(millions of yen)

	As of March 31, 2015						As of March 31, 2016					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(32)	(64,367)	(4,499)	-	-	(68,899)	(3,540)	107,571	194	(3,276)	-	100,948
Hedge accounting not applied	(9,803)	19,320	(25)	(2,264)	221	7,447	(11,407)	717	(6,351)	(407)	529	(16,919)
Total	(9,836)	(45,046)	(4,525)	(2,264)	221	(61,451)	(14,948)	108,288	(6,156)	(3,683)	529	84,028

Note: Regarding the table above, following figures are reported in the statements of earnings:

As of March 31, 2015: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 47,816 million yen, and stock-related, loss of 4,499 million yen) and gains/losses from derivatives with hedge accounting not applied (gain of 7,447 million yen), totaling loss of 44,868 million yen.

As of March 31, 2016: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, gain of 108,459 million yen, and stock-related, gain of 194 million yen) and gains/losses from derivatives with hedge accounting not applied (loss of 16,919 million yen), totaling gain of 91,733 million yen.

B. Fair value information on derivatives

(a) Interest-related transactions

(millions of yen)

	As of March 31, 2015					As of March 31, 2016				
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions										
Yen interest rate swaps										
Receipts fixed, payments floating	32,480	21,110	681	681	394	323,940	319,940	362	362	482
Receipts floating, payments fixed	326,600	4,100	(824)	(824)	(426)	285,200	285,200	(4,255)	(4,255)	(4,022)
Yen interest rate swaption										
Sold										
Receipts floating, payments fixed	200,000	200,000				350,000	350,000			
	[2,734]	[2,734]	1,425	1,308	-	[1,672]	[1,672]	983	689	-
Bought										
Receipts fixed, payments floating	-	-				100,000	-			
	[-]	[-]	-	-	-	[2,457]	[-]	2,760	303	-
Receipts floating, payments fixed	760,000	480,000				1,150,000	1,070,000			
	[15,698]	[10,256]	4,697	(11,001)	-	[18,570]	[17,647]	6,521	(12,048)	-
Total				(9,836)	(32)				(14,948)	(3,540)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.

2. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, percentage)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2015							
Notional amount (receipts fixed, payments floating)	11,370	7,510	1,500	5,200	4,600	2,300	32,480
Average fixed rate (receipt)	1.37	1.71	0.37	0.44	0.98	1.19	1.19
Average floating rate (payment)	0.11	0.15	0.14	0.14	0.14	0.17	0.13
Notional amount (receipts floating, payments fixed)	322,500	-	-	-	-	4,100	326,600
Average fixed rate (payment)	0.52	-	-	-	-	1.61	0.54
Average floating rate (receipt)	0.30	-	-	-	-	0.14	0.30
Total	333,870	7,510	1,500	5,200	4,600	6,400	359,080
As of March 31, 2016							
Notional amount (receipts fixed, payments floating)	4,000	4,840	3,000	9,800	2,300	300,000	323,940
Average fixed rate (receipt)	1.85	1.20	0.46	0.66	1.19	0.51	0.55
Average floating rate (payment)	0.12	0.08	(0.00)	0.05	0.10	0.01	0.02
Notional amount (receipts floating, payments fixed)	-	-	139,000	144,000	-	2,200	285,200
Average fixed rate (payment)	-	-	0.28	0.42	-	1.08	0.36
Average floating rate (receipt)	-	-	0.26	0.26	-	0.02	0.26
Total	4,000	4,840	142,000	153,800	2,300	302,200	609,140

(b) Currency-related transactions

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold	4,754,929	(27,303)	(27,303)	(47,731)	4,839,772	117,775	117,775	108,567
U.S. dollar	1,992,782	(73,761)	(73,761)	(68,333)	2,263,196	65,670	65,670	54,939
Euro	1,511,593	45,752	45,752	20,549	1,307,528	48,273	48,273	43,872
Australian dollar	439,122	8,612	8,612	7,140	436,096	(14,847)	(14,847)	(10,043)
British pound	182,248	(977)	(977)	(1,136)	236,075	9,067	9,067	8,654
Canadian dollar	96,178	(416)	(416)	(366)	51,214	(1,026)	(1,026)	(1,015)
Others	533,005	(6,513)	(6,513)	(5,584)	545,660	10,637	10,637	12,160
Bought	1,090,617	(287)	(287)	(85)	824,982	(6,074)	(6,074)	(108)
U.S. dollar	616,749	552	552	50	435,498	(10,225)	(10,225)	(114)
Euro	114,390	(103)	(103)	(137)	117,199	949	949	(4)
Australian dollar	52,976	(241)	(241)	-	85,866	2,950	2,950	0
British pound	32,767	(567)	(567)	0	62,940	4	4	(17)
Canadian dollar	69,772	(1)	(1)	-	27,318	0	0	-
Others	203,960	73	73	0	96,160	246	246	27
Currency options								
Bought								
Call	-				57,179			
	[-]	-	-	-	[722]	0	(722)	-
Euro	-				57,179			
	[-]	-	-	-	[722]	0	(722)	-
Put	115,953				241,613			
	[948]	43	(904)	-	[5,242]	3,440	(1,801)	-
U.S. dollar	115,953				219,498			
	[948]	43	(904)	-	[4,652]	3,435	(1,217)	-
Australian dollar	-				22,115			
	[-]	-	-	-	[589]	4	(584)	-
Currency swaps	105,126	(16,550)	(16,550)	(16,550)	205,817	(887)	(887)	(887)
U.S. dollar	92,336	(16,903)	(16,903)	(16,903)	155,920	(2,941)	(2,941)	(2,941)
Euro	12,790	352	352	352	49,897	2,053	2,053	2,053
Total			(45,046)	(64,367)			108,288	107,571

