[Unofficial Translation]

May 15, 2017

Seiji Inagaki
President and Representative Director
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

Supplementary Materials for the Fiscal Year Ended March 31, 2017
(The Dai-ichi Frontier Life Insurance Co., Ltd.)

May 15, 2017

Financial Results for the Fiscal Year Ended March 31, 2017

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Takashi Kawashima) announces its financial results for the fiscal year ended March 31, 2017.

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

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2016	% of March 31, 2015 total	As of March 31, 2017	% of March 31, 2016 total
Individual insurance	164,202	153.5	185,125	112.7
Individual annuities	401,635	116.5	527,625	131.4
Total	565,838	125.2	712,750	126.0
Medical and survival benefits	-	-	-	-

New Policies

(millions of yen except percentages)

	Year Ended March 31, 2016	% of March 31, 2015 total	Year Ended March 31, 2017	% of March 31, 2016 total
Individual insurance	67,069	124.0	29,667	44.2
Individual annuities	86,763	78.9	144,500	166.5
Total	153,832	93.8	174,167	113.2
Medical and survival benefits	-	-	-	-

Note: Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

(2) Policies in Force and New Policies

Policies in Force

	As of March 31, 2016				As of March 31, 2017			
	Number of policies		Amount		Number of policies		Amount	
	(thousands)	% of March 31, 2015 total	(millions of yen)	% of March 31, 2015 total	(thousands)	% of March 31, 2016 total	(millions of yen)	% of March 31, 2016 total
Individual insurance	288	160.7	2,089,116	153.6	324	112.5	2,368,991	113.4
Individual annuities	696	120.0	4,091,675	115.4	754	108.3	4,471,695	109.3
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

	Number of policies		Amount			
	(thousands)	% of March 31, 2016 total	(millions of yen)	% of March 31, 2016 total	New Business	Net increase from conversions
Year ended March 31, 2017						
Individual insurance	48	42.2	376,092	44.2	376,092	-
Individual annuities	88	60.8	528,806	58.0	528,806	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Year ended March 31, 2016						
Individual insurance	115		851,084		851,084	-
Individual annuities	145		911,163		911,163	-
Group insurance	-		-		-	-
Group annuities	-		-		-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

(3) Profit and Loss Items

(millions of yen except percentages)

	Year Ended March 31, 2016	% of March 31, 2015 total	Year Ended March 31, 2017	% of March 31, 2016 total
Premium and other income	1,873,070	98.6	988,874	52.8
Investment income	94,506	36.7	194,174	205.5
Benefits and claims	495,771	99.9	555,592	112.1
Investment expenses	197,129	378.6	36,043	18.3
Ordinary gain (loss)	29,657	-	63,744	214.9

(4) Total Assets

(millions of yen except percentages)

	As of March 31, 2016	% of March 31, 2015 total	As of March 31, 2017	% of March 31, 2016 total
Total Assets	6,132,279	124.2	6,742,468	110.0

2. Policies in Force as of March 31, 2017 by Benefit Type

	Individual Insurance		Individual annuities		Group Insurance		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Death benefits								
General	324	2,368,991	-	-	-	-	324	2,368,991
Accidental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Survival benefits	-	-	754	4,471,695	-	-	754	4,471,695
Hospitalization benefits								
Accidental	-	-	-	-	-	-	-	-
Illness	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Injury benefits	-	-	-	-	-	-	-	-
Surgery benefits	-	-	-	-	-	-	-	-

	Group annuities		Financial insuarance / Financial annuities		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Survival benefits	-	-	-	-	-	-

	Medical care insurance	
	Policies (thousands)	Amount (millions of yen)
Hospitalization benefits	-	-

	Group disability	
	Policies (thousands)	Amount (millions of yen)
Disability benefits	-	-

Note: Survival benefit amounts for individual annuities are the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

3. Investment of General Account Assets

(1) Overview of Investment of General Account Assets for the Fiscal Year ended March 31, 2017

A. Investment Environment

The Japanese economy witnessed in the fiscal year ended March 31, 2017 a moderate growth, supported by an increase in export and improvement in capital investment following the global economic recovery.
The US economy, on the other hand, showed a slower growth as a result of the weaker capital investment by the corporate sector, despite the continued expansion in personal consumption following the improved employment and income conditions. The Australian economy continued to show a stable growth due to the firm personal consumption resultant from the improved labor market, despite the slower capital investment in the sector of natural resources.
Given the economic environment described above, the investment environment was as follows:

[Domestic interest rates]
The ten-year Japanese government bond (JGB) yield once declined close to the level of minus 0.3% due to the Bank of Japan (BOJ)'s negative interest rate policy. Later on, the BOJ introduced the "Quantitative and Qualitative Monetary Easing with Yield Curve Control," and thereby set an operating target for the long-term interest rate, and consequently the JGB yield remained stable around zero, i.e. the target rate.

