[Unofficial Translation]

February 14, 2018

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

Supplementary Materials for the Nine Months Ended December 31, 2017
(The Dai-ichi Life Insurance Company, Limited)

February 14, 2018

Financial Results for the Nine Months Ended December 31, 2017

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the nine months ended December 31, 2017.

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Financial Summary for the Nine Months Ended December 31, 2017

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

Regarding the Figures Presented in this Document

The Dai-ichi Life Insurance Company, Limited ("former Dai-ichi Life": "A" as shown below) changed its trading name to Dai-ichi Life Holdings, Inc. on October 1, 2016 and changed its business purpose to managing the business activities of its group companies etc.
The domestic life insurance business of former Dai-ichi Life is succeeded by The Dai-ichi Life Insurance Company, Limited* ("current Dai-ichi Life": "C" as shown below) by means of corporate split.

*Trading name changed from The Dai-ichi Life Split Preparation Company, Limited ("B" as shown below) on October 1, 2016.

For the purpose of presenting comparable business results with the previous fiscal year, the figures presented in this document are defined below.

<Figures Presented>

・ Ending balance of a given fiscal year

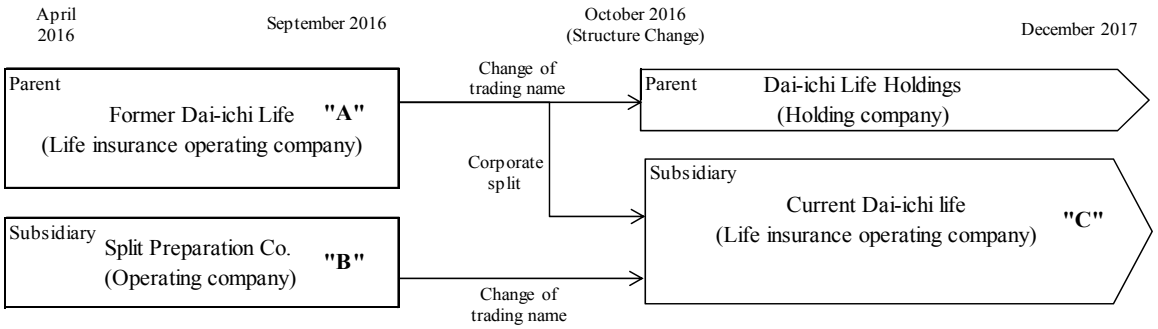
For fiscal year 2017 (current fiscal year) and 2016 (previous fiscal year), current Dai-ichi Life figures are presented.

	Figures Presented
Fiscal year 2017	Current Dai-ichi Life figures as of December 31, 2017
Fiscal year 2016	Current Dai-ichi Life figures as of March 31, 2017

・ Profit/loss etc. for a given period

For fiscal year 2017 (current fiscal year), current Dai-ichi Life results are presented.
For fiscal year 2016 (previous fiscal year), the sum of former Dai-ichi Life and Dai-ichi Life Split Preparation Company results between April to September, 2016 and current Dai-ichi Life results

	Figures Presented
Fiscal year 2017	Current Dai-ichi Life results (April to December, 2017)
Fiscal year 2016	Former Dai-ichi Life results (April to September) + Dai-ichi Life Split Preparation Company results (April to September) + Current Dai-ichi Life results (October to December) [A+B+C]



1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(billions of yen)

	As of March 31, 2017	As of December 31, 2017	
			% of March 31, 2017 total
Individual insurance	1,620.3	1,614.8	99.7
Individual annuities	526.9	531.4	100.9
Total	2,147.2	2,146.3	100.0
Medical and survival benefits	606.3	637.7	105.2

New Policies

(billions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	
			% of December 31, 2016 total
Individual insurance	69.6	71.6	102.8
Individual annuities	54.9	11.3	20.7
Total	124.6	82.9	66.6
Medical and survival benefits	42.3	54.6	128.9