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Forward exchange rates are used for exchange rates as of period ends.
3. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
4. Fair value for forward contracts and currency swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
5. There were no transactions with a maturity of more than one year in the table above except for currency swaps.

(c) Stock-related transactions

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions								
Yen stock index futures								
Sold	47,518	1,212	1,212	-	9,780	8	8	-
Yen stock index options								
Sold								
Call	-				59,972			
	[-]	-	-	-	[144]	2	141	-
Put	39,979				-			
	[843]	375	467	-	[-]	-	-	-
Bought								
Put	44,948				99,990			
	[1,227]	745	(482)	-	[6,366]	53	(6,312)	-
Foreign currency-denominated stock index options								
Sold								
Call	-				31,954			
	[-]	-	-	-	[886]	135	751	-
Put	40,344				-			
	[536]	318	217	-	[-]	-	-	-
Bought								
Call	-				9,583			
	[-]	-	-	-	[48]	0	(47)	-
Put	40,538				31,956			
	[1,134]	522	(611)	-	[1,363]	583	(779)	-
Over-the-counter transactions								
Equity forward contracts								
Sold	112,344	(4,499)	(4,499)	(4,499)	10,288	194	194	194
Bought	47,524	(784)	(784)	-	9,784	(112)	(112)	-
Foreign currency-denominated equity options								
Bought								
Put	770				-			
	[68]	24	(44)	-	[-]	-	-	-
Total			(4,525)	(4,499)			(6,156)	194

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

(d) Bond-related transactions

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Exchange-traded transactions								
Yen bond futures								
Sold	-	-	-	-	21,057	26	26	-
Bought	14,729	(7)	(7)	-	-	-	-	-
Foreign currency-denominated bond futures								
Bought	137,001	(249)	(249)	-	39,526	35	35	-
Over-the-counter transactions								
Yen bond OTC options								
Sold								
Call	357,459				40,994			
	[2,764]	2,137	626	-	[191]	522	(331)	-
Put	29,411				45,379			
	[136]	130	5	-	[112]	113	(1)	-
Bought								
Call	29,411				45,379			
	[106]	90	(16)	-	[101]	91	(9)	-
Put	357,459				40,994			
	[5,850]	3,226	(2,623)	-	[235]	109	(126)	-
Foreign currency-denominated bond OTC options								
Sold								
Call	-				114,736			
	[-]	-	-	-	[2,265]	3,837	(1,572)	(1,572)
Bought								
Put	-				114,736			
	[-]	-	-	-	[2,265]	561	(1,703)	(1,703)
Total			(2,264)	-			(3,683)	(3,276)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for futures, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

(e) Others

(millions of yen)

	As of March 31, 2015					As of March 31, 2016				
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions										
Credit default swaps										
Protection sold	13,000	12,000	273	273	-	24,500	24,500	529	529	-
Protection bought	2,000	2,000	(52)	(52)	-	-	-	-	-	-
Total				221	-				529	-

Note: Fair value is shown in "Gains (losses)".

II. Separate Account (Individual Variable Insurance and Individual Variable Annuities)

1. Fair Value Information on Derivative Transactions (Individual Variable Insurance)
(Sum of Hedge-Accounting-Applied and Not-Applied)

(1) Gains and losses on derivatives

(millions of yen)

	As of March 31, 2015					As of March 31, 2016				
	Interest-related	Currency-related	Stock-related	Bond-related	Total	Interest-related	Currency-related	Stock-related	Bond-related	Total
Hedge accounting applied	-	-	-	-	-	-	-	-	-	-
Hedge accounting not applied	-	5	-	-	5	-	8	-	-	8
Total	-	5	-	-	5	-	8	-	-	8

Note: All gains and losses above are reported in the statements of earnings.