Yield on ten-year government bonds:	April 1, 2016	minus 0.050%
	March 31, 2017	0.065%

[Overseas Interest Rates]
The ten-year U.S. Treasury Note yield fell, at one stage, to the record low level, as the prospects for the Federal Reserve (Fed) rate-hike receded and with the global risk-off mode following the UK referendum for the Brexit from the EU. Since Donald Trump's inauguration as US President, however, expectations were boosted for his policy measures, while the Fed was expected to shift its policy stance toward a steady rate-hike, and consequently the US Treasury Note yield edged up.
The ten-year Australian government bond yield declined, at one stage, to the record low level, due to the growing expectation for cash rate-cut following the falling inflation rate in Australia, along with the global risk-averse sentiments as mentioned above. As the price of natural resources rose reflecting a recovery in the global economy, however, the Australian government bond yield firmed up, also impacted by the rising US Treasury yield.

Yield on ten-year U.S. Treasury Notes:	April 1, 2016	1.769%
	March 31, 2017	2.387%
Yield on ten-year Australian government bonds:	April 1, 2016	2.485%
	March 31, 2017	2.693%

[Foreign Currencies]
The U.S. dollar dipped weak below \100, at one time in the first half of the fiscal year, due to the Fed's more cautious stance on the pace to raise interest rates. The inauguration of Donald Trump as US President, however, boosted inflationary expectations, and the market believed the Fed would steadily raise interest rates. Consequently the US dollar firmed up against the yen to over \110, thus pushing the yen weaker.
The Australian dollar depreciated against the yen at one time to \70.5 level, due to the growing expectation for cash rate-cut following the falling inflation rate in Australia. As at the end of the fiscal year, however, the Australian dollar recovered against the yen to the level of \80.5, i.e. nearly the same level as at the beginning of the fiscal year, as the price of iron ores, one of the chief Australian export items, started to rise, following a recovery of the global economy.

yen / U.S. dollar:	April 1, 2016	¥112.68
	March 31, 2017	¥112.19
yen / Australian dollar:	April 1, 2016	¥86.25
	March 31, 2017	¥85.84

B. Investment Policies

In view of the liability characteristics of life insurance policies, assets in the general account are invested in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. As to the yen- and foreign currency-denominated fixed products, those assets are primarily invested in yen-denominated bonds and foreign currency-denominated bonds.
Certain instruments are also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

C. Investment Results

The Company invested primarily in those assets from which stable investment returns being expected, e.g. yen-denominated bonds, foreign currency-denominated bonds and short-term money market instruments. Derivative trades attributable to money held in trust and investments in foreign securities (investment trusts) were also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.
As a result, investment income was 133,241 million yen mainly due to interest and dividends received (105,227 million yen), gains on sales of securities (19,833 million yen), and foreign exchange gains (7,063 million yen). Investment expenses were 36,043 million yen due mainly to losses on money held in trust (16,443 million yen), derivative transaction losses (10,020 million yen), and to losses on investment in trading securities (5,980 million yen).

(2) Asset Composition

(millions of yen except percentages)

	As of March 31, 2016		As of March 31, 2017	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	107,633	2.7	102,516	2.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	6,093	0.2	6,081	0.1
Trading account securities	-	-	-	-
Money held in trust	34,670	0.9	282,919	6.1
Securities	3,752,040	93.0	4,094,184	88.7
Domestic bonds	1,145,836	28.4	1,145,301	24.8
Domestic stocks	-	-	-	-
Foreign securities	2,347,130	58.2	2,747,216	59.5
Foreign bonds	2,339,221	58.0	2,740,228	59.4
Foreign stocks and other securities	7,908	0.2	6,987	0.2
Other securities	259,073	6.4	201,666	4.4
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	135,276	3.4	127,642	2.8
Reserve for possible loan losses	(8)	(0.0)	(6)	(0.0)
Total	4,035,705	100.0	4,613,338	100.0
Foreign currency-denominated assets	2,461,055	61.0	2,900,997	62.9

