[Unofficial Translation]

May 15, 2020

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

Supplementary Materials for the Fiscal Year Ended March 31, 2020
(The Dai-ichi Life Insurance Company, Limited)

May 15, 2020

Financial Results for the Fiscal Year Ended March 31, 2020

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the fiscal year ended March 31, 2020.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2020.

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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, 2019		As of March 31, 2020	
		% of March 31, 2018 total		% of March 31, 2019 total
Individual insurance	1,593.2	98.8	1,571.3	98.6
Individual annuities	536.4	100.7	539.1	100.5
Total	2,129.7	99.2	2,110.4	99.1
Medical and survival benefits	675.2	104.2	694.7	102.9

New Policies

(billions of yen)

	As of March 31, 2019		As of March 31, 2020	
		% of March 31, 2018 total		% of March 31, 2019 total
Individual insurance	80.4	83.7	74.1	92.2
Individual annuities	15.0	99.0	15.5	103.2
Total	95.4	85.8	89.6	94.0
Medical and survival benefits	61.3	83.7	54.7	89.2

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, 2019			
	Number of policies		Amount	
	(thousands)	% of March 31, 2018 total	(billions of yen)	% of March 31, 2018 total
Individual insurance	15,113	128.4	95,847.3	93.6
Individual annuities	2,036	102.9	11,277.7	99.2
Individual insurance and annuities	17,150	124.8	107,125.0	94.1
Group insurance	-	-	48,385.3	102.1
Group annuities	-	-	6,197.7	100.4

	As of March 31, 2020			
	Number of policies		Amount	
	(thousands)	% of March 31, 2019 total	(billions of yen)	% of March 31, 2019 total
Individual insurance	18,486	122.3	89,604.0	93.5
Individual annuities	2,091	102.7	11,205.8	99.4
Individual insurance and annuities	20,577	120.0	100,809.9	94.1
Group insurance	-	-	49,053.0	101.4
Group annuities	-	-	6,282.5	101.4

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.
3. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

New Policies

	Year ended March 31, 2019					
	Number of policies		Amount			
	(thousands)	% of March 31, 2018 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2018 total
Individual insurance	4,448	440.0	1,171.1	2,913.8	(1,742.7)	56.0
Individual annuities	126	169.5	421.8	427.1	(5.2)	115.6
Individual insurance and annuities	4,574	421.5	1,593.0	3,340.9	(1,747.9)	64.8
Group insurance	-		502.9	502.9		124.3
Group annuities	-		0.0	0.0		62.3

	Year ended March 31, 2020					
	Number of policies		Amount			
	(thousands)	% of March 31, 2019 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2019 total
Individual insurance	4,627	104.0	850.1	2,585.9	(1,735.8)	72.6
Individual annuities	125	99.7	432.2	437.5	(5.3)	102.5
Individual insurance and annuities	4,753	103.9	1,282.3	3,023.5	(1,741.1)	80.5
Group insurance	-	0	316.7	316.7	0	63.0
Group annuities	-	0	0.0	0.0	0	51.8

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.
4. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

2. Policies in Force as of March 31, 2020 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	17,640	77,092.9	—	0.0	24,957	49,047.6	42,598	126,140.5
accidental	[2,281]	[9,359.6]	[1,030]	[413.6]	[2,709]	[1,395.5]	[6,020]	[11,168.8]
others	[0]	[0.0]	—	—	[65]	[58.7]	[65]	[58.7]
Survival benefits	845	12,511.1	2,091	11,205.8	7	5.4	2,944	23,722.4
Hospitalization benefits								
accidental	[8,941]	[47.4]	[45]	[0.2]	[1,356]	[0.7]	[10,343]	[48.4]
illness	[8,923]	[47.4]	[46]	[0.2]	[0]	[0.0]	[8,969]	[47.6]
others	[3,398]	[21.2]	[35]	[0.1]	[60]	[0.0]	[3,494]	[21.5]
Injury benefits	[5,648]	—	[59]	—	[2,394]	—	[8,102]	—
Surgery benefits	[8,498]	—	[46]	—	—	—	[8,544]	—

	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	7,803	6,282.5	64	260.7	35	79.2	7,903	6,622.4

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	416	1.1

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	20	1.3

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 1,495 thousand and 9,516.8 billion yen, respectively.

4. Investment of General Account Assets for the Fiscal Year Ended March 31, 2020

(1) Investment Environment

- During the fiscal year ended March 31, 2020, the Japanese economy suffered a sharp deterioration due to the impact of the spread of COVID-19 toward the end of the fiscal year, as well as the impact of the slowdown in exports and the consumption tax hike.
- Overseas economic situation remained relatively firm especially in U.S. until the outbreak of the COVID-19, but subsequently worsened significantly due to the implementation of stringent measures, including the contagion of cities to control the spread of infectious diseases, particularly in Europe and the U.S..
- Given the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

- The Yield on 10-year JGBs temporarily declined to around -0.3%, the first time since July 2016, due to factors such as the interest rate cut in the U.S. against the backdrop of concerns over an economic slowdown. However, the yield turned upward after the U.S.-China trade agreement reached its first stage.
- In response to the economic downturn caused by the spread of COVID-19, U.S. cut interest rates substantially. However, the decline in JGB was limited, as Bank of Japan left policy interest rate unchanged.

Yield on ten-year government bonds:	April 1, 2019	-0.095%
	March, 31, 2020	0.005%

[Domestic Stocks]

- The Nikkei Stock Average rose to over 24,000 yen at a time, due to expectations of the global monetary easing policy and improved corporate performance, as well as the fact that the U.S.-China trade negotiations reached the first stage of agreement.
- Subsequently, however, stock prices fell sharply and became unstable because of worldwide economic downturn caused by the spread of COVID-19.

Nikkei 225 Stock Average:	April 1, 2019	21,205
	March 31, 2020	18,917
TOPIX:	April 1, 2019	1,591
	March 31, 2020	1,403

[Foreign currency] Exchange rate

- The U.S. dollar depreciated against yen in the first half of the fiscal year, mainly reflecting the tightening of the interest rate differential between Japan and the United States as a result of the Federal Reserve's proactive interest rate cut. Thereafter, U.S. dollar appreciated in response to the fact that the U.S.-China trade negotiations reached the first stage of agreement. However, U.S. dollar fell sharply again and became unstable toward the end of the fiscal year, affected by the spread of COVID-19.
- The euro depreciated against yen as a background of political risks such as the turmoil surrounding the UK's decision to leave the European Union and concerns over the fiscal deterioration due to spread of COVID-19.

yen /U.S. dollar:	April 1, 2019	¥110.99
	March 31, 2020	¥108.83
yen/euro:	April 1, 2019	¥124.56
	March 31, 2020	¥119.55

(2) Investment Results

[Asset Composition]

- The Company has continued to invest mainly in fixed-income assets, such as government and corporate bonds, in accordance with our medium-to long-term asset management policy. In response to the continued low interest rate environment, the Company increased bonds for policy reserves mainly in super long-term government bonds, and continued to control risks using interest rate swaps and other instruments
- Regarding risk assets such as foreign securities, the Company allocated funds flexibly while keeping a close eye on market trends, and promoted investments in infrastructure and alternative assets with a focus on improving the profitability and divarication of its portfolio.

- 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 as a result of increased bonds for policy reserves mainly in super long-term government bonds with the low interest rate environment expected to continue. The Company also increased its investment on credit risk assets such as corporate bonds and securitized products, with strengthening selection based on credit spreads commensurate with risk, and diversification of portfolio.
Loans	Increase The overall balance of loan increased due to the implementation of new loans. The company provided new loans with the aim of acquiring excess profits commensurate with credit risk, taking into account trends in credit spreads in the corporate bond market.
Domestic stocks	Decrease The overall balance of domestic stocks on a market value basis decreased due to the stock sale for the purpose of risk control, while the Company also invested in sectors/companies which are expected to grow in the mid-to-long term, taking into account the analyses of in-house analysts.
Foreign bonds	Increase The overall balance of foreign bonds increased as a result of the accumulation of the balance from the viewpoint of improving the profitability of the portfolio and diversifying investment. The Company also worked to control risk by diversifying bond types and currencies to improve investment efficiency.
Foreign stocks	Decrease The overall balance of foreign stocks decreased as a result of flexibly allocating funds while paying attention to market trends. The Company also continued to focus on diversification by investment style and geographical composition of its foreign stock portfolio, utilizing both in-house and third-party asset managers.
Real estate	Decrease The balance of real estate decreased due to deprecation and other factors while the company acquired the new properties. In order to promote diversification for holding properties, the Company pursued investment in new residential and commercial properties and a replacement of holding assets based on operation status, region, elapsed years.

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

[Investment income and expenses]

- Investment income deceased by ¥28.9 billion to ¥1,074.3 billion due to a decrease in dividend income and gains on sales of securities,despite increase in gain on derivertives.
- Investment expenses decreased by ¥62.6 billion to ¥298.1 billion due to an decrease in losses on sales of securities and losses on derivatives, despite increased losses on devaluation of securities.
- As a result, net investment income increased by ¥33.6 billion to ¥776.1 billion.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2021

- For the fiscal year ending March 31, 2021, the Company expects that the Japanese economy will see a significant decline in both domestic and external demand due to the spread of COVID-19 in Japan, and strict mesures taken in foreign contries, including lockdown of cities, paticlary in Europe and U.S..
- If spread of COVID-19 will be settled, it is expected that the economy will gradually recover toward the second half of the fiscal year, but it will take time for the economy to fully recover. The company expects highly volatile investment enviroment,because the impact of the spread of COVID-19 is uncertain.
- In addition, attention should continue to be paid to the increasing volatility of financial markets due to political events in each contry and geopolitical risks.

[Domestic interest rates]

The Company assumes that domestic interest rates will remain low, as the BOJ is expected to maintain its monetary easing policy among the economic downturn caused by global economic stagnation due to spread of COVID-19. .