(2) Fair value information on derivatives

(b) Currency-related transactions

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold	808	6	6	-	868	(2)	(2)	-
U.S. dollar	284	(0)	(0)	-	580	2	2	-
British pound	198	5	5	-	63	(0)	(0)	-
Euro	109	(0)	(0)	-	56	(0)	(0)	-
Australian dollar	59	0	0	-	55	(1)	(1)	-
Canadian dollar	31	(0)	(0)	-	42	(0)	(0)	-
Others	125	0	0	-	70	(2)	(2)	-
Bought	741	(1)	(1)	-	586	11	11	-
Euro	212	(1)	(1)	-	364	10	10	-
U.S. dollar	330	1	1	-	147	(0)	(0)	-
British pound	119	(0)	(0)	-	27	0	0	-
Canadian dollar	17	0	0	-	13	0	0	-
Others	60	(0)	(0)	-	32	0	0	-
Total			5	-			8	-

Note: 1. Forward exchange rates are used for exchange rates as of period ends.
2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
3. Fair value is shown in "Gains (losses)".
4. There were no transactions with a maturity of more than one year in the table above.

The Company held no interest-related, stock-related or bond-related derivative instruments as of March 31, 2015 or March 31, 2016. Therefore no information for (a) interest-related, (c) stock-related, or (d) bond-related derivative instruments is provided in the report.

2. Fair Value Information on Derivative Transactions (Individual Variable Annuities)
(Sum of Hedge-Accounting-Applied and Not-Applied)

(1) Gains and losses on derivatives

(millions of yen)

	As of March 31, 2015					As of March 31, 2016				
	Interest-related	Currency-related	Stock-related	Bond-related	Total	Interest-related	Currency-related	Stock-related	Bond-related	Total
Hedge accounting applied	-	-	-	-	-	-	-	-	-	-
Hedge accounting not applied	-	(0)	-	-	(0)	-	(0)	-	-	(0)
Total	-	(0)	-	-	(0)	-	(0)	-	-	(0)

Note: All gains and losses above are reported in the statements of earnings.

(2) Fair value information on derivatives

(b) Currency-related transactions

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied	Notional amount/ contract value	Fair value	Gains (losses)	Hedge accounting applied
Over-the-counter transactions								
Currency forward contracts								
Sold	39	(0)	(0)	-	28	(0)	(0)	-
U.S. dollar	29	(0)	(0)	-	13	(0)	(0)	-
Euro	6	(0)	(0)	-	7	(0)	(0)	-
Canadian dollar	4	(0)	(0)	-	5	(0)	(0)	-
British pound	0	(0)	(0)	-	0	(0)	(0)	-
Others	0	(0)	(0)	-	0	(0)	(0)	-
Bought	33	0	0	-	27	0	0	-
U.S. dollar	28	0	0	-	16	0	0	-
Euro	-	-	-	-	5	0	0	-
British pound	-	-	-	-	3	0	0	-
Canadian dollar	2	0	0	-	1	0	0	-
Others	2	0	0	-	-	-	-	-
Total			(0)	-			(0)	-

Note: 1. Forward exchange rates are used for exchange rates as of period ends.
2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts are reported in yen amounts in the balance sheets, those currency forward contracts are excluded from the table above.
3. Fair value is shown in "Gains (losses)".
4. There were no transactions with a maturity of more than one year in the table above.

The Company held no interest-related, stock-related or bond-related derivative instruments as of March 31, 2015 or March 31, 2016. Therefore no information for (a) interest-related, (c) stock-related, or (d) bond-related derivative instruments is provided in the report.

III. Company Total of General Account and Separate Account

1. Asset Composition

(1) Asset Composition

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	1,018,727	2.8	645,237	1.8
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	259,735	0.7	233,206	0.6
Trading account securities	-	-	-	-
Money held in trust	36,122	0.1	52,806	0.1
Securities	30,673,366	83.3	30,250,119	84.3
Domestic bonds	16,342,034	44.4	16,581,440	46.2
Domestic stocks	4,007,030	10.9	3,560,485	9.9
Foreign securities	9,799,414	26.6	9,451,844	26.3
Foreign bonds	7,125,430	19.3	7,038,357	19.6
Foreign stocks and other securities	2,673,983	7.3	2,413,487	6.7
Other securities	524,887	1.4	656,349	1.8
Loans	3,029,295	8.2	2,826,052	7.9
Policy loans	428,555	1.2	405,056	1.1
Ordinary loans	2,600,740	7.1	2,420,995	6.7
Real estate	1,196,028	3.2	1,157,543	3.2
Deferred tax assets	-	-	-	-
Others	617,598	1.7	731,228	2.0
Reserve for possible loan losses	(2,105)	(0.0)	(1,237)	(0.0)
Total	36,828,768	100.0	35,894,956	100.0
Foreign currency-denominated assets	8,188,807	22.2	8,044,233	22.4

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(2) Changes (Increase/Decrease) in Assets

(millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash, deposits, and call loans	110,254	(373,490)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	(16,083)	(26,528)
Trading account securities	-	-
Money held in trust	1,423	16,683
Securities	2,668,195	(423,246)
Domestic bonds	(107,416)	239,405
Domestic stocks	870,593	(446,545)
Foreign securities	1,860,914	(347,569)
Foreign bonds	1,127,278	(87,072)
Foreign stocks and other securities	733,635	(260,496)
Other securities	44,103	131,462
Loans	6,121	(203,243)
Policy loans	(24,383)	(23,498)
Ordinary loans	30,504	(179,744)
Real estate	(10,147)	(38,485)
Deferred tax assets	(11,163)	-
Others	50,697	113,629
Reserve for possible loan losses	648	868
Total	2,799,945	(933,812)
Foreign currency-denominated assets	1,746,255	(144,573)

Note: "Real estate" represents total amount of land, buildings and construction in progress.