(3) Changes (Increase/Decrease) in Assets

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash, deposits, and call loans	37,700	(5,117)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	15	(12)
Trading account securities	-	-
Money held in trust	5,509	248,249
Securities	1,090,637	342,144
Domestic bonds	267,380	(534)
Domestic stocks	-	-
Foreign securities	847,662	400,086
Foreign bonds	844,812	401,006
Foreign stocks and other securities	2,850	(920)
Other securities	(24,405)	(57,406)
Loans	-	-
Real estate	-	-
Deferred tax assets	-	-
Others	32,012	(7,634)
Reserve for possible loan losses	6	2
Total	1,165,880	577,633
Foreign currency-denominated assets	889,590	439,941

(4) Investment Income

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Interest and dividends	83,974	105,227
Interest from bank deposits	278	294
Interest and dividends from securities	83,557	104,540
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	138	392
Gains on trading account securities	-	-
Gains on money held in trust	-	-
Gains on investment in trading securities	636	-
Gains on sale of securities	8,936	19,833
Gains on sale of domestic bonds	1,408	12,678
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	7,527	7,154
Others	-	-
Gains on redemption of securities	952	1,115
Derivative transaction gains	-	-
Foreign exchange gains	-	7,063
Reversal of reserve for possible loan losses	6	2
Other investment income	-	-
Total	94,506	133,241

(5) Investment Expenses

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Interest expenses	4	3
Losses on trading account securities	-	-
Losses on money held in trust	990	16,443
Losses on investment in trading securities	-	5,980
Losses on sale of securities	807	2,478
Losses on sale of domestic bonds	-	92
Losses on sale of domestic stocks	-	-
Losses on sale of foreign securities	807	2,386
Others	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Others	-	-
Losses on redemption of securities	68	290
Derivative transaction losses	3,354	10,020
Foreign exchange losses	126,521	-
Provision for reserve for possible loan losses	-	-
Write-down of loans	-	-
Depreciation of rented real estate and others	-	-
Other investment expenses	756	826
Total	132,503	36,043

(6) Other Information on Investments

A. Rates of return

(%)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash, deposits, and call loans	(8.88)	(4.68)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	0.85	0.85
Trading account securities	-	-
Money held in trust	(4.48)	(9.55)
Securities	(0.74)	3.24
Domestic bonds	0.77	2.00
Domestic stocks	-	-
Foreign securities	(1.92)	3.69
Loans	-	-
Real Estate	-	-
Total	(1.11)	2.22
Foreign investments	(2.79)	3.36

Note: 1. Rates of return above were calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.

2. "Foreign investments" include yen-denominated assets.

B. Valuation Gains and Losses on Trading Securities

(millions of yen)

	As of March 31, 2016		As of March 31, 2017	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	42,578	(354)	289,907	(22,424)

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

C. Fair Value Information on Securities (securities with fair value except trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2017					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	3,031,803	3,131,521	99,718	118,995	19,276
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,037,399	1,061,474	24,074	35,385	11,310
Domestic bonds	301,841	318,513	16,672	17,118	445
Domestic stocks	-	-	-	-	-
Foreign securities	536,859	535,212	(1,646)	9,126	10,772
Foreign bonds	536,859	535,212	(1,646)	9,126	10,772
Foreign stocks and other securities	-	-	-	-	-
Other securities	192,699	201,666	8,967	9,059	92
Monetary claims bought	6,000	6,081	81	81	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	4,069,203	4,192,996	123,793	154,380	30,587
Domestic bonds	1,128,628	1,198,646	70,017	72,681	2,664
Domestic stocks	-	-	-	-	-
Foreign securities	2,741,875	2,786,602	44,727	72,558	27,830
Foreign bonds	2,741,875	2,786,602	44,727	72,558	27,830
Foreign stocks and other securities	-	-	-	-	-
Other securities	192,699	201,666	8,967	9,059	92
Monetary claims bought	6,000	6,081	81	81	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2016					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	2,582,535	2,745,305	162,770	164,228	1,457
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,107,635	1,167,690	60,054	60,893	838
Domestic bonds	325,341	351,845	26,504	26,531	26
Domestic stocks	-	-	-	-	-
Foreign securities	531,655	550,677	19,021	19,532	510
Foreign bonds	531,655	550,677	19,021	19,532	510
Foreign stocks and other securities	-	-	-	-	-
Other securities	244,638	259,073	14,435	14,736	301
Monetary claims bought	6,000	6,093	93	93	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,690,170	3,912,996	222,825	225,121	2,295
Domestic bonds	1,119,332	1,218,220	98,888	99,105	216
Domestic stocks	-	-	-	-	-
Foreign securities	2,320,199	2,429,608	109,408	111,186	1,778
Foreign bonds	2,320,199	2,429,608	109,408	111,186	1,778
Foreign stocks and other securities	-	-	-	-	-
Other securities	244,638	259,073	14,435	14,736	301
Monetary claims bought	6,000	6,093	93	93	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

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

*Book values of securities for which it is not practicable to determine fair value are as follows:

Not applicable.