[Domestic stocks]

- The company forecasts that domestic stock market will be volatile due to changes in the situation surrounding the COVID-19. However, the stock price will be supported by the continuation of monetary easing by BOJ, and the economic measures taken by the government. In addition, attention should be paid to the possibility of increased volatility due to political events in each country and geopolitical risk.

[Foreign currency] Exchange rate

- For dollar-yen exchange rates, the Company forecasts that it will remain more or less unchanged, because movements of exchange rates by the interest differential will be limited while policy interest rates in both countries remain at historically low levels. However, attention should be paid to the possibility of increased volatility due to changes in the situation surrounding COVID-19 and geopolitical risks.
- For euro-yen exchange rates, the Company forecasts that it will remain more or less unchanged as in case of the dollar-yen. However, attention should be paid to the possibility of increased volatility due to speculation about the political situation in Europe and other factors.

(4) Investment Policies for the Fiscal Year Ending March 31, 2021

- 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 order to secure profitability and strengthen portfolio risk diversification, the Company will expand investment mainly in the fields of credit investment, infrastructure, and alternative assets.
- In addition, the Company will further promote efforts to reduce market-related risks such as interest rates risk and stock market risk.
- 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 investing in domestic bonds as a core asset under its ALM strategy. The company will reduce the interest risk by accumulating bonds for policy reserves and adjusting the duration of assets. Taking the current low interest rate environment into account, the Company will strive to expand its investments in infrastructure to improve investment efficiency within fixed-income assets.
Loans	Unchanged While the Company will continue to actively respond to demand for funds in growth fields, the balance of loans outstanding is expected to remain largely unchanged, due to the impact of reimbursements and other factors. 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	Decrease The balance is expected to decline as a result of the sale for the purpose of risk control. However, we intend to proactively reallocate stocks and industries in consideration of competitiveness, growth potential, and undervalued stock prices, and to flexibly control the balance depending on the stock price level.
Foreign bonds	Depending on the interest rate and exchange rate level 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. As for foreign currency-denominated bonds with currency hedges, the Company will also adjust the balance flexibly while carefully monitoring domestic and foreign interest rate differentials and flexibly change its overall balance.
Foreign stocks	Depending on the level of foreign stock prices The Company will increase the alternative assets to diversify the portfolio's risk, while we intend to flexibly control the balance of all foreign equities depending on the stock price level. We will also seek to improve and stabilize the profitability of our portfolio by diversifying investment styles and geographically diversifying.

(2) Investment Income (General account)

(millions of yen)

	Year ended March 31, 2019		Year ended March 31, 2020	
	Amount	%	Amount	%
Interest and dividends	805,121	73.0	786,512	73.2
Interest from bank deposits	7,086	0.6	4,979	0.5
Interest and dividends from securities	669,479	60.7	656,639	61.1
Interest from loans	46,172	4.2	40,893	3.8
Rental income	73,175	6.6	75,373	7.0
Other interest and dividends	9,208	0.8	8,626	0.8
Gains on trading account securities	-	-	-	-
Gains on money held in trust	-	-	-	-
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	274,737	24.9	223,240	20.8
Gains on sale of domestic bonds	129,070	11.7	72,896	6.8
Gains on sale of domestic stocks	69,097	6.3	68,198	6.3
Gains on sale of foreign securities	75,817	6.9	80,868	7.5
Others	751	0.1	1,276	0.1
Gains on redemption of securities	20,397	1.8	11,609	1.1
Derivative transaction gains	-	-	51,944	4.8
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	379	0.0	4	0.0
Reversal of reserve for possible investment losses	-	-	-	-
Other investment income	2,646	0.2	1,015	0.1
Total	1,103,282	100.0	1,074,327	100.0

(3) Investment Expense (General account)

(millions of yen)

	Year ended March 31, 2019		Year ended March 31, 2020	
	Amount	%	Amount	%
Interest expenses	12,852	3.6	12,530	4.2
Losses on trading account securities	-	-	-	-
Losses on money held in trust	4,661	1.3	2,216	0.7
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	138,415	38.4	72,761	24.4
Losses on sale of domestic bonds	8,658	2.4	419	0.1
Losses on sale of domestic stocks	8,819	2.4	13,969	4.7
Losses on sale of foreign securities	120,326	33.4	56,018	18.8
Others	611	0.2	2,353	0.8
Losses on valuation of securities	7,852	2.2	57,153	19.2
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	7,514	2.1	36,441	12.2
Losses on valuation of foreign securities	338	0.1	20,712	6.9
Others	-	-	-	-
Losses on redemption of securities	3,099	0.9	5,372	1.8
Derivative transaction losses	48,266	13.4	-	-
Foreign exchange losses	95,920	26.6	93,869	31.5
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	37	0.0	504	0.2
Write-down of loans	37	0.0	40	0.0
Depreciation of real estate for rent and others	13,240	3.7	13,059	4.4
Other investment expenses	36,393	10.1	40,641	13.6
Total	360,777	100.0	298,149	100.0

(4) Asset Composition

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	780,445	2.2	1,042,316	2.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	199,193	0.6	221,147	0.6
Trading account securities	-	-	-	-
Money held in trust	24,747	0.1	34,274	0.1
Securities	29,889,730	85.5	29,628,634	83.1
Domestic bonds	15,760,707	45.1	15,870,841	44.5
Domestic stocks	3,395,945	9.7	2,786,892	7.8
Foreign securities	10,122,795	28.9	10,073,956	28.3
Foreign bonds	8,933,476	25.5	9,088,395	25.5
Foreign stocks and other securities	1,189,319	3.4	985,560	2.8
Other securities	610,282	1.7	896,944	2.5
Loans	2,348,201	6.7	2,542,025	7.1
Policy loans	340,424	1.0	323,486	0.9
Ordinary loans	2,007,776	5.7	2,218,538	6.2
Real estate	1,117,762	3.2	1,085,716	3.0
Real estate for rent	793,420	2.3	767,658	2.2
Deferred tax assets	-	-	-	-
Others	610,156	1.7	1,092,127	3.1
Reserve for possible loan losses	(588)	(0.0)	(560)	(0.0)
Total	34,969,648	100.0	35,645,681	100.0
Foreign currency-denominated assets	9,131,204	26.1	9,571,618	26.9

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

(5) Other Information on Investments

A. Rates of return

(%)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash, deposits, and call loans	0.11	0.00
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	1.57	1.51
Trading account securities	-	-
Money held in trust	(5.66)	(6.18)
Securities	2.49	2.59
Domestic bonds	2.60	2.31
Domestic stocks	7.49	6.41
Foreign securities	1.32	2.46
Foreign bonds	0.75	2.28
Foreign stocks and other securities	5.54	4.15
Loans	1.90	1.71
Ordinary loans	1.48	1.28
Real estate	4.39	4.57
Total	2.26	2.34
Foreign investments	1.22	2.32

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

(billions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash, deposits, and call loans	769.4	841.3
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	189.7	200.7
Trading account securities	-	-
Money held in trust	82.3	35.8
Securities	27,133.7	27,532.7
Domestic bonds	15,387.0	15,423.7
Domestic stocks	1,644.1	1,574.0
Foreign securities	9,597.3	9,758.0
Foreign bonds	8,460.8	8,801.6
Foreign stocks and other securities	1,136.4	956.3
Loans	2,465.2	2,399.6
Ordinary loans	2,115.5	2,068.0
Real estate	780.4	804.9
Total	32,901.1	33,232.5
Foreign investments	10,420.8	10,421.9

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

C. Valuation gains and losses on trading securities

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	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	24,747	(5,590)	34,274	(2,008)
Trading account securities	-	-	-	-
Money held in trust	24,747	(5,590)	34,274	(2,008)

D. 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, 2019					
Held-to-maturity bonds	46,617	49,940	3,322	3,322	-
Domestic bonds	46,617	49,940	3,322	3,322	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,954,527	14,922,259	2,967,732	2,967,765	33
Domestic bonds	11,873,519	14,839,042	2,965,523	2,965,532	9
Foreign bonds	81,008	83,216	2,208	2,232	23
Stocks of subsidiaries and affiliates	343	350	7	7	-
Available-for-sale securities	14,726,896	17,797,842	3,070,945	3,177,392	106,446
Domestic bonds	3,331,788	3,840,570	508,781	509,306	524
Domestic stocks	1,558,636	3,350,001	1,791,364	1,842,577	51,212
Foreign securities	9,094,843	9,832,236	737,393	789,490	52,096
Foreign bonds	8,251,994	8,852,468	600,474	634,597	34,123
Foreign stocks and other securities	842,849	979,768	136,919	154,892	17,973
Other securities	480,572	505,845	25,272	27,797	2,524
Monetary claims bought	191,055	199,193	8,138	8,220	82
Certificates of deposit	70,000	69,995	(4)	-	4
Total	26,728,384	32,770,393	6,042,008	6,148,488	106,480
Domestic bonds	15,251,925	18,729,553	3,477,627	3,478,162	534
Domestic stocks	1,558,636	3,350,001	1,791,364	1,842,577	51,212
Foreign securities	9,176,194	9,915,804	739,609	791,730	52,120
Foreign bonds	8,333,002	8,935,685	602,682	636,829	34,147
Foreign stocks and other securities	843,192	980,119	136,927	154,900	17,973
Other securities	480,572	505,845	25,272	27,797	2,524
Monetary claims bought	191,055	199,193	8,138	8,220	82
Certificates of deposit	70,000	69,995	(4)	-	4
As of March 31, 2020					
Held-to-maturity bonds	46,919	49,337	2,417	2,417	-
Domestic bonds	46,919	49,337	2,417	2,417	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,210,408	14,973,288	2,762,880	2,772,602	9,722
Domestic bonds	12,129,401	14,890,946	2,761,545	2,771,255	9,709
Foreign bonds	81,007	82,341	1,334	1,347	12
Stocks of subsidiaries and affiliates	343	241	(101)	-	101
Available-for-sale securities	14,805,957	17,471,128	2,665,170	2,947,125	281,955
Domestic bonds	3,236,843	3,694,520	457,677	461,300	3,623
Domestic stocks	1,476,871	2,737,975	1,261,103	1,372,776	111,672
Foreign securities	9,044,425	9,966,380	921,954	1,070,877	148,922
Foreign bonds	8,144,384	9,007,388	863,003	963,364	100,361
Foreign stocks and other securities	900,041	958,992	58,951	107,512	48,561
Other securities	723,926	740,109	16,182	33,731	17,548
Monetary claims bought	212,889	221,147	8,257	8,440	182
Certificates of deposit	111,000	110,994	(5)	0	5
Total	27,063,628	32,493,995	5,430,367	5,722,145	291,778
Domestic bonds	15,413,164	18,634,804	3,221,640	3,234,973	13,333
Domestic stocks	1,476,871	2,737,975	1,261,103	1,372,776	111,672
Foreign securities	9,125,775	10,048,964	923,188	1,072,224	149,036
Foreign bonds	8,225,391	9,089,730	864,338	964,712	100,373
Foreign stocks and other securities	900,384	959,234	58,850	107,512	48,662
Other securities	723,926	740,109	16,182	33,731	17,548
Monetary claims bought	212,889	221,147	8,257	8,440	182
Certificates of deposit	111,000	110,994	(5)	0	5