2. Fair Value Information on Securities and Others

(1) Valuation Gains and Losses on Trading Securities

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	1,036,367	52,022	892,868	(113,091)
General account	33,245	3,962	50,166	(4,459)
Separate account	1,003,121	48,059	842,702	(108,631)

Note: The table above includes money held in trust classified as trading securities.

(2) Fair Value Information on Securities (securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2015					
Held-to-maturity bonds	45,411	49,940	4,529	4,529	-
Domestic bonds	45,411	49,940	4,529	4,529	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,996,350	13,835,074	1,838,724	1,839,401	677
Domestic bonds	11,965,521	13,803,860	1,838,339	1,838,998	658
Foreign bonds	30,828	31,213	384	403	19
Stocks of subsidiaries and affiliates	26,605	76,937	50,332	50,332	-
Available-for-sale securities	12,413,822	15,907,148	3,493,326	3,524,928	31,601
Domestic bonds	3,683,212	4,077,188	393,975	394,394	418
Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
Foreign securities	6,531,753	7,777,156	1,245,403	1,254,663	9,260
Foreign bonds	5,917,345	6,928,625	1,011,280	1,015,396	4,115
Foreign stocks and other securities	614,408	848,531	234,123	239,267	5,144
Other securities	266,385	320,841	54,455	54,644	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
Total	24,482,189	29,869,101	5,386,912	5,419,191	32,279
Domestic bonds	15,694,144	17,930,989	2,236,845	2,237,922	1,077
Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
Foreign securities	6,588,411	7,884,503	1,296,091	1,305,371	9,279
Foreign bonds	5,948,174	6,959,838	1,011,664	1,015,799	4,134
Foreign stocks and other securities	640,237	924,664	284,427	289,572	5,144
Other securities	267,161	321,645	54,483	54,672	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
As of March 31, 2016					
Held-to-maturity bonds	45,712	51,296	5,583	5,583	-
Domestic bonds	45,712	51,296	5,583	5,583	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,027,685	15,449,932	3,422,247	3,422,586	339
Domestic bonds	11,948,259	15,369,411	3,421,152	3,421,152	-
Foreign bonds	79,425	80,520	1,095	1,434	339
Stocks of subsidiaries and affiliates	26,570	61,653	35,082	35,101	18
Available-for-sale securities	12,927,650	15,628,568	2,700,917	2,874,655	173,738
Domestic bonds	3,782,592	4,378,846	596,253	596,857	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,759,695	7,526,318	766,622	830,252	63,629
Foreign bonds	6,150,829	6,828,492	677,663	714,258	36,594
Foreign stocks and other securities	608,865	697,825	88,959	115,994	27,035
Other securities	484,658	497,071	12,412	25,441	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
Total	25,027,619	31,191,450	6,163,830	6,337,926	174,095
Domestic bonds	15,776,565	19,799,554	4,022,989	4,023,592	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,864,951	7,667,606	802,655	866,642	63,987
Foreign bonds	6,230,255	6,909,013	678,758	715,692	36,933
Foreign stocks and other securities	634,695	758,592	123,896	150,950	27,053
Other securities	485,399	497,958	12,558	25,587	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

* Carrying amount of securities whose fair value is deemed extremely difficult to recognize is as follows:

(millions of yen)

	As of March 31, 2015	As of March 31, 2016
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	1,041,622	1,100,671
Unlisted domestic stocks (except over-the-counter stocks)	206,964	236,944
Unlisted foreign stocks (except over-the-counter stocks)	777,254	783,945
Others	57,403	79,781
Available-for-sale securities	955,690	813,855
Unlisted domestic stocks (except over-the-counter stocks)	118,466	126,122
Unlisted foreign stocks (except over-the-counter stocks)	765,001	665,001
Unlisted foreign bonds	-	-
Others	72,223	22,731
Total	1,997,313	1,914,526

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. The amounts of foreign exchange valuation gains/losses on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows: gain of 104,797 million yen as of March 31, 2015 and gain of 48,179 million yen as of March 31, 2016.