Note: 1. Annualized net premiums are 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 premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums 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, 2017		As of December 31, 2017			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies (thousands)	% of March 31, 2017 total	Amount (billions of yen)	% of March 31, 2017 total
Individual insurance	11,704	108,578.4	11,745	100.4	103,973.5	95.8
Individual annuities	1,964	11,481.3	1,975	100.6	11,403.5	99.3
Individual insurance and annuities	13,668	120,059.7	13,720	100.4	115,377.0	96.1
Group insurance	-	47,451.8	-	-	47,507.0	100.1
Group annuities	-	6,106.6	-	-	6,206.5	101.6

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

	Number of policies		Amount			
	(thousands)	% of December 31, 2016 total	(billions of yen)	New Business	Net increase by conversion	% of December 31, 2016 total
Nine months ended December 31, 2016						
Individual insurance	693		1,483.7	2,839.8	(1,356.1)	
Individual annuities	198		1,112.4	1,121.5	(9.0)	
Individual insurance and annuities	891		2,596.1	3,961.4	(1,365.2)	
Group insurance	-		148.6	148.6	-	
Group annuities	-		0.1	0.1	-	
Nine months ended December 31, 2017						
Individual insurance	739	106.6	1,562.7	2,970.4	(1,407.6)	105.3
Individual annuities	54	27.4	267.9	276.5	(8.6)	24.1
Individual insurance and annuities	793	89.0	1,830.6	3,247.0	(1,416.3)	70.5
Group insurance	-	-	353.4	353.4	-	237.8
Group annuities	-	-	0.0	0.0	-	67.6

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.

2. Investment Results of General Account

(1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2017		As of December 31, 2017	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	515,536	1.5	677,914	1.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	192,213	0.6	184,566	0.5
Trading account securities	-	-	-	-
Money held in trust	50,191	0.1	59,861	0.2
Securities	29,659,250	85.3	30,836,500	85.6
Domestic bonds	16,052,254	46.2	15,938,783	44.2
Domestic stocks	3,474,743	10.0	4,064,961	11.3
Foreign securities	9,512,246	27.3	10,284,887	28.5
Foreign bonds	8,260,182	23.7	8,789,771	24.4
Foreign stocks and other securities	1,252,063	3.6	1,495,115	4.1
Other securities	620,006	1.8	547,868	1.5
Loans	2,657,852	7.6	2,592,891	7.2
Policy loans	381,830	1.1	365,038	1.0
Ordinary loans	2,276,021	6.5	2,227,852	6.2
Real estate	1,116,371	3.2	1,114,450	3.1
Real estate for rent	773,479	2.2	782,050	2.2
Deferred tax assets	-	-	-	-
Others	592,762	1.7	578,410	1.6
Reserve for possible loan losses	(1,472)	(0.0)	(1,313)	(0.0)
Total	34,782,705	100.0	36,043,281	100.0
Foreign currency-denominated assets	8,407,769	24.2	9,083,956	25.2