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, 2019	As of March 31, 2020
Held-to-maturity bonds		-	-
	Unlisted foreign bonds	-	-
	Others	-	-
Policy-reserve-matching bonds		-	-
Stocks of subsidiaries and affiliates		70,321	104,738
	Unlisted domestic stocks (except over-the-counter stocks)	4,975	5,495
	Unlisted foreign stocks (except over-the-counter stocks)	-	4,348
	Others	65,345	94,895
Available-for-sale securities		292,583	133,672
	Unlisted domestic stocks (except over-the-counter stocks)	40,968	43,422
	Unlisted foreign stocks (except over-the-counter stocks)	212,523	28,287
	Unlisted foreign bonds	-	-
	Others	39,091	61,962
Total		362,904	238,411

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 3,315 million yen as of March 31, 2019 and loss of 6,480 million yen as of March 31, 2020.

(6) 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, 2019	24,747	24,747	(5,164)	4,154	9,318
As of March 31, 2020	34,274	34,274	(1,635)	1,844	3,480

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.

* The Company held no balance for money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale as of March 31, 2018 and March 31, 2019.

4. Unaudited Balance Sheet

(millions of yen)

	As of March 31, 2019	As of March 31, 2020		As of March 31, 2019	As of March 31, 2020
（ASSETS）			（LIABILITIES）		
Cash and deposits	461,554	543,121	Policy reserves and others	30,882,605	30,823,423
Cash	170	160	Reserves for outstanding claims	130,650	127,391
Bank deposits	461,384	542,960	Policy reserves	30,353,777	30,296,289
Call loans	335,500	513,800	Reserve for policyholder dividends	398,178	399,742
Monetary claims bought	199,193	221,147	Reinsurance payable	129,512	135,490
Money held in trust	24,747	34,274	Subordinated bonds	476,277	476,277
Securities	30,755,525	30,283,786	Other liabilities	639,493	1,693,171
Government bonds	13,789,754	13,809,257	Payables under repurchase agreements	35,018	841,166
Local government bonds	130,344	129,433	Long-term debt and other borrowings	283,000	283,000
Corporate bonds	1,999,444	2,078,289	Corporate income tax payable	14,743	20,306
Stocks	3,560,534	2,900,518	Accounts payable	42,264	128,590
Foreign securities	10,482,496	10,308,387	Accrued expenses	46,073	45,970
Other securities	792,950	1,057,900	Unearned revenue	345	271
Loans	2,348,201	2,542,025	Deposits received	57,879	58,573
Policy loans	340,424	323,486	Guarantee deposits received	52,467	53,059
Ordinary loans	2,007,776	2,218,538	Differential account for futures trading	-	18
Tangible fixed assets	1,122,873	1,097,493	Derivatives	73,295	139,464
Land	784,424	761,993	Collateral for financial instruments	18,797	82,314
Buildings	333,188	323,539	Lease liabilities	2,392	6,837
Leased assets	2,219	6,740	Asset retirement obligations	2,432	2,096
Construction in progress	149	182	Suspense receipt	2,483	2,801
Other tangible fixed assets	2,892	5,036	Other liabilities	8,299	28,701
Intangible fixed assets	106,939	114,309	Reserve for employees' retirement benefits	400,632	398,004
Software	84,892	92,337	Reserve for retirement benefits of directors, executive officers and corporate auditors	1,298	1,188
Other intangible fixed assets	22,047	21,971	Reserve for possible reimbursement of prescribed claims	900	800
Reinsurance receivable	2,762	6,720	Reserve for price fluctuations	198,453	215,453
Other assets	535,293	1,091,187	Deferred tax liabilities	201,155	79,585
Accounts receivable	68,384	310,854	Deferred tax liabilities for land revaluation	76,023	73,195
Prepaid expenses	12,881	14,705	Acceptances and guarantees	55,515	47,065
Accrued revenue	165,820	157,971	**Total liabilities**	**33,061,866**	**33,943,654**
Deposits	53,221	53,027	（NET ASSETS）		
Margin money for futures trading	99,756	196,215	Capital stock	60,000	60,000
Differential account for futures trading	68	-	Capital surplus	420,000	370,000
Derivatives	96,872	300,742	Legal capital surplus	60,000	60,000
Suspense payment	4,801	2,799	Other capital surplus	360,000	310,000
Other assets	33,487	54,871	Retained earnings	204,144	200,155
Customers' liabilities for acceptances and guarantees	55,515	47,065	Other retained earnings	204,144	200,155
Reserve for possible loan losses	(588)	(560)	Reserve for tax basis adjustments of real estate	2,228	4,947
Reserve for possible investment losses	(390)	(807)	Retained earnings brought forward	201,915	195,207
			Total shareholders' equity	684,144	630,155
			Net unrealized gains (losses) on securities, net of tax	2,211,147	1,916,417
			Deferred hedge gains (losses)	3,457	21,312
			Reserve for land revaluation	(13,488)	(17,978)
			Total of valuation and translation adjustments	2,201,117	1,919,752
			Total net assets	**2,885,261**	**2,549,907**
Total assets	**35,947,128**	**36,493,562**	**Total liabilities and net assets**	**35,947,128**	**36,493,562**

5. Unaudited Statement of Earnings

(millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
ORDINARY REVENUES	**3,739,594**	**3,680,689**
Premium and other income	2,314,938	2,350,198
Premium income	2,313,738	2,345,183
Reinsurance income	1,199	5,015
Investment income	1,140,412	1,074,327
Interest and dividends	805,121	786,512
Interest from bank deposits	7,086	4,979
Interest and dividends from securities	669,479	656,639
Interest from loans	46,172	40,893
Rental income	73,175	75,373
Other interest and dividends	9,208	8,626
Gains on sale of securities	274,737	223,240
Gains on redemption of securities	20,397	11,609
Derivative transaction gains	-	51,944
Reversal of reserve for possible loan losses	379	4
Other investment income	2,646	1,015
Gains on investments in separate accounts	37,130	-
Other ordinary revenues	284,243	256,163
Fund receipt for annuity rider of group insurance	390	487
Fund receipt for claim deposit payment	170,622	156,231
Reversal of reserves for outstanding claims	17,359	3,258
Transfer from policy reserves	53,441	57,487
Reversal of reserve for employees' retirement benefits	-	2,818
Other ordinary revenues	42,431	35,879
ORDINARY EXPENSES	**3,392,943**	**3,389,993**
Benefits and claims	2,328,439	2,397,490
Claims	656,200	623,690
Annuities	514,125	519,868
Benefits	388,606	407,707
Surrender values	509,499	485,414
Other refunds	128,972	88,335
Ceding reinsurance commissions	131,035	272,474
Provision for policy reserves and others	8,265	8,245
Provision for interest on policyholder dividends	8,265	8,245
Investment expenses	360,777	309,488
Interest expenses	12,852	12,530
Losses on money held in trust	4,661	2,216
Losses on sale of securities	138,415	72,761
Losses on valuation of securities	7,852	57,153
Losses on redemption of securities	3,099	5,372
Derivative transaction losses	48,266	-
Foreign exchange losses	95,920	93,869
Provision for reserve for possible investment losses	37	504
Write-down of loans	37	40
Depreciation of real estate for rent and others	13,240	13,059
Other investment expenses	36,393	40,641
Losses on investments in separate accounts	-	11,339
Operating expenses	390,287	398,500
Other ordinary expenses	305,173	276,268
Claim deposit payments	222,030	197,776
National and local taxes	27,653	29,349
Depreciation	29,058	32,543
Provision for reserve for employees' retirement benefits	7,403	-
Other ordinary expenses	19,027	16,599
ORDINARY PROFIT	**346,651**	**290,696**
EXTRAORDINARY GAINS	**2,472**	**4,905**
Gains on disposal of fixed assets	2,472	4,905
EXTRAORDINARY LOSSES	**23,038**	**33,888**
Losses on disposal of fixed assets	3,993	13,141
Impairment losses on fixed assets	1,766	3,556
Provision for reserve for price fluctuations	17,000	17,000
Other extraordinary losses	279	190
Provision for reserve for policyholder dividends	**87,500**	**82,500**
Income before income taxes	**238,584**	**179,213**
Corporate income taxes-current	**72,571**	**67,696**
Corporate income taxes-deferred	**(6,886)**	**(17,152)**
Total of corporate income taxes	**65,684**	**50,544**
Net income	**172,900**	**128,669**

6. Unaudited Statement of Changes in Net Assets

Year ended March 31, 2019

(millions of yen)

	Shareholders' equity					
		Capital surplus			Retained earnings	
					Other retained earnings	
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	60,000	60,000	410,000	470,000	1,746	164,295
Changes for the year						
Dividends			(49,999)	(49,999)		(135,862)
Net income						172,900
Transfer to reserve for tax basis adjustments of real estate					482	(482)
Transfer from reserve for land revaluation						1,064
Net changes of items other than shareholders' equity						
Total changes for the year	-	-	(49,999)	(49,999)	482	37,620
Balance at the end of the year	60,000	60,000	360,000	420,000	2,228	201,915