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2015	36,122	36,122	4,251	9,302	5,051
As of March 31, 2016	52,806	52,806	(4,407)	7,143	11,551

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis. "Gains (losses)" includes gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

(millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	33,245	3,962	50,166	(4,459)

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:

(millions of yen)

	As of March 31, 2015					As of March 31, 2016				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust classified as held-to-maturity	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as policy-reserve-matching	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as available-for-sale	2,587	2,876	288	288	-	2,587	2,640	52	52	-

(4) Investment in Derivative Transactions

The Company uses derivative instruments, including stock/bond-related futures and options, foreign exchange forward contracts and options, and interest rate swaps.

They are primarily used for the following purposes:

- to hedge fluctuations in the market value of its securities investments,
- to hedge exchange rate fluctuations in foreign currency-denominated investments,
- to adjust and control the type of interest (fixed or floating) related to its loans, and the cost of loans payable, etc.

The Company recognizes that, although derivatives in general have advantages in their high liquidity and low transaction costs, careful management of derivative transactions is necessary because of the following characteristics that derivative instruments have:

- derivatives have market risks and credit risks (including the risk that the counterparty will default), the same as other investments,
- derivatives have unique risks which cannot be seen in real assets, including risks related to leverage.

A. Types of transactions

The derivatives the Company used for the fiscal year ended March 31, 2016 were as follows:

- interest-related: interest rate futures, interest rate swaps, interest rate swaptions
- currency-related: currency forward contracts, currency options, currency swaps
- stock-related: stock index futures, stock index options, equity forward contracts, equity options
- bond-related: bond futures, bond future options, bond options, bond forward contracts
- others: credit default swaps

B. Transaction policy

The Company's use of derivatives is primarily limited to hedging market risks associated with its existing asset portfolio. The Company does not engage in speculative transactions.

C. Application of hedge accounting

The Company applied hedge accounting for the following derivative transactions for the fiscal year ended March 31, 2016:

- interest rate swap transactions used for hedging loans and loans payable as underlying assets;
- equity forward contracts used for hedging domestic stocks as underlying assets;
- foreign currency forward contracts used for hedging foreign currency-denominated bonds, foreign currency-denominated term deposits and foreign currency-denominated stocks as underlying assets;
- foreign currency-denominated bonds options used for hedging foreign currency-denominated bonds as underlying assets;
- currency swaps used for hedging foreign currency-denominated bonds, foreign currency- denominated bonds payable and foreign currency-denominated loans as underlying assets;

In applying hedge accounting, the Company has established investment policy and procedure guidelines in accordance with the "Statement on Establishment of Accounting Standards for Financial Products" issued by the Business Accounting Council. In line with the policy and procedure guidelines, the Company clarifies the risk of underlying assets to be hedged and derivative instruments to be used, and manages derivative transactions through measures including pre- and post-effectiveness tests of the transactions.

D. Risk management

The Company strictly manages derivative transactions by establishing position limits, evaluating daily gains and losses along with the underlying assets, and periodic measurement of tracking errors and VaR (value-at-risk).

Credit risk for over-the-counter derivative transactions is also managed by establishing transaction limits for each counterparty. The following table sets forth the credit risk amounts, i.e. replacement cost calculated by the current exposure method of derivatives held by the Company, as of March 31, 2016:

(billions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Notional amount/ contract value	Credit risk amount	Notional amount/ contract value	Credit risk amount
Interest rate swaps	359.0	0.5	609.1	4.7
Interest rate swaptions	960.0	8.0	1,600.0	15.5
Foreign currency forward contracts	6,555.3	96.8	6,298.6	81.2
Currency options	115.9	1.1	298.7	1.4
Currency swaps	347.6	23.8	454.9	14.0
Bond forward contracts	-	-	-	-
Bond options	773.7	5.5	402.2	4.7
Equity forward contracts	159.8	6.0	20.0	0.4
Equity options	0.7	0.0	-	-
Credit default swaps	15.0	0.1	24.5	0.2
Total	9,287.4	142.3	9,708.3	122.4

Overall investment risks, including those of derivatives, are managed under the internal risk management policy in which detailed management measures are clarified. The “Risk Management Department”, which is a risk management specialist team, thoroughly watches and controls the overall derivative risk profile, while each execution department manages risk at an operations level. The Risk Management Department regularly reports to the “ALM Committee”.

E. Supplementary information on derivative transactions

Since the Company uses derivatives primarily to hedge the market risks of its existing asset portfolio, information on derivative transactions, including notional amount and gains and losses, is more easily understood by taking into account information on the underlying assets that are hedged.