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

(2) 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, 2017					
Held-to-maturity bonds	46,014	50,534	4,519	4,519	-
Domestic bonds	46,014	50,534	4,519	4,519	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,001,580	14,764,373	2,762,792	2,782,071	19,278
Domestic bonds	11,911,257	14,672,992	2,761,734	2,780,815	19,081
Foreign bonds	90,322	91,380	1,058	1,255	197
Stocks of subsidiaries and affiliated companies	304	302	(2)	7	10
Available-for-sale securities	14,459,160	17,184,631	2,725,470	2,865,886	140,416
Domestic bonds	3,617,249	4,094,982	477,733	485,227	7,493
Domestic stocks	1,647,671	3,335,538	1,687,866	1,712,564	24,698
Foreign securities	8,443,706	8,964,471	520,764	625,317	104,552
Foreign bonds	7,776,125	8,169,860	393,734	488,696	94,961
Foreign stocks and other securities	667,581	794,611	127,030	136,621	9,591
Other securities	514,139	547,427	33,288	36,687	3,398
Monetary claims bought	186,393	192,213	5,819	6,090	270
Certificates of deposit	50,000	49,998	(1)	-	1
Total	26,507,060	31,999,841	5,492,780	5,652,485	159,704
Domestic bonds	15,574,521	18,818,509	3,243,987	3,270,562	26,575
Domestic stocks	1,647,671	3,335,538	1,687,866	1,712,564	24,698
Foreign securities	8,534,167	9,055,980	521,813	626,573	104,759
Foreign bonds	7,866,447	8,261,240	394,793	489,951	95,158
Foreign stocks and other securities	667,719	794,739	127,020	136,621	9,601
Other securities	514,306	547,601	33,295	36,694	3,398
Monetary claims bought	186,393	192,213	5,819	6,090	270
Certificates of deposit	50,000	49,998	(1)	-	1
As of December 31, 2017					
Held-to-maturity bonds	46,240	50,256	4,015	4,015	-
Domestic bonds	46,240	50,256	4,015	4,015	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,985,275	14,713,573	2,728,298	2,742,812	14,513
Domestic bonds	11,896,954	14,621,979	2,725,024	2,739,538	14,513
Foreign bonds	88,320	91,594	3,274	3,274	-
Stocks of subsidiaries and affiliated companies	192	176	(15)	-	15
Available-for-sale securities	14,815,082	18,416,481	3,601,398	3,663,996	62,597
Domestic bonds	3,515,348	3,995,587	480,239	481,473	1,234
Domestic stocks	1,657,999	3,923,021	2,265,022	2,284,037	19,015
Foreign securities	8,972,434	9,778,710	806,276	847,824	41,548
Foreign bonds	8,105,696	8,701,451	595,754	631,371	35,616
Foreign stocks and other securities	866,737	1,077,259	210,521	216,453	5,931
Other securities	419,691	464,602	44,910	45,502	591
Monetary claims bought	179,609	184,566	4,956	5,158	201
Certificates of deposit	70,000	69,993	(6)	-	6
Total	26,846,791	33,180,488	6,333,697	6,410,824	77,127
Domestic bonds	15,458,544	18,667,823	3,209,279	3,225,027	15,747
Domestic stocks	1,657,999	3,923,021	2,265,022	2,284,037	19,015
Foreign securities	9,060,946	9,870,481	809,534	851,098	41,563
Foreign bonds	8,194,016	8,793,045	599,028	634,645	35,616
Foreign stocks and other securities	866,929	1,077,435	210,506	216,453	5,947
Other securities	419,691	464,602	44,910	45,502	591
Monetary claims bought	179,609	184,566	4,956	5,158	201
Certificates of deposit	70,000	69,993	(6)	-	6

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, 2017	As of December 31, 2017
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	58,751	64,662
Unlisted domestic stocks (except over-the-counter stocks)	12,684	12,787
Unlisted foreign stocks (except over-the-counter stocks)	-	-
Others	46,067	51,875
Available-for-sale securities	611,909	579,394
Unlisted domestic stocks (except over-the-counter stocks)	126,521	129,152
Unlisted foreign stocks (except over-the-counter stocks)	459,050	418,850
Unlisted foreign bonds	-	-
Others	26,337	31,391
Total	670,660	644,057

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:
loss of 1,746 million yen as of March 31, 2017 and loss of 1,186 million yen as of December 31, 2017.