D. Fair value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2017	282,919	282,919	(16,443)	4,128	20,572
As of March 31, 2016	34,670	34,670	(990)	-	1,001

Note: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains (losses) are valuation gains (losses) that were included in the statement of earnings.

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

(millions of yen)

	As of March 31, 2016		As of March 31, 2017	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	34,670	(990)	282,919	(16,443)

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

Not applicable.

4. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2016	As of March 31, 2017
	Amount	Amount
(ASSETS)		
Cash and deposits	118,431	109,844
Bank deposits	118,431	109,844
Monetary claims bought	6,093	6,081
Money held in trust	34,670	282,919
Securities	5,836,582	6,214,999
Government bonds	637,292	585,775
Local government bonds	13,352	12,257
Corporate bonds	495,191	547,268
Foreign securities	2,363,646	2,762,780
Other securities	2,327,100	2,306,917
Tangible fixed assets	296	238
Leased assets	202	168
Other tangible fixed assets	94	69
Intangible fixed assets	2,710	4,009
Software	2,709	4,009
Other intangible fixed assets	0	0
Reinsurance receivables	72,577	61,104
Other assets	60,926	63,276
Accounts receivable	26,393	3,461
Prepaid expenses	244	307
Accrued revenue	22,345	26,925
Deposits	154	22,367
Margin money for futures trading	3,313	3,002
Defferential account for futures trading	99	-
Derivatives	6,391	5,942
Suspense payments	1,302	867
Other assets	680	402
Reserve for possible loan losses	(8)	(6)
Total assets	6,132,279	6,742,468

	As of March 31, 2016	As of March 31, 2017
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	5,948,138	6,419,066
Reserves for outstanding claims	6,975	9,176
Policy reserves	5,941,162	6,409,889
Reinsurance payable	20,932	156,167
Other liabilities	53,419	39,930
Corporate income tax payable	410	3,203
Accounts payable	22,958	14,755
Accrued expenses	12,983	5,814
Deposits received	55	44
Guarantee deposits received	3,665	4,910
Differential account for futures trading	-	203
Derivatives	11,601	7,869
Lease liabilities	218	182
Suspense receipts	1,526	2,947
Reserve for employees' retirement benefits	192	-
Reserve for retirement benefits of directors, executive officers and corporate auditors	4	-
Reserve for price fluctuations	6,773	10,216
Deferred tax liabilities	16,899	6,766
Total liabilities	6,046,359	6,632,147
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(142,234)	(91,987)
Other retained earnings	(142,234)	(91,987)
Retained earnings brought forward	(142,234)	(91,987)
Total shareholders' equity	42,765	93,012
Net unrealized gains on securities, net of tax	43,155	17,307
Total of valuation and translation adjustments	43,155	17,307
Total net assets	85,920	110,320
Total liabilities and net assets	6,132,279	6,742,468

Notes to the Non-Consolidated Balance Sheet as of March 31,2017

1 Securities (including monetary claims bought which is equivalent to marketable securities and marketable securities managed as trust assets in money held in trust) are valued as follows :
(a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
(b) Policy-reserve-matching bonds (bonds defined by the Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No.21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry) are valued using the moving-average amortized cost (straight line) method.
(c) Other securities with fair values are valued at fair value using market prices as of the end of the year (sales cost is calculated with the moving-average method). Securities for which it is not practicable to determine fair value are recorded on the balance sheet at acquisition cost.
Valuation differences on other securities are reported as a component of net assets.

2 Risk management policies regarding policy-reserve matching bonds are as follows:
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, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:
(a) Individual insurance and annuities (JP yen-denominated, short term)
(b) Individual insurance and annuities (JP yen-denominated, long term)
(c) Individual insurance and annuities (US dollar-denominated)
(d) Individual insurance and annuities (AUS dollar-denominated)
(e) Individual insurance and annuities (NZ dollar-denominated)

with the exception of certain types and policies.