(5) Fair Value Information on Derivative Transactions (Sum of Hedge-Accounting-Applied and Not-Applied)

A. Gains and losses on derivatives

(millions of yen)

	As of March 31, 2015						As of March 31, 2016					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(32)	(64,367)	(4,499)	-	-	(68,899)	(3,540)	107,571	194	(3,276)	-	100,948
Hedge accounting not applied	(9,803)	20,671	60	(1,985)	221	9,164	(11,407)	(601)	(6,255)	(472)	529	(18,207)
Total	(9,836)	(43,696)	(4,438)	(1,985)	221	(59,735)	(14,948)	106,969	(6,060)	(3,748)	529	82,740

Note: Regarding the table above, the following figures are reported in the statements of earnings:
As of March 31, 2015: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 47,816 million yen, and stock-related, loss of 4,499 million yen) and gains/losses from derivatives with hedge accounting not applied (gain of 9,164 million yen), totaling loss of 43,151 million yen.
As of March 31, 2016: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, gain of 108,459 million yen, and stock-related, gain of 194 million yen) and gains/losses from derivatives with hedge accounting not applied (loss of 18,207 million yen), totaling gain of 90,445 million yen.

B. Hedge accounting not applied

(a) Interest-related transactions

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Over-the-counter transactions								
Yen interest rate swaps								
Receipts fixed, payments floating	17,680	8,310	287	287	308,140	308,140	(119)	(119)
Receipts floating, payments fixed	6,600	4,100	(398)	(398)	2,200	2,200	(232)	(232)
Yen interest rate swaption								
Sold								
Receipts floating, payments fixed	200,000	200,000			350,000	350,000		
	[2,734]	[2,734]	1,425	1,308	[1,672]	[1,672]	983	689
Bought								
Receipts fixed, payments floating	-	-			100,000	-		
	[-]	[-]	-	-	[2,457]	[-]	2,760	303
Receipts floating, payments fixed	760,000	480,000			1,150,000	1,070,000		
	[15,698]	[10,256]	4,697	(11,001)	[18,570]	[17,647]	6,521	(12,048)
Total				(9,803)				(11,407)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, percentage)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2015							
Notional amount (receipts fixed, payments floating)	9,370	510	-	3,200	4,600	-	17,680
Average fixed rate (receipt)	1.36	1.23	-	0.32	0.98	-	1.07
Average floating rate (payment)	0.11	0.14	-	0.15	0.14	-	0.13
Notional amount (receipts floating, payments fixed)	2,500	-	-	-	-	4,100	6,600
Average fixed rate (payment)	0.51	-	-	-	-	1.61	1.19
Average floating rate (receipt)	0.16	-	-	-	-	0.14	0.15
Total	11,870	510	-	3,200	4,600	4,100	24,280
As of March 31, 2016							
Notional amount (receipts fixed, payments floating)	-	340	-	7,800	-	300,000	308,140
Average fixed rate (receipt)	-	1.23	-	0.71	-	0.51	0.52
Average floating rate (payment)	-	0.01	-	0.06	-	0.01	0.01
Notional amount (receipts floating, payments fixed)	-	-	-	-	-	2,200	2,200
Average fixed rate (payment)	-	-	-	-	-	1.08	1.08
Average floating rate (receipt)	-	-	-	-	-	0.02	0.02
Total	-	340	-	7,800	-	302,200	310,340

(b) Currency-related transactions

(millions of yen)

	As of March 31, 2015			As of March 31, 2016		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Over-the-counter transactions						
Currency forward contracts						
Sold	1,530,498	22,010	22,010	1,365,473	7,730	7,730
U.S. dollar	570,340	(5,353)	(5,353)	526,871	11,083	11,083
Euro	498,935	26,039	26,039	380,362	3,329	3,329
Australian dollar	91,172	1,578	1,578	144,063	(5,117)	(5,117)
British pound	69,133	594	594	99,762	288	288
Canadian dollar	78,255	10	10	41,461	(235)	(235)
Others	222,660	(858)	(858)	172,951	(1,618)	(1,618)
Bought	1,117,800	(434)	(434)	846,900	(5,808)	(5,808)
U.S. dollar	630,846	452	452	445,562	(10,217)	(10,217)
Euro	122,306	(91)	(91)	124,280	1,175	1,175
Australian dollar	53,095	(243)	(243)	87,757	2,960	2,960
British pound	36,377	(605)	(605)	63,702	24	24
Canadian dollar	70,159	(3)	(3)	29,184	13	13
Others	205,015	57	57	96,413	234	234
Currency options						
Bought						
Call	-			57,179		
	[-]	-	-	[722]	0	(722)
Euro	-			57,179		
	[-]	-	-	[722]	0	(722)
Put	115,953			241,613		
	[948]	43	(904)	[5,242]	3,440	(1,801)
U.S. dollar	115,953			219,498		
	[948]	43	(904)	[4,652]	3,435	(1,217)
Australian dollar	-			22,115		
	[-]	-	-	[589]	4	(584)
Total			20,671			(601)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Forward exchange rates are used for exchange rates as of period ends.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

(c) Stock-related transactions

(millions of yen)