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Retained earnings	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	
	Total retained earnings						
Balance at the beginning of the year	166,041	696,041	2,213,897	(9,256)	(12,423)	2,192,217	2,888,259
Changes for the year							
Dividends	(135,862)	(185,862)					(185,862)
Net income	172,900	172,900					172,900
Transfer to reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for land revaluation	1,064	1,064					1,064
Net changes of items other than shareholders' equity			(2,750)	12,714	(1,064)	8,899	8,899
Total changes for the year	38,102	(11,896)	(2,750)	12,714	(1,064)	8,899	(2,997)
Balance at the end of the year	204,144	684,144	2,211,147	3,457	(13,488)	2,201,117	2,885,261

Year ended March 31, 2020

(millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	
					Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	60,000	60,000	360,000	420,000	2,228	201,915
Changes for the year						
Dividends			(49,999)	(49,999)		(137,148)
Net income						128,669
Transfer to reserve for tax basis adjustments of real estate					2,741	(2,741)
Transfer from reserve for tax basis adjustments of real estate					(22)	22
Transfer from reserve for land revaluation						4,489
Net changes of items other than shareholders' equity						
Total changes for the year	-	-	(49,999)	(49,999)	2,718	(6,707)
Balance at the end of the year	60,000	60,000	310,000	370,000	4,947	195,207

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Retained earnings	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	
	Total retained earnings						
Balance at the beginning of the year	204,144	684,144	2,211,147	3,457	(13,488)	2,201,117	2,885,261
Changes for the year							
Dividends	(137,148)	(187,147)					(187,147)
Net income	128,669	128,669					128,669
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	4,489	4,489					4,489
Net changes of items other than shareholders' equity			(294,730)	17,854	(4,489)	(281,365)	(281,365)
Total changes for the year	(3,989)	(53,989)	(294,730)	17,854	(4,489)	(281,365)	(335,354)
Balance at the end of the year	200,155	630,155	1,916,417	21,312	(17,978)	1,919,752	2,549,907

I. NOTES TO THE UNAUDITED BALANCE SHEET AS OF MARCH 31, 2020

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 Fair Value
Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average value during March), with cost determined by the moving average method.
b) Available-for-sale Securities Whose Fair Values are Extremely Difficult to Recognize
i) Government/Corporate Bonds (including foreign bonds), Whose Premium or Discount Represents the Interest Adjustment
Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.
ii) Others
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 statement of earnings.

2. Risk Management Policy of Policy-reserve-matching Bonds

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, March 31, 1998), land for business use was revalued. 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 (Publicly issue Cabinet Order No.119, 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 facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

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 were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original 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. Software for internal use is amortized by the straight-line method based on the estimated useful lives 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 salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets

The amount of accumulated depreciation of tangible fixed assets as of March 31, 2020 was ¥612,565 million.

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

The Company translates foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. 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 a) the recoverable amount covered by the collateral or guarantees and b) an overall assessment of the obligor's ability to repay.

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 and claims to 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, 2020 was ¥ 1 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, 2020.

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

(1) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2020.

(2) Amortization of Actuarial Differences and Past Service Cost

Past Service Cost is amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period.

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.

9. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Company is established for securities whose fair 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, an estimated amount for future payment pursuant to the internal policies is provided.

11. Reserve for Possible Reimbursement of Prescribed Claims

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

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) 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, i) 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; ii) 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); iii) 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; iv) the deferral hedge method for bond over-the-counter options is used for hedges against interest rate fluctuations in certain foreign currency-denominated bonds; v) 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), and vi) the deferral hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No. 26 issued by the JICPA).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps ……	Loans, government and corporate bonds, loans payable, bonds payable, insurance liabilities
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 market 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 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 a prepaid expense 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 stated in (1) and (2) below. Policy reserves include additional policy reserves for some whole life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

(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.

16. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

In an effort to manage investment assets in a manner appropriate to liabilities, which arise from the insurance policies underwritten, the company engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, the Company holds fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Company also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives, taking into account the exposure of underlying assets.

With respect to financing, the Company has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base. To avoid impact from interest rate fluctuations, the 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 Company, mainly stocks and bonds, are categorized by its 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 currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

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

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and iii) 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 addition, the company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (JICPA Industry Audit Committee Report No. 26).

In applying the hedge accounting, in order to fulfill requirements stipulated in the “Accounting standards for financial instruments” (ASBJ Statement No. 10), the Company has established 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 Company is as follows:

i) Market Risk Management

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

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities and specific risk management procedures, based on the risk characteristics of the categories, and set and manages upper limits of each asset balance and asset allocation weight.

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

(d) Derivative transactions

For derivative transactions, the Company has established 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, the Company has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has 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 investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the 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.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the value based on market prices, fair values of financial instruments include 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 balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2020 were as follows. The following tables do not include financial instruments whose fair value is extremely difficult to recognize. (Please refer to (Note 2))

As of March 31, 2020	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)	
(1) Cash and deposits	543,121	543,121	-
(2) Call loans	513,800	513,800	-
(3) Monetary claims bought	221,147	221,147	-
(4) Money held in trust	34,274	34,274	-
(5) Securities			
a. Trading securities	655,151	655,151	-
b. Held-to-maturity bonds	46,919	49,337	2,417
c. Policy-reserve-matching bonds	12,210,408	14,973,288	2,762,880
d. Stock of subsidiaries and affiliate companies	343	241	(101)
e. Available-for-sale securities	17,138,986	17,138,986	-
(6) Loans	2,542,025		
Reserve for possible loan losses (*1)	(179)		
	2,541,846	2,596,424	54,578
Total assets	33,905,998	36,725,772	2,819,774
(1) Bonds payable	476,277	484,388	8,111
(2) Payable under repurchase agreements	841,166	841,166	-
(3) Long-term borrowings	283,000	275,824	(7,175)
Total liabilities	1,600,443	1,601,379	936
Derivative transactions (* 2)			
a. Hedge accounting not applied	92,134	92,134	-
b. Hedge accounting applied	69,143	67,602	(1,540)

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

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

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

- Assets

(1) Cash and deposits

Since deposits are close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) 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.

(3) Monetary claims bought

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

(4) 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.

(5) 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 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 partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership.

(6) 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 at the end of the fiscal year. Therefore, that amount (the carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as fair value of 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

(1) Bonds payable

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

(2) Payables under repurchase agreement

Since payables under repurchase agreements are close to the due date and their fair value is close to their carrying amounts, fair value of payables under repurchase agreements is based on their carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowing 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.

- Derivative Transactions

The breakdown of derivative transactions is a) currency-related transactions; b) interest-related transactions; c) stock-related transactions; and d) bond-related transactions, etc. The fair value of the instruments is based on the prices on derivatives markets and the prices quoted from financial institutions, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize were as follows and are not included in the fair value of (5) Securities in (Note 1)

As of March 31, 2020	Carrying amount
	(Unit: million yen)
1. Unlisted domestic stocks (*1)(*2) ……	48,917
2. Unlisted foreign stocks (*1)(*2)……	26,202
3. Other foreign securities (*1)(*2)……	23
4. Other securities (*1)(*2)……	156,834
Total	231,977

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

(*2) The Company recorded impairment charges of ¥500 million for the fiscal year ended March 31, 2020

17. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2020 was ¥36,821 million. The rental income was included in investment income and the rental expense was included in investment expenses. The Company recorded losses on sale of ¥7,386 million and impairment loss of ¥2,481 million on rental real estate as extraordinary losses for the fiscal year ended March 31, 2020.

The carrying amount, net change during the year and the fair value of such rental real estate, were as follows:

(Unit: million yen)

Carrying amount	
Beginning balance ……..	814,908
Net change for the year ……..	(26,707)
Ending balance ……..	788,201
Fair value	1,040,527

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

(*2)Net change in the carrying amount included cost of acquisition of the real estate of ¥29,412 million, sale of the real estate of ¥45,125 million, depreciation expense of ¥13,049 million, and impairment loss of ¥2,481 million.

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

18. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of March 31, 2020 was ¥2,195,099 million.

19. Problem Loans

As of March 31, 2020, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans were as follows:

	(Unit: million yen)
Credits to bankrupt borrowers (*1)……	79
Delinquent loans (*2)……	2,936
Loans past due for three months or more (*3)…	-
Restructured loans (*4)……	-
Total ……	3,015

(*1) Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3, (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order 97, 1965). Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

(*2) 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.

(*3) 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.
(*4) 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, the decreases in credits to bankrupt borrowers and delinquent loans were as follows:

(Unit: million yen)

Credits to bankrupt borrowers	1
Delinquent loans	-

20. 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 as of March, 2020 was ¥1,362,925 million. Separate account liabilities were the same amount as the separate account assets.

21. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies as of March, 2020 were ¥46,325 million and ¥4,840 million, respectively.

22. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2020

(Unit: million yen)

Deferred tax assets:	
Policy reserves and others	467,643
Reserve for employees' retirement benefits	135,169
Reserve for price fluctuations	60,154
Losses on valuation of securities	16,240
Impairment losses	8,186
Others	17,721
Subtotal	705,115
Valuation allowances	(12,513)
Total	692,601
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(735,495)
Reserve for tax basis adjustments of real estate	(10,425)
Accrued dividend receivables	(8,468)
Others	(17,797)
Total	(772,186)
Net deferred tax liabilities	(79,585)

(2) The principal reasons for the difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2020

The difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes was 5% less than actual statutory effective tax rate, therefore the principle reason of the difference is omitted.

23. Contingent Liabilities

Guarantee for debt obligations of a third company were as follows:

(Unit: million yen)

Dai-ichi Life Holdings, Inc.	250,002

24. 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…….	398,178
Dividends paid during the fiscal year.....……..	89,181
Interest accrual during the fiscal year…….....……..	8,245
Provision for reserve for policyholder dividends……	82,500
Balance at the end of the fiscal year……	399,742

25. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies of the Company held as of March 31, 2020 was ¥105,081 million.