3 Derivative transactions (including those attributable to money held in trust and foreign securities (investment trusts)) are reported at fair value.

4 Depreciation of tangible fixed assets is as follows:
(a) Tangible fixed assets (excluding leased assets)
Declining balance method is applied. However, o ther tangible fixed assets that were acquired for 100,000 yen or more but less than 200,000 yen are depreciated in an equal installment over three years.
(b) Leased assets
Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero residual value and with the lease period being deemed as useful life .

5 Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is based on the estimated useful life.

6 Foreign currency-denominated assets and liabilities are translated into the yen at market exchange rates as of the book closing date. Changes in market values of bonds included in foreign currency-denominated other securities are divided into two, and the portion attributable to changes in the securities' nominal market prices in their local currencies is included in "valuation difference" on other securities, and the rest in "foreign exchange gains/losses. "

7 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual losses, pursuant rules on the self-assessment of assets as well as rules on the write-offs on and provisioning of reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based on the assessment results.

8 Reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.

9 National and local consumption taxes are recorded with the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accord with corporate taxation law, and such taxes other than deferred consumption tax are recognized as an expense in the year in which they are incurred.

10 Policy reserves are those reserves set aside in accord with Article 116 of the Insurance Business Act. Insurance premium reserve is calculated as follows:
(a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
(b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method

11 In view of the liability characteristics of life insurance policies, assets in the general account (i.e., not in separate accounts as defined by Article 118, paragraph 1, of the Insurance Business Act) are invested primarily in fixed-income assets (government and corporate bonds) in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. To mitigate the guaranteed minimum benefit risk on individual variable annuities and for the purpose of hedging against the foreign exchange risk on the bond holdings, the Company engages in derivative transactions (foreign exchange forward contracts, currency futures contracts, stock-index futures contracts, securities futures contract, etc.). The Company's holdings of financial instruments, mainly securities and derivatives, are subject to market risk and credit risk.

Market Risk Management: Under its internal investment policy and market risk management rules, the Company manages market risk by making medium- to long-term investments in a manner appropriate to its liabilities, constantly confirming the consistency of its portfolio positions and investment policies and measuring VaR (value-at-Risk) .

Credit Risk Management: Under its internal investment policy and credit risk management rules, the Company manages credit risk by establishing credit limits designed to avoid excessive concentration of risk toward a specific company or group. Each individual transaction is screened before credit is extended and follow-up checks are conducted regularly. In addition, the Company measures VaR as part of its effort to better grasp and analyze credit risk exposure.

Derivative transactions used by the Company to mitigate the guaranteed minimum benefit risk on individual variable annuities are conducted in accordance with the Company's policy and internal rules on managing guaranteed minimum benefit risk. In addition to verifying the effectiveness of hedge positions and managing gains and losses generated by derivative transactions on a daily basis, the Company regularly monitors reductions in guaranteed minimum benefit risk and gauges its VaR .

The risk management department reports regularly to the Board of Directors on the status of the Company's entire risk position.

Amounts of financial instruments recorded on the balance sheet, their fair values, and differences between the two are as follows:

(millions of yen)

	Carrying amount on balance sheet	Fair value	Difference
(1) Cash and deposits	109,844	109,844	-
(2) Monetary claims bought	6,081	6,081	-
(3) Money held in trust	282,919	282,919	-
(4) Securities	6,214,999	6,314,718	99,718
(a) Trading securities	2,127,802	2,127,802	-
(b) Policy-reserve-matching bonds	3,031,803	3,131,521	99,718
(c) Other securities	1,055,393	1,055,393	-
Assets total	6,613,845	6,713,563	99,718
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	327	327	-
Derivative transactions total	327	327	-

Note: Derivative transactions include those attributable to money held in trust and foreign securities (investment trusts). Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

Fair values of financial instruments are calculated as follows:

(a) Cash and deposits
Deposits are recorded at book value as all deposits have no maturities and their book values approximate their fair values.
(b) Monetary claims bought
Fair value of monetary claims bought is based on the reasonably calculated price.
(c) Money held in trust
Information on securities and derivative transactions appear below in "(d) Securities" and "(e) Derivative transactions," respectively.
(d) Securities
Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.
(e) Derivative transactions
For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value. For currency swap contracts and interest rate swap contracts, the amounts discounted to present value are used as fair value. For total return swap contracts, the amounts calculated by using indices on the book closing date are used as fair value. For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

12 Accumulated depreciation on tangible fixed assets is 262 million yen.

13 Securities lent under lending agreements are included in the non-consolidated balance sheet. Total balance of securities lent as of March 31, 2017 was 286,108 million yen.