	As of March 31, 2015			As of March 31, 2016		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen stock index futures						
Sold	49,144	1,217	1,217	9,945	12	12
Bought	9,245	15	15	8,238	(4)	(4)
Foreign currency-denominated stock index futures						
Sold	-	-	-	2,849	(58)	(58)
Bought	7,005	65	65	9,072	155	155
Yen stock index options						
Sold						
Call	-			59,972		
	[-]	-	-	[144]	2	141
Put	39,979			-		
	[843]	375	467	[-]	-	-
Bought						
Put	44,948			99,990		
	[1,227]	745	(482)	[6,366]	53	(6,312)
Foreign currency-denominated stock index options						
Sold						
Call	-			31,954		
	[-]	-	-	[886]	135	751
Put	40,344			-		
	[536]	318	217	[-]	-	-
Bought						
Call	-			9,583		
	[-]	-	-	[48]	0	(47)
Put	40,538			31,956		
	[1,134]	522	(611)	[1,363]	583	(779)
Over-the-counter transactions						
Equity forward contracts						
Bought	47,524	(784)	(784)	9,784	(112)	(112)
Foreign currency-denominated equity options						
Bought						
Put	770			-		
	[68]	24	(44)	[-]	-	-
Total			60			(6,255)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

(d) Bond-related transactions

(millions of yen)

	As of March 31, 2015			As of March 31, 2016		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen bond futures						
Sold	-	-	-	21,057	26	26
Bought	16,644	(8)	(8)	2,425	(4)	(4)
Foreign currency-denominated bond futures						
Bought	177,445	30	30	157,667	(24)	(24)
Over-the-counter transactions						
Yen bond OTC options						
Sold						
Call	357,459			40,994		
	[2,764]	2,137	626	[191]	522	(331)
Put	29,411			45,379		
	[136]	130	5	[112]	113	(1)
Bought						
Call	29,411			45,379		
	[106]	90	(16)	[101]	91	(9)
Put	357,459			40,994		
	[5,850]	3,226	(2,623)	[235]	109	(126)
Total			(1,985)			(472)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for futures, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

(e) Others

(millions of yen)

	As of March 31, 2015				As of March 31, 2016			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Over-the-counter transactions								
Credit default swaps								
Protection sold	13,000	12,000	273	273	24,500	24,500	529	529
Protection bought	2,000	2,000	(52)	(52)	-	-	-	-
Total				221				529

Note: Fair value is shown in "Gains (losses)".

C. Hedge accounting applied
(a) Interest-related transactions

(i) As of March 31, 2015

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Yen interest rate swaps Receipts floating, payments fixed	loans payable	320,000	-	(426)	(426)
Special hedge accounting for interest rate swaps	Yen interest rate swaps Receipts fixed, payments floating Receipts floating, payments fixed	loans loans payable	14,800 -	12,800 -	394 -	394 -
Total						(32)

Note: Fair value is shown in "Gains (losses)".

(ii) As of March 31, 2016

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Yen interest rate swaps Receipts floating, payments fixed	loans payable	-	-	-	-
Special hedge accounting for interest rate swaps	Yen interest rate swaps Receipts fixed, payments floating Receipts floating, payments fixed	loans loans payable	15,800 283,000	11,800 283,000	482 (4,022)	482 (4,022)
Total						(3,540)

Note: Fair value is shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, percentage)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2015							
Notional amount (receipts fixed, payments floating)	2,000	7,000	1,500	2,000	-	2,300	14,800
Average fixed rate (receipt)	1.41	1.75	0.37	0.63	-	1.19	1.33
Average floating rate (payment)	0.10	0.15	0.14	0.14	-	0.17	0.14
Notional amount (receipts floating, payments fixed)	320,000	-	-	-	-	-	320,000
Average fixed rate (payment)	0.52	-	-	-	-	-	0.52
Average floating rate (receipt)	0.30	-	-	-	-	-	0.30
Total	322,000	7,000	1,500	2,000	-	2,300	334,800
As of March 31, 2016							
Notional amount (receipts fixed, payments floating)	4,000	4,500	3,000	2,000	2,300	-	15,800
Average fixed rate (receipt)	1.85	1.20	0.46	0.45	1.19	-	1.13
Average floating rate (payment)	0.12	0.09	(0.00)	(0.01)	0.10	-	0.07
Notional amount (receipts floating, payments fixed)	-	-	139,000	144,000	-	-	283,000
Average fixed rate (payment)	-	-	0.28	0.42	-	-	0.35
Average floating rate (receipt)	-	-	0.26	0.26	-	-	0.26
Total	4,000	4,500	142,000	146,000	2,300	-	298,800

(b) Currency-related transactions

(millions of yen)