(3) 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, 2017	50,191	50,191	2,024	17,996	15,971
As of December 31, 2017	59,861	59,861	4,769	11,268	6,498

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, 2017		As of December 31, 2017	
	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	50,191	2,122	59,861	4,639

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2017 (summarized)	As of December 31, 2017
(ASSETS)		
Cash and deposits	438,454	467,923
Call loans	98,500	226,500
Monetary claims bought	192,213	184,566
Money held in trust	50,191	59,861
Securities	30,498,102	31,738,890
[Government bonds]	[14,084,907]	[14,039,295]
[Local government bonds]	[109,098]	[115,878]
[Corporate bonds]	[2,023,985]	[1,951,224]
[Stocks]	[3,666,952]	[4,267,301]
[Foreign securities]	[9,868,430]	[10,657,852]
Loans	2,657,852	2,592,891
Policy loans	381,830	365,038
Ordinary loans	2,276,021	2,227,852
Tangible fixed assets	1,124,412	1,121,856
Intangible fixed assets	87,793	95,669
Reinsurance receivable	2,260	1,743
Other assets	434,994	403,866
Customers' liabilities for acceptances and guarantees	103,786	109,459
Reserve for possible loan losses	(1,472)	(1,313)
Reserve for possible investment losses	(444)	(493)
Total assets	35,686,645	37,001,422

(LIABILITIES)		
Policy reserves and others	30,864,753	31,000,679
Reserves for outstanding claims	229,698	189,355
Policy reserves	30,249,170	30,415,344
Reserve for policyholder dividends	385,884	395,978
Reinsurance payable	741	1,010
Subordinated bonds	476,277	476,277
Other liabilities	1,004,764	1,214,193
Corporate income tax payable	9,967	45,956
Lease liabilities	4,956	4,607
Asset retirement obligations	2,674	2,664
Other liabilities	987,165	1,160,964
Reserve for employees' retirement benefits	380,870	395,104
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,498	1,377
Reserve for possible reimbursement of prescribed claims	800	596
Reserve for price fluctuations	164,453	176,453
Deferred tax liabilities	129,833	351,137
Deferred tax liabilities for land revaluation	77,236	77,027
Acceptances and guarantees	103,786	109,459
Total liabilities	33,205,016	33,803,317
(NET ASSETS)		
Capital stock	60,000	60,000
Capital surplus	470,000	470,000
Legal capital surplus	60,000	60,000
Other capital surplus	410,000	410,000
Retained earnings	31,230	118,656
Other retained earnings	31,230	118,656
Reserve for tax basis adjustments of real estate	1,257	1,443
Retained earnings brought forward	29,972	117,212
Total shareholders' equity	561,230	648,656
Net unrealized gains (losses) on securities, net of tax	1,963,267	2,595,028
Deferred hedge gains (losses)	(25,327)	(27,636)
Reserve for land revaluation	(17,541)	(17,943)
Total of valuation and translation adjustments	1,920,398	2,549,448
Total net assets	2,481,628	3,198,105
Total liabilities and net assets	35,686,645	37,001,422

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
ORDINARY REVENUES	2,959,154	2,778,330
Premium and other income	1,893,715	1,698,679
[Premium income]	[1,893,119]	[1,698,047]
Investment income	801,158	876,423
[Interest and dividends]	[564,408]	[617,880]
[Gains on money held in trust]	[3,493]	[9,739]
[Gains on sale of securities]	[155,363]	[145,896]
[Gains on investments in separate accounts]	[50,849]	[84,958]
Other ordinary revenues	264,280	203,227
[Reversal of reserves for outstanding claims]	[54,337]	[40,342]
ORDINARY EXPENSES	2,726,898	2,528,819
Benefits and claims	1,718,003	1,629,402
[Claims]	[578,509]	[530,661]
[Annuities]	[371,255]	[347,359]
[Benefits]	[268,506]	[266,545]
[Surrender values]	[394,254]	[371,374]
[Other refunds]	[104,163]	[112,217]
Provision for policy reserves and others	245,139	172,431
Provision for policy reserves	238,816	166,174
Provision for interest on policyholder dividends	6,323	6,256
Investment expenses	176,248	205,471
[Interest expenses]	[9,609]	[10,627]
[Losses on sale of securities]	[66,634]	[68,472]
[Losses on valuation of securities]	[10,749]	[377]
[Derivative transaction losses]	[421]	[31,621]
Operating expenses	308,775	301,643
Other ordinary expenses	278,731	219,870
ORDINARY PROFIT	232,255	249,511
EXTRAORDINARY GAINS	4,655	269
Gains on disposal of fixed assets	4,655	269
EXTRAORDINARY LOSSES	28,704	14,020
Losses on disposal of fixed assets	5,295	737
Impairment losses on fixed assets	11,909	1,283
Provision for reserve for price fluctuations	11,500	12,000
Provision for reserve for policyholder dividends	66,099	69,953
Income before income taxes	142,107	165,807
Corporate income taxes-current	48,073	63,346
Corporate income taxes-deferred	(7,754)	(14,533)
Total of corporate income taxes	40,318	48,812
Net income	101,788	116,995