14 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 2,129,651 million yen. Liabilities in separate accounts total the same amount.

15 The total amounts of receivables from and payables to subsidiaries and affiliated companies were 17 million yen.

16 Deferred tax asset accruals are primarily attributable to policy and other reserves of 32,240 million yen and 2,860 million yen reserves for price fluctuations. Deferred tax liability accruals are mainly attributable to net unrealized gains on securities of 6,766 million yen. Valuation allowance of 35,482 million yen were deducted from deferred tax assets.

17 The effective statutory tax rate for the fiscal year ended March 31, 2017, was 28.24%, and the Company's corporate income tax burden (corporate income tax as a percentage of pretax income) was 16.67%. The difference was due mainly to the impact of a valuation allowance (-11.61%).

18 The value of assets (marketable securities) pledged as collateral is 66,921 million yen.

19 Assets for which the Company has the right freely to dispose of by means of sale or collateralization, are available-for-sale securities that have been accepted as collateral for reinsurance dealings and derivative transactions. The fair value of these assets in the Company's holding without exercising the said right of disposal as of the end of March 31, 2017 is 38,547 million yen. None of these assets have been pledged by the Company.

Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3 of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 112 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of said Ordinance ("ceding reinsurance policy reserves") amount to 228,727 million yen.

20 As of fiscal year end (March 31, 2017) , the Company estimated that it would be required to contribute 6,740 million yen to the Life Insurance Policyholders Protection Corporation of Japan pursuant to Article 259 of the Insurance Business Act. Contributions are expensed as an operating expense in the fiscal year in which they are incurred.

21 Net assets per share is 59,632,765.13 million yen.

22 As of fiscal year end (March 31, 2017) , undepreciated balance of the fee of the reinsurance contract, as stipulated in the Ministry of Finance Notification No. 50, 1996, Article 1, Paragraph 5, is 72,933 million yen.

5. Non-Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
ORDINARY REVENUES	1,967,582	1,183,254
Premium and other income	1,873,070	988,874
Premium income	1,679,591	865,301
Reinsurance income	193,478	123,573
Investment income	94,506	194,174
Interest and dividends	83,974	105,227
Interest from bank deposits	278	294
Interest and dividends from securities	83,557	104,540
Other interest and dividends	138	392
Gains on investment in trading securities	636	-
Gains on sale of securities	8,936	19,833
Gains on redemption of securities	952	1,115
Foreign exchange gains	-	7,063
Reversal of reserve for possible loan losses	6	2
Gains on investment in separate accounts	-	60,932
Other ordinary revenues	6	205
Reversal of reserves for employees' retirement benefits	-	192
Other ordinary revenues	6	13
ORDINARY EXPENSES	1,937,925	1,119,509
Benefits and claims	495,771	555,592
Claims	23,354	33,287
Annuities	18,980	84,148
Benefits	43,980	49,092
Surrender values	191,562	145,651
Other refunds	4,397	2,850
Ceding reinsurance commissions	213,496	240,562
Provision for policy reserves and other	1,136,503	470,928
Provision for reserves for outstanding claims	2,427	2,201
Provision for policy reserves	1,134,076	468,727
Investment expenses	197,129	36,043
Interest expenses	4	3
Losses on money held in trust	990	16,443
Losses on investment in trading securities	-	5,980
Losses on sale of securities	807	2,478
Losses on redemption of securities	68	290
Derivative transaction losses	3,354	10,020
Foreign exchange losses	126,521	-
Other investment expenses	756	826
Losses on investment in separate accounts	64,626	-
Operating expenses	97,297	51,212
Other ordinary expenses	11,223	5,732
National and local taxes	10,937	5,258
Depreciation	251	473
Provision for reserves for employees' retirement benefits	35	-
Other ordinary expenses	0	0
ORDINARY GAIN	29,657	63,744
EXTRAORDINARY LOSSES	2,992	3,448
Losses on disposal of fixed assets	-	5
Provision for reserves for price fluctuations	2,992	3,443
Gain before income taxes	26,665	60,295
Corporate income taxes - current	2,356	10,048
Total of corporate income taxes	2,356	10,048
Net income for the year	24,308	50,247

Notes to the Non-Consolidated Statement of Earnings for the fiscal year ended March 31, 2017

1 The total amounts of revenues and expenses from transactions with affiliated companies were 0 million yen and 356 million yen, respectively.