26. Organization Change Surplus

As of March 31, 2020, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

27. Assets Pledged as Collateral / Secured Liabilities

The amounts of assets pledged as collateral were as follows:

	(Unit: million yen)
Securities ……	889,370
Cash and deposits ……	86
Assets pledged as collateral ……	889,457

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Payables under repurchase agreements…….... ……	841,166

"Securities" mentioned above included ¥779,688 million of Securities which were sold under repurchase agreements, as of March 31, 2020.

28. 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 ¥34 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance (hereinafter “policy reserves reinsured”) was ¥296,731 million.

29. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2020 was ¥424,984,643 .02.

30. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

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

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

(2) Defined Benefit Plans

a) Reconciliations of beginning and ending balances of projected benefit obligations

(Unit: million yen)

a.	Beginning balance of the projected benefit obligations	691,309
b.	Service cost	27,128
c.	Interest cost	2,071
d.	Accruals of actuarial (gains) and losses	(1,933)
e.	Payment of retirement benefits	(32,286)
f.	Acurruals of past service cost	(958)
g.	Others	(1,073)
h.	Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	684,256

b) Reconciliations of beginning and ending balances of pension assets

(Unit: million yen)

a.	Beginning balance of pension assets	278,033
b.	Estimated return on assets	1,822
c.	Accruals of actuarial (gains) and losses	(22,647)
d.	Contribution from the employer	6,621
e.	Payment of retirement benefits	(10,709)
f.	Ending balance of pension assets (a + b + c + d + e)	253,121

c) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the balance sheet

(Unit: million yen)

a.	Projected benefit obligation for funded pensions	366,827
b.	Pension assets	(253,121)
c.	Subtotal (a + b)	113,705
d.	Projected benefit obligation for unfunded pensions	317,429
e.	Unrecognized actuarial differences	(34,089)
f.	Past Servise cost	958
g.	Net of assets and liabilities recorded in the balance sheet (c + d + e + f)	398,004

d) Amount of the components of retirement benefit expenses

(Unit: million yen)

a.	Service cost	27,128
b.	Interest cost	2,071
c.	Expected return on assets	(1,822)
d.	Amortization of unrecognized actuarial differences	(857)
e.	Others	190
f.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e)	26,709

e) The main components of the pension assets

Ratios of the major assets to the total pension assets were as follows:

Stocks	53%
Assets under joint management	26%
Bonds	9%
Life insurance general accounts	4%
Others	8%
Total	100%

The proportion of retirement benefit trust to total pension assets that has been set for the retirement lump sum grants as of March 31, 2020 was 51%.

f) The method for setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

g) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of March 31, 2020 were as follows:

Discount rate	0.30%
Expected long-term rate of return	
Defined benefit corporate pension	1.40%
Employee pension trust	0.00%

(3) Defined Contribution Plans

Required amount of contribution to defined contribution plans for the fiscal year ended March 31, 2020 was ¥1,533 million.

31. 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, 2020 was ¥100,034 million, among which none of the securities were pledged as collateral.

32. Commitment Line

As of March 31, 2020, there were unused commitment line agreements under which the Company was the lender of ¥86,356 million.

33. Subordinated Debt

As of March 31, 2020, other liabilities included subordinated debt of ¥283,000 million, whose repayment is subordinated to other obligations.

34. Subordinated Bonds

As of March 31, 2020, bonds payable included foreign currency-denominated subordinated bonds of ¥476,277 million; whose repayment is subordinated to other obligations.

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

The estimated future obligations to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2020 were ¥45,077 million. These obligations will be recognized as operating expenses in the period in which they are paid.

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2020

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 ¥5,828 million and ¥19,035 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 ¥72,896 million, ¥68,198 million, ¥80,868 million and ¥1,276 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks, foreign securities and other securities of ¥419 million, ¥13,969 million, ¥56,018 million and ¥2,353 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥36,441 million and ¥20,712 million, respectively.

3. Reinsurance

In calculating the reversal of reserves for outstanding claims, a provision for reserves for outstanding claims reinsured of ¥7 million was added. In calculating the reversal of policy reserves, a provision for reserves for policy reserves reinsured of ¥198,076 million was added.

4. Gains/Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥2,355 million

5. .Derivative Transaction Gains/Losses

Derivative transaction losses included losses on valuation of ¥68,837 million.

6. Net Income per Share

Net income per share for the fiscal year ended March 31, 2020 was ¥21,444,849.60. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

7. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2020 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 of some asset groups, the 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 for the fiscal year ended March 31, 2020 were as follows:

Asset Group	Place	Number	Impairment Losses		
			Land	Buildings	Total
					(Unit: million yen)
Real estate for rent	Morioka City, Iwate Prefecture	1	29	35	64
Real estate not in use	Nishinomiya city, Hyogo Prefecture and others	22	2,238	1,253	3,491
Total	-	23	2,267	1,288	3,556

(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 2.22% for the fiscal year ended March 31, 2020 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 was used as the net sale value.

III. NOTES TO THE UNAUDITED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2020

1. Number of Shares Outstanding

(Unit: thousands of shares)

	At the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	At the end of the fiscal year
Common Stock	6,000	-	-	6,000

2. Dividends on Common Stock

(1) Dividends paid out in the year ended March 31, 2020

Date of resolution	June 18, 2019 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥137,148 million
Dividends per share	¥22,858,000
Record date	March 31, 2019
Effective date	June 19, 2019
Dividend resource	Retained earnings

Date of resolution	June 18, 2019 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2019
Effective date	June 19, 2019
Dividend resource	Capital surplus

(2) Dividends in Kind

Date of resolution	August 20, 2019 (at the Extraordinary Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥1
Record date	-
Effective date	September 13, 2019
Dividend resource	Retained earnings

(*) At the Extraordinary Meeting of Shareholders in August 20, 2019, the Company decided to transfer its securities to Daiichi life Holdings, Inc. as a qualified dividend in kind, and carried out it in September 13, 2019.

(3) Dividends, the record date of which was March 31, 2020, to be paid out in the year ended March 31, 2021

Date of resolution	June17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million
Dividends per share	¥16,846,500
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Year ended As of March 31, 2019	Year ended As of March 31, 2020
Fundamental revenues		3,448,106	3,347,992
Premium and other income		2,314,938	2,350,198
Investment income		865,684	799,117
[Interest and dividends]		805,121	786,512
Other ordinary revenues		267,484	198,676
Other fundamental revenues (a)		-	-
Fundamental expenses		2,968,939	2,925,860
Benefits and claims		2,199,512	2,127,195
Provision for policy reserves and others		8,265	40,651
Investment expenses		65,585	82,942
Operating expenses		390,287	398,500
Other ordinary expenses		305,173	276,268
Other fundamental expenses (b)		114	302
Fundamental profit	***A***	479,166	422,132
Capital gains		274,851	275,487
Gains on money held in trust		-	-
Gains on investments in trading securities		-	-
Gains on sale of securities		274,737	223,240
Derivative transaction gains		-	51,944
Foreign exchange gains		-	-
Others (c)		114	302
Capital losses		295,116	226,000
Losses on money held in trust		4,661	2,216
Losses on investments in trading securities		-	-
Losses on sale of securities		138,415	72,761
Losses on valuation of securities		7,852	57,153
Derivative transaction losses		48,266	-
Foreign exchange losses		95,920	93,869
Others (d)		-	-
Net capital gains (losses)	***B***	(20,265)	49,486
Fundamental profit plus net capital gains (losses)	***A + B***	458,901	471,618
Other one-time gains		98,638	199,483
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		(8)	24
Others (Note 1)		98,646	199,458
Other one-time losses		210,888	380,406
Ceding reinsurance commissions		-	-
Provision for contingency reserve		-	30,000
Provision for specific reserve for possible loan losses		-	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		37	40
Others (Note 2)		210,851	350,365
Other one-time profits (losses)	***C***	(112,250)	(180,922)
Ordinary profit	***A + B + C***	346,651	290,696

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

		Year ended As of March 31, 2019	Year ended As of March 31, 2020
Other fundamental revenues (a)		-	-
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		-	-
Other fundamental expenses (b)		114	302
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance		19	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts		94	302
The impact on fundamental profit	***(a) - (b)***	(114)	(302)
Other capital gains (c)		114	302
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance		19	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts		94	302
Other capital losses (d)		-	-
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		-	-
The impact on net capital gains (losses)	***(c) - (d)***	114	302

Note 1: "Others" in "Other one-time gains" represents the amount of policy reserves for individual life insurance and annuities provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act (For the fiscal year ended March 31, 2019: 98,646 million yen, For the fiscal year ended March 31, 2020: 199,458 million yen).

Note 2: "Others" in "Other one-time losses" represents the sum of the amount of ceding reinsurance commissions for individual life insurance and annuities provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act (For the fiscal year ended March 31, 2019: 128,927 million yen, For the fiscal year ended March 31, 2020: 270,294 million yen), the amount of provision for reserve for possible investment losses (For the fiscal year ended March 31, 2019: 37 million yen, For the fiscal year ended March 31, 2020: 504 million yen) and the amount of the additional policy reserves provided (For the fiscal year ended March 31, 2019: 81,886 million yen, For the fiscal year ended March 31, 2020: 79,566 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, 2019	As of March 31, 2020
	Claims against bankrupt and quasi-bankrupt obligors	88	79
	Claims with collection risk	3,818	2,936
	Claims for special attention	4	-
Subtotal		3,910	3,015
[Percentage]		[0.09%]	[0.06%]
Claims against normal obligors		4,563,611	4,777,022
Total		4,567,522	4,780,037

Note:
1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate 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 financi 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 witl interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or v other than the loans described in note 1. or 2. above.
4. Claims against normal obligors are all other loans.

9. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2019	As of March 31, 2020
Total solvency margin	***(A)***	6,397,977	6,251,174
Common stock, etc. [*1]		494,174	526,676
Reserve for price fluctuations		198,453	215,453
Contingency reserve		598,493	628,493
General reserve for possible loan losses		95	115
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% [*2]		2,759,808	2,390,159
Net unrealized gains (losses) on real estate × 85% [*2]		199,850	243,896
Policy reserves in excess of surrender values		2,161,803	2,164,285
Qualifying subordinated debt		759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(835,305)	(754,610)
Excluded items			
Others		61,326	77,427
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	***(B)***	1,318,040	1,270,019
Insurance risk	R_1	63,035	64,717
3rd sector insurance risk	R_8	178,690	172,223
Assumed investment yield risk	R_2	202,582	191,118
Guaranteed minimum benefit risk	R_7 [*3]	3,081	3,039
Investment risk	R_3	1,059,353	1,023,930
Business risk	R_4	30,134	29,100
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		970.8%	984.4%

*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.

(Reference) Consolidated Solvency Margin Ratio

(millions of yen)

		As of March 31, 2019	As of March 31, 2020
Total solvency margin	***(A)***	6,318,688	6,121,744
Common stock, etc. *1		497,058	529,037
Reserve for price fluctuations		198,453	215,453
Contingency reserve		598,493	628,493
Catastrophe loss reserve			
General reserve for possible loan losses		97	117
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2		2,759,808	2,390,159
Net unrealized gains (losses) on real estate × 85% *2		199,850	243,896
Sum of unrecognized actuarial differences and unrecognized past service cost		(12,929)	(33,294)
Policy reserves in excess of surrender values		2,161,803	2,164,285
Qualifying subordinated debt		759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(835,305)	(754,610)
Excluded items		(69,246)	(98,497)
Others		61,326	77,427
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)***	1,296,925	1,238,988
Insurance risk	R_1	63,035	64,717
General insurance risk	R_5		
Catastrophe risk	R_6		
3rd sector insurance risk	R_8	178,690	172,223
Small amount and short-term insurance risk	R_9		
Assumed investment yield risk	R_2	202,582	191,118
Guaranteed minimum benefit risk	R_7 *3	3,081	3,039
Investment risk	R_3	1,038,279	992,934
Business risk	R_4	29,713	28,480
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		974.4%	988.1%

*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.

10. Status of Separate Account for the Fiscal Year Ended March 31, 2020

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2019	As of March 31, 2020
Individual variable insurance	55,834	50,532
Individual variable annuities	33,949	29,859
Group annuities	1,166,776	1,282,533
Separate account total	1,256,560	1,362,925

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2019		As of March 31, 2020	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	70	336	31	160
Variable insurance (whole life)	41,109	253,119	40,331	247,630
Total	41,179	253,455	40,362	247,791

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, 2019		As of March 31, 2020	
	Amount	%	Amount	%
Cash, deposits, and call loans	5	0.0	8	0.0
Securities	51,065	91.5	47,500	94.0
Domestic bonds	15,218	27.3	15,796	31.3
Domestic stocks	16,371	29.3	14,100	27.9
Foreign securities	19,474	34.9	17,603	34.8
Foreign bonds	4,605	8.2	5,726	11.3
Foreign stocks and other securities	14,869	26.6	11,877	23.5
Other securities	-	-	-	-
Loans	-	-	-	-
Others	4,763	8.5	3,023	6.0
Reserve for possible loan losses	-	-	-	-
Total	55,834	100.0	50,532	100.0

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

(millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Interest and dividends	903	862
Gains on sale of securities	5,178	3,786
Gains on redemption of securities	-	-
Gains on valuation of securities	5,300	4,351
Foreign exchange gains	102	93
Derivative transaction gains	7	38
Other investment income	1	1
Losses on sale of securities	2,208	2,351
Losses on redemption of securities	-	0
Losses on valuation of securities	8,464	8,117
Foreign exchange losses	125	112
Derivative transaction losses	17	12
Other investment expenses	1	1
Net investment income	676	(1,462)

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, 2019		As of March 31, 2020	
	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	51,065	(3,164)	47,500	(3,765)

* Fair value information on money held in trust

The Company had no balance as of March 31, 2019 or March 31, 2020.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2019		As of March 31, 2020	
	Number	Amount	Number	Amount
Individual variable annuities	9,589	37,551	7,158	27,541

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, 2019		As of March 31, 2020	
	Amount	%	Amount	%
Cash, deposits, and call loans	328	1.0	274	0.9
Securities	31,768	93.6	28,005	93.8
Domestic bonds	7,791	23.0	7,852	26.3
Domestic stocks	5,919	17.4	5,656	18.9
Foreign securities	3,059	9.0	3,002	10.1
Foreign bonds	959	2.8	1,331	4.5
Foreign stocks and other securities	2,099	6.2	1,670	5.6
Other securities	14,997	44.2	11,494	38.5
Loans	-	-	-	-
Others	1,852	5.5	1,580	5.3
Reserve for possible loan losses	-	-	-	-
Total	33,949	100.0	29,859	100.0

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

(millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Interest and dividends	2,069	1,868
Gains on sales of securities	1,149	883
Gains on redemption of securities	-	-
Gains on valuation of securities	7,106	4,764
Foreign exchange gains	13	16
Derivative transaction gains	0	8
Other investment income	0	0
Losses on sales of securities	504	606
Losses on redemption of securities	-	4
Losses on valuation of securities	9,823	7,928
Foreign exchange losses	14	19
Derivative transaction losses	1	2
Other investment expenses	0	0
Net investment income	(5)	(1,019)

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, 2019		As of March 31, 2020	
	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	31,768	(2,717)	28,005	(3,164)

* Fair value information on money held in trust

The Company had no balance as of March 31, 2019 or March 31, 2020.

11. Consolidated Financial Summary

Not applicable

May 15, 2020

Supplementary Materials for the Fiscal Year Ended March 31, 2020

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   (2) Securities by Contractual Maturity Date ---------- P. 2
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2. Loans (General Account)
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3. Foreign Investments (General Account)
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Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Securities (General Account)

(1) Breakdown of Securities

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
National government bonds	13,674,544	45.7	13,698,904	46.2
Local government bonds	129,427	0.4	129,433	0.4
Corporate bonds	1,956,735	6.5	2,042,503	6.9
Public entity bonds	418,607	1.4	414,124	1.4
Domestic stocks	3,395,945	11.4	2,786,892	9.4
Foreign securities	10,122,795	33.9	10,073,956	34.0
Foreign bonds	8,933,476	29.9	9,088,395	30.7
Foreign stocks and other securities	1,189,319	4.0	985,560	3.3
Other securities	610,282	2.0	896,944	3.0
Total	29,889,730	100.0	29,628,634	100.0

(2) Securities by Contractual Maturity Date

(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, 2019							
Securities	571,899	1,439,737	1,416,762	1,607,610	3,209,364	21,644,357	29,889,730
National government bonds	154,093	117,533	276,096	453,345	1,229,401	11,444,074	13,674,544
Local government bonds	1,716	27,195	5,747	15,073	9,210	70,484	129,427
Corporate bonds	99,421	175,236	207,558	207,202	212,166	1,055,149	1,956,735
Domestic stocks	-	-	-	-	-	3,395,945	3,395,945
Foreign securities	295,102	1,062,532	868,594	891,096	1,560,423	5,445,046	10,122,795
Foreign bonds	290,829	1,061,628	848,430	860,939	1,520,199	4,351,449	8,933,476
Foreign stocks and other securities	4,273	903	20,164	30,156	40,224	1,093,597	1,189,319
Other securities	21,565	57,239	58,764	40,893	198,161	233,657	610,282
Monetary claims bought	-	1,307	3,354	3,590	6,407	184,532	199,193
Certificates of deposit	69,995	-	-	-	-	-	69,995
Others	-	-	-	-	-	24,747	24,747
As of March 31, 2020							
Securities	586,329	1,101,503	1,444,372	2,251,872	3,520,952	20,723,604	29,628,634
National government bonds	74,467	22,774	250,094	734,136	1,504,395	11,113,036	13,698,904
Local government bonds	23,981	4,267	4,820	17,769	2,913	75,680	129,433
Corporate bonds	95,622	163,504	227,448	227,484	179,534	1,148,909	2,042,503
Domestic stocks	-	-	-	-	-	2,786,892	2,786,892
Foreign securities	379,004	889,591	911,662	1,203,671	1,306,577	5,383,449	10,073,956
Foreign bonds	376,404	882,767	895,198	1,158,912	1,245,286	4,529,824	9,088,395
Foreign stocks and other securities	2,599	6,824	16,464	44,758	61,290	853,624	985,560
Other securities	13,254	21,365	50,345	68,811	527,531	215,636	896,944
Monetary claims bought	-	3,352	1,037	22,823	13,991	179,941	221,147
Certificates of deposit	110,994	-	-	-	-	-	110,994
Others	-	-	-	-	-	34,274	34,274

Note: 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).