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2017

1. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of December 31, 2017 was ¥2,827,522 million.

2. Contingent Liabilities

Guarantee for borrowings from financial institutions of a separate company was as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc. ……..	450,000

3. 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 ending March 31, 2018……..	385,884
Dividend payment……..	(66,115)
Interest accrual……...	6,256
Provision for reserve for policyholder dividends …….	69,953
Balance as of December 31, 2017…….	395,978

4. Dividends on Common Stock

Date of resolution	June 21, 2017 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥29,972 million
Dividends per share	¥4,995,400
Record date	March 31, 2017
Effective date	June 22, 2017
Dividend resource	Retained earnings

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

1. Net Income per Share

Net income per share for the nine months ended December 31, 2017 was 19,499,167.04 yen. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥10,076 million and Depreciation was ¥22,108 million for the nine months ended December 31, 2017.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Fundamental revenues	2,800,309	2,622,734
Premium and other income	1,893,715	1,698,679
Investment income	642,313	720,780
[Interest and dividends]	564,408	617,880
Other ordinary revenues	264,280	203,227
Other fundamental revenues (a)	-	46
Fundamental expenses	2,526,962	2,309,819
Benefits and claims	1,718,003	1,629,402
Provision for policy reserves and others	167,815	105,511
Investment expenses	53,115	53,299
Operating expenses	308,775	301,643
Other ordinary expenses	278,731	219,870
Other fundamental expenses (b)	521	92
Fundamental profit (Note 1) ***A***	273,347	312,915
Capital gains	159,378	155,727
Gains on money held in trust	3,493	9,739
Gains on investments in trading securities	-	-
Gains on sale of securities	155,363	145,896
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others (c)	521	92
Capital losses	123,018	151,969
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	66,634	68,472
Losses on valuation of securities	10,749	377
Derivative transaction losses	421	31,621
Foreign exchange losses	45,212	51,450
Others (d)	-	46
Net capital gains (losses) (Note 1) ***B***	36,360	3,758
Fundamental profit plus net capital gains (losses) ***A + B***	309,707	316,673
Other one-time gains	(12)	7
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	(12)	7
Others	-	-
Other one-time losses	77,439	67,169
Ceding reinsurance commissions	-	-
Provision for contingency reserve	13,500	3,300
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	24	8
Others (Note 2)	63,915	63,860
Other one-time profits (losses) ***C***	(77,452)	(67,162)
Ordinary profit ***A + B + C***	232,255	249,511

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Other fundamental revenues (a)	-	46
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	46
Other fundamental expenses (b)	521	92
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	304	92
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	217	-
The impact on fundamental profit ***(a) - (b)***	(521)	(45)
Other capital gains (c)	521	92
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	304	92
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	217	-
Other capital losses (d)	-	46
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	46
The impact on net capital gains (losses) ***(c) - (d)***	521	45

Note 1: Beginning from disclosures for fiscal year 2017, the disclosure method of the breakdown of ordinary profit relating to the effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance and the effect of change in the exchange rates related to foreign currency denominated insurance contracts have been modified. The figures for the nine months ended December 31, 2016 were also re-calculated based on the modified disclosure method. As a result, compared to before the modification, fundamental profit decreased by 521 million yen and net capital gains increased by 521 million yen for the nine months ended December 31, 2016.