Type of hedge accounting	Type	Hedged item	As of March 31, 2015				As of March 31, 2016			
			Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Currency swaps	Foreign currency-denominated bonds	105,126	105,126	(16,550)	(16,550)	205,817	205,817	(887)	(887)
	U.S. dollar		92,336	92,336	(16,903)	(16,903)	155,920	155,920	(2,941)	(2,941)
	Euro		12,790	12,790	352	352	49,897	49,897	2,053	2,053
Fair value hedge	Currency forward contracts	Foreign currency-denominated bonds								
	Sold		3,325,730	-	(47,731)	(47,731)	3,609,448	-	108,567	108,567
	U.S. dollar		1,458,337	-	(68,333)	(68,333)	1,794,006	-	54,939	54,939
	Euro		1,040,408	-	20,549	20,549	961,588	-	43,872	43,872
	Australian dollar		354,309	-	7,140	7,140	301,556	-	(10,043)	(10,043)
	British pound		134,114	-	(1,136)	(1,136)	158,245	-	8,654	8,654
	Canadian dollar		23,889	-	(366)	(366)	18,773	-	(1,015)	(1,015)
	Others		314,670	-	(5,584)	(5,584)	375,277	-	12,160	12,160
	Bought		4,013	-	(85)	(85)	2,895	-	(108)	(108)
	U.S. dollar		2,603	-	50	50	2,203	-	(114)	(114)
	Euro		1,271	-	(137)	(137)	248	-	(4)	(4)
	British pound		19	-	0	0	159	-	(17)	(17)
	Australian dollar		-	-	-	-	2	-	0	0
	Others		118	-	0	0	281	-	27	27
Currency allotment method	Currency forward contracts	Foreign currency-denominated term deposits								
	Sold		577,349	-	-	-	473,975	-	-	-
	Australian dollar		273,603	-	-	-	179,108	-	-	-
	U.S. dollar		164,861	-	-	-	124,888	-	-	-
	Others		138,883	-	-	-	169,978	-	-	-
	Currency swaps	Foreign currency-denominated bonds payable	215,727	215,727	-	-	215,727	215,727	-	-
	U.S. dollar		215,727	215,727	-	-	215,727	215,727	-	-
	Currency swaps	Foreign currency-denominated loans	26,767	26,767	-	-	33,402	33,402	-	-
	U.S. dollar		26,767	26,767	-	-	33,402	33,402	-	-
Total						(64,367)				107,571

Note: 1. Forward exchange rates are used for exchange rates as of period end.
2. Each of currency forward contracts and currency swaps other than those which deferral hedge method or fair value hedge method is applied to is recorded as the combined amount of such currency forward contract or currency swap and its corresponding hedged item (foreign currency-denominated term deposit, foreign currency-denominated bond payable and foreign currency-denominated loan). Therefore, the fair value of such hedging instruments is included in the fair value of such foreign currency-denominated term deposits, foreign currency-denominated bonds payable and foreign currency-denominated loans.
3. Fair value for forward contracts and currency swaps are shown in "Gains (losses)", except for those to which Note 2 is applied.

(c) Stock-related transactions

(millions of yen)

Type of hedge accounting	Type	Hedged item	As of March 31, 2015				As of March 31, 2016			
			Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Fair value hedge	Equity forward contract	Domestic stocks								
	Sold		112,344	-	(4,499)	(4,499)	10,288	-	194	194
Total						(4,499)				194

Note: Fair value is shown in "Gains (losses)".

(d) Bond-related transactions

(millions of yen)

Type of hedge accounting	Type	Hedged item	As of March 31, 2015				As of March 31, 2016			
			Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Foreign currency-denominated bond OTC options	Foreign currency-denominated bonds								
	Sold									
	Call		- [-]	-	-	-	114,736 [2,265]	-	3,837	(1,572)
	Bought									
	Put		- [-]	-	-	-	114,736 [2,265]	-	561	(1,703)
Total						-				(3,276)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. The differences between the option premiums paid/received and fair value of the option for option transactions,are shown in "Gains (losses)".

The Company held no derivative transactions other than (a), (b), (c) and (d) as of March 31, 2015 or March 31, 2016.
Therefore no information for (e) Others is provided in the report.

IV. Reserves for Possible Loan Losses

(millions of yen)

	As of March 31, 2015	As of March 31, 2016	Change
(1) Total of reserves for possible loan losses			
(a) general reserve	1,146	487	(659)
(b) specific reserve	959	749	(209)
(c) specific reserve for loans to refinancing countries	-	-	-
(2) Specific reserve			
(a) provision for the year	961	752	(209)
(b) reversal for the year [excludes reversal due to write-offs]	1,181	931	(249)
(c) net amount of provision	(219)	(179)	39
(3) Specific reserve for loans to refinancing countries			
(a) number of countries	-	-	-
(b) amount of loans	-	-	-
(c) provision for the year	-	-	-
(d) reversal for the year [excludes reversal due to write-offs]	-	-	-
(4) Write-down of loans	43	59	15

Note: Specific reserve is calculated after direct write-offs of the amount unrecoverable from collateral and guarantees for loans and claims to bankrupt and substantially bankrupt obligors.
The amounts written off were as follows:

- As of March 31, 2015: 59 million yen
- As of March 31, 2016: 58 million yen