(3) Domestic Stocks by Industry

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Forestry and fisheries	1,335	0.0	716	0.0
Mining	552	0.0	200	0.0
Construction	115,051	3.4	98,486	3.5
Manufacturing industries				
Food products	207,215	6.1	172,860	6.2
Textiles and clothing	26,342	0.8	19,433	0.7
Pulp and paper	3,565	0.1	2,949	0.1
Chemicals	189,937	5.6	164,130	5.9
Medical supplies	65,930	1.9	68,347	2.5
Oil and coal products	3,913	0.1	2,576	0.1
Rubber products	24,760	0.7	18,058	0.6
Glass and stone products	98,892	2.9	79,927	2.9
Steel	48,609	1.4	23,138	0.8
Non-steel metals	15,415	0.5	9,865	0.4
Metal products	35,345	1.0	27,248	1.0
Machinery	190,797	5.6	178,284	6.4
Electric appliances	573,859	16.9	479,729	17.2
Transportation vehicles	183,591	5.4	141,022	5.1
Precision instruments	157,847	4.6	149,300	5.4
Others	68,430	2.0	59,452	2.1
Electric and gas utilities	123,635	3.6	91,894	3.3
Transportation and communications industries				
Ground transportation	378,360	11.1	281,543	10.1
Water transportation	45	0.0	32	0.0
Air transportation	4,904	0.1	3,169	0.1
Warehouses	4,474	0.1	3,953	0.1
Telecommunications	95,870	2.8	52,364	1.9
Commerce				
Wholesale	133,503	3.9	108,226	3.9
Retail	111,988	3.3	93,903	3.4
Financial industries				
Banks	233,134	6.9	162,225	5.8
Security and trading companies	283	0.0	218	0.0
Insurance	3,331	0.1	3,724	0.1
Other	27,325	0.8	23,670	0.8
Real estate	18,442	0.5	17,826	0.6
Service	249,252	7.3	248,411	8.9
Total	3,395,945	100.0	2,786,892	100.0

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

2. Loans (General Account)

(1) Loans by Contractual Maturity Dates

(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, 2019								
	Floating-rate loans	425	9,106	20,497	7,084	2,618	87,180	126,912
	Fixed-rate loans	292,448	312,130	372,426	263,580	304,030	336,246	1,880,863
	Total	292,873	321,236	392,924	270,665	306,649	423,427	2,007,776
As of March 31, 2020								
	Floating-rate loans	4,251	25,670	18,312	9,774	1,713	306,184	365,906
	Fixed-rate loans	253,671	357,475	361,668	329,174	232,174	318,468	1,852,631
	Total	257,922	383,146	379,980	338,948	233,887	624,652	2,218,538

(2) Loans to Domestic Companies by Company Size

(millions of yen except number of borrowers)

		As of March 31, 2019		As of March 31, 2020	
			%		%
Large corporations	Number of borrowers	213	66.1	215	64.2
	Amount of loans	1,478,341	86.0	1,636,633	84.2
Medium-sized corporations	Number of borrowers	7	2.2	7	2.1
	Amount of loans	4,607	0.3	4,038	0.2
Small-sized corporations	Number of borrowers	102	31.7	113	33.7
	Amount of loans	236,564	13.8	302,872	15.6
Total	Number of borrowers	322	100.0	335	100.0
	Amount of loans	1,719,513	100.0	1,943,544	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.

(3) Loans by Collateral Type

(millions of yen)

		As of March 31, 2019		As of March 31, 2020	
		Carrying amount	%	Carrying amount	%
Secured loans		13,212	0.7	2,406	0.1
	Stocks and other securities	11,571	0.6	950	0.0
	Real and personal estate	1,640	0.1	1,455	0.1
	Others	-	-	-	-
Guarantees		132,224	6.6	119,612	5.4
Unsecured loans		1,862,339	92.8	2,096,520	94.5
Others		-	-	-	-
Total loans		2,007,776	100.0	2,218,538	100.0
	Subordinated loans	232,663	11.6	213,410	9.6

Note: Policy loans are excluded.

(4) Loans by Industry

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Domestic				
Manufacturing industries	325,358	16.2	276,090	12.4
Foodstuffs and beverages	43,029	2.1	40,407	1.8
Textile products	2,956	0.1	1,673	0.1
Lumber and wood products	500	0.0	500	0.0
Pulp, paper and paper products	10,680	0.5	10,660	0.5
Printing	12,518	0.6	12,502	0.6
Chemical and allied products	21,047	1.0	26,771	1.2
Petroleum refining	10,260	0.5	8,860	0.4
Ceramic, stone and clay products	29,168	1.5	19,022	0.9
Iron and steel	79,550	4.0	82,547	3.7
Non-ferrous metals and products	5,902	0.3	4,626	0.2
Fabricated metal products	958	0.0	961	0.0
General-purpose and production- and business-oriented machinery	24,199	1.2	20,391	0.9
Electrical machinery equipment and supplies	60,087	3.0	20,534	0.9
Transportation equipment	15,331	0.8	17,589	0.8
Miscellaneous manufacturing industries	9,167	0.5	9,042	0.4
Agriculture and forestry	-	-	-	-
Fishery	-	-	-	-
Mining and quarrying of stone and gravel	-	-	-	-
Construction	8,852	0.4	9,260	0.4
Electricity, gas, heat supply and water	434,447	21.6	447,376	20.2
Information and communications	41,266	2.1	47,786	2.2
Transport and postal activities	249,361	12.4	251,547	11.3
Wholesale trade	328,398	16.4	300,862	13.6
Retail trade	9,694	0.5	12,505	0.6
Finance and insurance	293,218	14.6	554,499	25.0
Real estate	138,663	6.9	141,549	6.4
Goods rental and leasing	102,091	5.1	98,872	4.5
Scientific research, professional and technical services	200	0.0	200	0.0
Accommodations	-	-	-	-
Eating and drinking services	-	-	-	-
Living-related and personal services and amusement services	3,831	0.2	4,623	0.2
Education, learning support	-	-	-	-
Medical, health care and welfare	1,150	0.1	1,000	0.0
Other services	3,204	0.2	2,819	0.1
Local governments	21,448	1.1	19,088	0.9
Individuals	-	-	-	-
Others	133	0.0	66	0.0
Total domestic	1,961,319	97.7	2,168,147	97.7
Foreign				
Governments	-	-	3,304	0.1
Financial institutions	8,544	0.4	5,000	0.2
Commercial and industrial	37,912	1.9	42,086	1.9
Total foreign	46,456	2.3	50,391	2.3
Total	2,007,776	100.0	2,218,538	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.

3. Foreign Investments (General Account)

(1) Breakdown of Investment by Asset Category

A. Assets denominated in foreign currency

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Foreign bonds	8,132,626	74.7	8,287,407	73.4
Foreign stocks	785,620	7.2	643,359	5.7
Cash, cash equivalents and other assets	212,957	2.0	640,851	5.7
Sub-total	9,131,204	83.8	9,571,618	84.8

B. Assets swapped into yen

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Foreign bonds	-	-	-	-
Cash, cash equivalents and other assets	290,596	2.7	272,311	2.4
Sub-total	290,596	2.7	272,311	2.4

C. Assets denominated in yen

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Loans to borrowers outside Japan	29,942	0.3	30,043	0.3
Foreign bonds and others	1,439,637	13.2	1,412,739	12.5
Sub-total	1,469,579	13.5	1,442,783	12.8

D. Total

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
Foreign investments	10,891,380	100.0	11,286,713	100.0

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

(2) Foreign Currency-Denominated Assets by Currency

(millions of yen)

	As of March 31, 2019		As of March 31, 2020	
	Carrying amount	%	Carrying amount	%
U.S. dollar	4,699,602	51.5	4,651,934	48.6
Euro	2,353,535	25.8	2,637,312	27.6
Australian dollar	598,275	6.6	699,244	7.3
British pound	304,560	3.3	302,948	3.2
Canadian dollar	160,055	1.8	215,930	2.3
China Renminbi	135,956	1.5	209,548	2.2
Mexican peso	236,425	2.6	188,095	2.0
Total (including others not listed above)	9,131,204	100.0	9,571,618	100.0

(3) Investments by Region

(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, 2019									
	North America	4,192,980	41.4	3,892,340	43.6	300,640	25.3	8,864	19.1
	Europe	3,263,628	32.2	3,020,627	33.8	243,001	20.4	5,464	11.8
	Oceania	726,696	7.2	687,722	7.7	38,974	3.3	5,000	10.8
	Asia	291,551	2.9	174,600	2.0	116,950	9.8	1,255	2.7
	Latin America	1,500,896	14.8	1,011,520	11.3	489,375	41.1	25,872	55.7
	Middle East	178	0.0	-	-	178	0.0	-	-
	Africa	198	0.0	-	-	198	0.0	-	-
	International organizations	146,665	1.4	146,665	1.6	-	-	-	-
	Total	10,122,795	100.0	8,933,476	100.0	1,189,319	100.0	46,456	100.0
As of March 31, 2020									
	North America	4,147,818	41.2	3,916,856	43.1	230,962	23.4	6,258	12.4
	Europe	3,399,520	33.7	3,079,499	33.9	320,021	32.5	12,555	24.9
	Oceania	739,451	7.3	709,931	7.8	29,520	3.0	8,304	16.5
	Asia	411,998	4.1	310,903	3.4	101,095	10.3	2,308	4.6
	Latin America	1,216,710	12.1	912,925	10.0	303,785	30.8	20,964	41.6
	Middle East	176	0.0	-	-	176	0.0	-	-
	Africa	-	-	-	-	-	-	-	-
	International organizations	158,279	1.6	158,279	1.7	-	-	-	-
	Total	10,073,956	100.0	9,088,395	100.0	985,560	100.0	50,391	100.0

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

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

(1) Gains and losses on derivatives (Hedge-Accounting-Applied and Not-Applied)

(millions of yen)

	As of March 31, 2019						As of March 31, 2020					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	13,289	(5,068)	-	-	-	8,220	40,848	26,754	-	-	-	67,602
Hedge accounting not applied	(8,118)	(14,724)	(6,842)	5,255	78	(24,350)	3,245	34,472	7,735	557	194	46,206
Total	5,170	(19,792)	(6,842)	5,255	78	(16,130)	44,093	61,227	7,735	557	194	113,808

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

As of March 31, 2019: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 12,770 million yen) and gains/losses from derivatives with hedge accounting not applied (loss of 24,350 million yen), totaling loss of 37,121 million yen.

As of March 31, 2020: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, gain of 22,029 million yen) and gains/losses from derivatives with hedge accounting not applied (gain of 46,206 million yen), totaling gain of 68,235 million yen.