2: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (For the nine months ended December 31, 2016: 90 million yen, For the nine months ended December 31, 2017: 241 million yen) and the amount of the additional policy reserves provided (For the nine months ended December 31, 2016: 63,824 million yen, For the nine months ended December 31, 2017: 63,619 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

6. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2017	As of December 31, 2017
Total solvency margin	***(A)***	5,936,832	7,081,692
Common stock, etc. *1		527,591	651,509
Reserve for price fluctuations		164,453	176,453
Contingency reserve		594,093	597,393
General reserve for possible loan losses		737	586
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2		2,446,154	3,227,348
Net unrealized gains (losses) on real estate × 85% *2		113,883	145,372
Policy reserves in excess of surrender values		2,019,361	2,106,281
Qualifying subordinated debt		759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(709,214)	(653,909)
Excluded items		(4,000)	(4,000)
Others		24,495	75,379
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	***(B)***	1,396,021	1,575,850
Insurance risk	R_1	70,408	67,500
3rd sector insurance risk	R_8	177,428	183,520
Assumed investment yield risk	R_2	223,664	216,537
Guaranteed minimum benefit risk	R_7 *3	3,215	3,068
Investment risk	R_3	1,114,653	1,300,237
Business risk	R_4	31,787	35,417
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		850.5%	898.7%

*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 as of March 31, 2017 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.
The figures as of December 31, 2017 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

(Reference) Consolidated Solvency Margin Ratio

(millions of yen)

		As of March 31, 2017	As of December 31, 2017
Total solvency margin	***(A)***	5,858,298	6,999,312
Common stock, etc. *1		532,465	655,958
Reserve for price fluctuations		164,453	176,453
Contingency reserve		594,093	597,393
Catastrophe loss reserve		-	-
General reserve for possible loan losses		737	586
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2		2,446,154	3,227,348
Net unrealized gains (losses) on real estate × 85% *2		113,883	145,372
Sum of unrecognized actuarial differences and unrecognized past service cost		(27,581)	(25,330)
Policy reserves in excess of surrender values		2,019,361	2,106,281
Qualifying subordinated debt		759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(709,214)	(653,909)
Excluded items		(59,827)	(65,499)
Others		24,495	75,379
Total risk $\sqrt{\left(\sqrt{R_1^2+R_5^2}+R_8+R_9\right)^2+(R_2+R_3+R_7)^2}+R_4+R_6$	***(B)***	1,379,562	1,557,595
Insurance risk	R_1	70,408	67,500
General insurance risk	R_5	-	-
Catastrophe risk	R_6	-	-
3rd sector insurance risk	R_8	177,428	183,520
Small amount and short-term insurance risk	R_9	-	-
Assumed investment yield risk	R_2	223,664	216,537
Guaranteed minimum benefit risk	R_7 *3	3,215	3,068
Investment risk	R_3	1,098,246	1,282,099
Business risk	R_4	31,459	35,054
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		849.2%	898.7%

*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.

Notes: 1. The figures as of March 31, 2017 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.

2. The figures as of December 31, 2017 are calculated by using the method which is deemed appropriate taking the regulations announcement above into account.

7. Status of Separate Account

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2017	As of December 31, 2017
Individual variable insurance	55,680	60,240
Individual variable annuities	47,116	40,479
Group annuities	993,781	1,104,998
Separate account total	1,096,578	1,205,719

(2) Sum Insured of Policies in Force of Individual Variable Insurance and Annuities (Separate Account)

A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2017		As of December 31, 2017	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	129	629	85	422
Individual variable insurance (whole life)	42,827	264,207	42,158	259,870
Total	42,956	264,837	42,243	260,293

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2017		As of December 31, 2017	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	12,828	68,599	11,277	55,208

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

8. Consolidated Financial Summary

Not applicable