2 Gains on sale of securities included gains on sales of domestic bonds and foreign securities of 12,678 million yen and 7,154 million yen, respectively.

3 Losses on sale of securities included losses on sales of domestic bonds and foreign securities of 92 million yen and 2,386 million yen, respectively.

4 In calculating the provision for reserves for outstanding claims , a reversal of reserves for outstanding ceding insurance claims of 34 million yen was added as an adjustment. In calculating the provision for policy reserves, provision for ceding reinsurance reserves of 114,862 million yen was deducted.

5 The main component of losses on investments in trading securities was a valuation loss of 5,980 million yen.

6 Losses on money held in trust included a valuation loss of 16,443 million yen.

7 Derivative transaction losses included a valuation gain of 3,283 million yen.

8 Net income per share for the fiscal year ended March 31, 2017 was 27,160,616.30 yen.

9 Reinsurance income includes 6,489 million yen increase in the undepreciated balance of the fee of reinsurance contract , as stipulated in the Ministry of Finance Notification No. 50, 1996, Article 1, Paragraph 5 .

10 Ceding reinsurance commissions includes 10,471 million yen decrease in the undepreciated balance of the fee of reinsurance contract , as stipulated in the Ministry of Finance Notification No. 50, 1996, Article 1, Paragraph 5 .

6. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Year ended March 31, 2016	Year ended March 31, 2017
Fundamental profit	A	9,138	86,504
Capital gains		146,522	26,896
Gains on money held in trust		-	-
Gains on investment in trading securities		636	-
Gains on sale of securities		8,936	19,833
Derivative transaction gains		-	-
Foreign exchange gains		-	7,063
Others		136,949	-
Capital losses		131,674	49,329
Losses on money held in trust		990	16,443
Losses on investment in trading securities		-	5,980
Losses on sale of securities		807	2,478
Losses on valuation of securities		-	-
Derivative transaction losses		3,354	10,020
Foreign exchange losses		126,521	-
Others		-	14,406
Net capital gains (losses)	B	14,848	(22,433)
Fundamental profit plus net capital gains (losses)	A + B	23,987	64,070
Other one-time gains		5,669	-
Reinsurance income		-	-
Reversal of contingency reserve		5,669	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		-	326
Ceding reinsurance commissions		-	-
Provision for contingency reserve		-	326
Provision for specific reserve for possible loan losses		-	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		-	-
Others		-	-
Other one-time profits (losses)	C	5,669	(326)
Ordinary profit (loss)	A + B + C	29,657	63,744

Note: 1. Fundamental profit includes the amount below.

	Year ended March 31, 2016	Year ended March 31, 2017
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	(136,949)	14,406

2. Other capital gains include the amount below.

	Year ended March 31, 2016	Year ended March 31, 2017
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	136,949	-

3. Other capital losses include the amount below.

	Year ended March 31, 2016	Year ended March 31, 2017
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	-	14,406

4. Gains (losses) on money held in trust and gains (losses) on investment in trading securities are attributable to investments in derivative financial instruments (including investments in money held in trust, foreign securities (investment trusts)) for the purpose of mitigating the guaranteed minimum benefit risk on individual variable annuities.

7. Non-Consolidated Statement of Changes in Net Assets

主計限定（2016-02）

Year ended March 31, 2017

(millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings	
			Retained earnings brought forward	
Balance at the beginning of the year	117,500	67,500	(142,234)	42,765
Changes for the year				
Net gain			50,247	50,247
Net changes of items other than shareholders' equity				
Total changes for the year	-	-	50,247	50,247
Balance at the end of the year	117,500	67,500	(91,987)	93,012

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	43,155	43,155	85,920
Changes for the year			
Net gain			50,247
Net changes of items other than shareholders' equity	(25,847)	(25,847)	(25,847)
Total changes for the year	(25,847)	(25,847)	24,399
Balance at the end of the year	17,307	17,307	110,320

Year ended March 31, 2016

(millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings	
			Retained earnings brought forward	
Balance at the beginning of the year	117,500	67,500	(166,542)	18,457
Changes for the year				
Net gain			24,308	24,308
Net changes of items other than shareholders' equity				
Total changes for the year	-	-	24,308	24,308
Balance at the end of the year	117,500	67,500	(142,234)	42,765

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	38,954	38,954	57,411
Changes for the year			
Net gain			24,308
Net changes of items other than shareholders' equity	4,200	4,200	4,200
Total changes for the year	4,200	4,200	28,508
Balance at the end of the year	43,155	43,155	85,920

Notes to Non-Consolidated Statement of Changes in Net assets for the fiscal year ended March 31, 2017

1. Number of outstanding shares by class

(shares)

	No. shares as of April 1, 2016	Increase in number of shares	Decrease in number of shares	No. shares as of March 31, 2017
Outstanding shares				
Common stock	1,850	-	-	1,850

8. Disclosed Claims Based on Categories of Obligors

(millions of yen except percentages)

	As of March 31, 2016	As of March 31, 2017
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	-	-
Claims for special attention	-	-
Subtotal	-	-
[Percentage]	[-]	[-]
Claims against normal obligors	19,769	286,164
Total	19,769	286,164

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

Not applicable.

10. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2016	As of March 31, 2017
Total solvency margin	(A)	348,758	421,078
Common stock, etc.		42,765	93,012
Reserve for price fluctuations		6,773	10,216
Contingency reserve		114,644	114,970
General reserve for possible loan losses		8	6
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *		54,049	21,667
Net unrealized gains (losses) on real estate × 85% *		-	-
Policy reserves in excess of surrender values		188,894	207,553
Qualifying subordinated debt		-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(53,056)	(21,188)
Excluded items		(5,320)	(5,160)
Other		-	-
Total Risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	(B)	133,391	146,034
Insurance risk	R_1	46	66
3rd sector insurance risk	R_8	-	-
Assumed investment yield risk	R_2	29,556	31,404
Guaranteed minimum benefit risk	R_7	24,180	21,955
Investment risk	R_3	75,767	88,419
Business risk	R_4	3,886	4,255
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		522.9%	576.6%

*: 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, and Announcement No.50, Ministry of Finance, 1996.

2. Guaranteed minimum benefit risk is calculated by the standard method.

11. Status of Separate Account for the Fiscal Year Ended March 31, 2017

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2016	As of March 31, 2017
Individual variable insurance	45,597	63,438
Individual variable annuities	2,052,238	2,066,212
Group annuities	-	-
Separate account total	2,097,835	2,129,651

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

	As of March 31, 2016		As of March 31, 2017	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	40	294,847	54	427,003
Total	40	294,847	54	427,003

Notes: The outstanding policies in force for individual variable insurance include those managed in general account.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen except percentages)

	As of March 31, 2016		As of March 31, 2017	
	Amount	%	Amount	%
Cash, deposits, and call loans	1,345	3.0	371	0.6
Securities	43,951	96.4	63,002	99.3
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	43,951	96.4	63,002	99.3
Loans	-	-	-	-
Others	300	0.7	64	0.1
Reserve for possible loan losses	-	-	-	-
Total	45,597	100.0	63,438	100.0

C. Investment gains and losses on separate accounts for individual variable insurance

(millions of yen)

	Year Ended March 31, 2016	Year Ended March 31, 2017
Interest and dividends	41	182
Gains on sale of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	405	8,505
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sale of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	-	-
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	0	9
Net investment income	447	8,678

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

	As of March 31, 2016		As of March 31, 2017	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Individual variable annuities	576	3,501,656	617	3,742,986

Notes: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. The outstanding policies in force for individual variable annuities include those managed in general account.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen except percentages)

	As of March 31, 2016		As of March 31, 2017	
	Amount	%	Amount	%
Cash, deposits, and call loans	9,451	0.5	6,955	0.3
Securities	2,040,591	99.4	2,057,813	99.6
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	16,515	0.8	15,564	0.8
Foreign bonds	-	-	-	-
Foreign stocks and other securities	16,515	0.8	15,564	0.8
Other securities	2,024,075	98.6	2,042,248	98.8
Loans	-	-	-	-
Others	2,194	0.1	1,444	0.1
Reserve for possible loan losses	-	-	-	-
Total	2,052,238	100.0	2,066,212	100.0

C. Investment gains and losses on separate accounts for individual variable annuities

(millions of yen)

	Year Ended March 31, 2016	Year Ended March 31, 2017
Interest and dividends	43,161	24,496
Gains on sale of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	-	28,802
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sale of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	107,651	-
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	583	1,044
Net investment income	(65,073)	52,254

12. Consolidated Financial Summary

Not applicable.