(2) Fair value information (Hedge-Accounting-Not-Applied)

① Interest-related transactions

(millions of yen)

	As of March 31, 2019				As of March 31, 2020			
	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	31,000	31,000	805	805	10,000	10,000	978	978
Receipts floating, payments fixed	62,000	46,000	(849)	(849)	40,250	40,250	(1,035)	(1,035)
Foreign currency interest rate swaps								
Receipts floating, payments fixed	114,319	58,824	(1,549)	(1,549)	-	-	-	-
Yen interest rate swaption								
Bought								
Receipts fixed, payments floating	-	-			830,000	460,000		
	[-]	[-]	-	-	[18,202]	[11,993]	27,507	9,305
Receipts floating, payments fixed	1,430,000	1,270,000			1,560,000	1,110,000		
	[7,285]	[6,064]	761	(6,524)	[6,316]	[3,454]	312	(6,003)
Total				(8,118)				3,245

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, 2019							
Yen interest rate swaps							
Notional amount (receipts fixed, payments floating)	-	-	-	-	21,000	10,000	31,000
Average fixed rate (receipt)	-	-	-	-	0.25	0.64	0.37
Average floating rate (payment)	-	-	-	-	0.00	0.01	0.01
Notional amount (receipts floating, payments fixed)	16,000	-	32,000	-	-	14,000	62,000
Average fixed rate (payment)	(0.14)	-	0.03	-	-	0.69	0.14
Average floating rate (receipt)	0.01	-	(0.00)	-	-	0.01	0.00
Foreign currency interest rate swaps							
Notional amount (receipts floating, payments fixed)	55,495	55,495	-	-	-	3,329	114,319
Average fixed rate (payment)	2.92	2.96	-	-	-	3.00	2.94
Average floating rate (receipt)	2.61	2.61	-	-	-	2.72	2.61
Total	71,495	55,495	32,000	-	21,000	27,329	207,319
As of March 31, 2020							
Yen interest rate swaps							
Notional amount (receipts fixed, payments floating)	-	-	-	-	-	10,000	10,000
Average fixed rate (receipt)	-	-	-	-	-	0.64	0.64
Average floating rate (payment)	-	-	-	-	-	(0.06)	(0.06)
Notional amount (receipts floating, payments fixed)	-	-	4,700	-	600	34,950	40,250
Average fixed rate (payment)	-	-	(0.00)	-	0.09	0.28	0.25
Average floating rate (receipt)	-	-	(0.00)	-	(0.00)	(0.05)	(0.04)
Foreign currency interest rate swaps							
Notional amount (receipts floating, payments fixed)	-	-	-	-	-	-	-
Average fixed rate (payment)	-	-	-	-	-	-	-
Average floating rate (receipt)	-	-	-	-	-	-	-
Total	-	-	4,700	-	600	44,950	50,250

② Currency-related transactions

(millions of yen)

	As of March 31, 2019			As of March 31, 2020		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Over-the-counter transactions						
Currency forward contracts						
Sold	1,396,821	(3,796)	(3,796)	2,222,430	20,995	20,995
Euro	415,446	1,820	1,820	1,021,163	1,671	1,671
U.S. dollar	548,856	(5,787)	(5,787)	830,641	(3,330)	(3,330)
Australian dollar	99,060	628	628	108,816	7,711	7,711
British pound	27,726	(732)	(732)	58,753	2,858	2,858
Canadian dollar	13,979	17	17	22,248	802	802
Others	291,752	256	256	180,807	11,282	11,282
Bought	959,220	(1,237)	(1,237)	937,288	10,117	10,117
Euro	243,773	(3,310)	(3,310)	449,081	758	758
U.S. dollar	466,740	2,126	2,126	390,509	10,409	10,409
Australian dollar	8,142	(42)	(42)	29,087	55	55
British pound	-	-	-	22,647	(800)	(800)
Canadian dollar	3,606	-	-	3,697	-	-
Others	236,956	(11)	(11)	42,265	(305)	(305)
Currency options						
Sold						
Put	100,900			41,021		
	[2,914]	276	2,638	[39]	87	(48)
British pound	-			41,021		
	[-]	-	-	[39]	87	(48)
U.S. dollar	100,900			-		
	[2,914]	276	2,638	[-]	-	-
Bought						
Put	821,224			648,053		
	[16,676]	4,348	(12,327)	[10,392]	13,800	3,407
U.S. dollar	779,801			607,032		
	[16,223]	3,968	(12,255)	[9,015]	13,675	4,660
British pound	41,422			41,021		
	[452]	379	(72)	[1,377]	125	(1,252)
Total			(14,724)			34,472

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 a maturity of more than one year in the table above.

③Stock-related transactions

(millions of yen)

	As of March 31, 2019			As of March 31, 2020		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen stock futures						
Sold	-	-	-	24,992	(3,065)	(3,065)
Foreign stock futures						
Sold	-	-	-	89,745	(9,335)	(9,335)
Yen stock index options						
Bought						
Put	150,000			149,961		
	[6,363]	1,625	(4,738)	[4,213]	23,842	19,628
Foreign currency-denominated stock index options						
Bought						
Put	59,028			20,745		
	[2,280]	177	(2,103)	[1,401]	1,910	508
Total			(6,842)			7,735

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.

④Bond-related transactions

(millions of yen)

	As of March 31, 2019			As of March 31, 2020		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen bond futures						
Sold	48,974	(74)	(74)	-	-	-
Bought	-	-	-	3,647	14	14
Foreign currency-denominated bond futures						
Sold	271,908	(3,705)	(3,705)	445,448	(6,283)	(6,283)
Bought	380,803	8,423	8,423	557,925	6,724	6,724
Over-the-counter transactions						
Foreign currency-denominated bond forward contracts						
Sold	5,814	(51)	(51)	88,387	(1,146)	(1,146)
Bought	26,979	209	209	83,442	1,466	1,466
Yen bond OTC options						
Sold						
Call	40,490			-		
	[34]	58	(24)	[-]	-	-
Put	173,973			37,350		
	[252]	59	193	[218]	329	(110)
Bought						
Call	173,973			37,350		
	[192]	519	326	[205]	98	(107)
Put	40,490			-		
	[43]	1	(41)	[-]	-	-
Total			5,255			557

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.

⑤ Others

(millions of yen)

	As of March 31, 2019				As of March 31, 2020			
	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	24,000	11,500	208	208	17,500	7,000	150	150
Protection bought	5,800	5,800	(130)	(130)	40,066	40,066	44	44
Total				78				194

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

(3) Fair value information (Hedge-Accounting-Applied)

① Interest-related transactions

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	As of March 31, 2019				As of March 31, 2020			
			Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Yen interest rate swaps									
	Receipts fixed, payments floating	Loans	14,450	14,450	116	116	14,350	14,350	158	158
	Receipts fixed, payments floating	Insurance liabilities	700,000	700,000	15,672	15,672	700,000	700,000	42,230	42,230
Special hedge accounting for interest rate swaps	Yen interest rate swaps									
	Receipts fixed, payments floating	Loans	15,300	15,300	203	203	15,300	12,300	167	167
	Receipts floating, payments fixed	Loans payable	283,000	283,000	(2,703)	(2,703)	283,000	144,000	(1,708)	(1,708)
Total						13,289				40,848

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, 2019							
Notional amount (receipts fixed, payments floating)	-	7,000	10,450	2,300	10,000	700,000	729,750
Average fixed rate (receipt)	-	0.17	0.04	1.19	0.10	0.47	0.45
Average floating rate (payment)	-	(0.01)	0.03	0.07	(0.08)	0.00	0.00
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)	-	0.13	0.13	-	-	-	0.13
Total	-	146,000	154,450	2,300	10,000	700,000	1,012,750
As of March 31, 2020							
Notional amount (receipts fixed, payments floating)	3,000	8,000	6,350	2,300	10,000	700,000	729,650
Average fixed rate (receipt)	0.46	0.04	(0.01)	1.19	0.10	0.47	0.45
Average floating rate (payment)	(0.04)	0.03	(0.01)	0.07	(0.10)	(0.04)	(0.04)
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)	0.13	0.13	-	-	-	-	0.13
Total	142,000	152,000	6,350	2,300	10,000	700,000	1,012,650

② Currency-related transactions

(millions of yen)

Type of hedge accounting	Type	Hedged item	As of March 31, 2019				As of March 31, 2020			
			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	256,613	212,995	7,701	7,701	230,320	212,466	4,725	4,725
	U.S. dollar		181,959	149,098	5,178	5,178	148,990	133,183	59	59
	Euro		62,543	51,786	1,720	1,720	69,227	67,181	3,376	3,376
	British pound		12,110	12,110	803	803	12,101	12,101	1,289	1,289
Fair value hedge	Currency forward contracts	Foreign currency-denominated bonds								
	Sold		4,970,497	-	(12,710)	(12,710)	5,430,501	-	31,536	31,536
	U.S. dollar		2,408,422	-	(34,423)	(34,423)	2,599,200	-	(63,756)	(63,756)
	Euro		1,591,097	-	26,561	26,561	1,559,276	-	(2,621)	(2,621)
	Australian dollar		341,336	-	(1,842)	(1,842)	374,676	-	36,802	36,802
	British pound		141,192	-	(3,380)	(3,380)	286,852	-	15,306	15,306
	Canadian dollar		62,405	-	(36)	(36)	91,583	-	6,221	6,221
	Others		426,043	-	409	409	518,912	-	39,582	39,582
	Bought		16,165	-	(59)	(59)	226,362	-	(9,507)	(9,507)
	British pound		-	-	-	-	136,055	-	(5,176)	(5,176)
	U.S. dollar		15,458	-	(53)	(53)	3,316	-	9	9
	Euro		341	-	(5)	(5)	718	-	2	2
	Australian dollar		291	-	(0)	(0)	-	-	-	-
	Others		73	-	(0)	(0)	86,272	-	(4,342)	(4,342)
Currency allotment method	Currency forward contracts	Foreign currency-denominated term deposits								
	Sold		252,646	-	-	-	239,165	-	-	-
	U.S. dollar		103,525	-	-	-	89,727	-	-	-
	Australian dollar		79,522	-	-	-	-	-	-	-
	Others		69,597	-	-	-	149,437	-	-	-
	Currency swaps	Foreign currency-denominated bonds payable	476,277	476,277	-	-	476,277	476,277	-	-
	U.S. dollar		476,277	476,277	-	-	476,277	476,277	-	-
	Currency swaps	Foreign currency-denominated loans	37,142	33,598	-	-	32,605	32,605	-	-
	U.S. dollar		31,178	27,633	-	-	26,641	26,641	-	-
	Euro		5,964	5,964	-	-	5,964	5,964	-	-
Total						(5,068)				26,754

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 end.

3. 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.

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)", except for those to which Note 3 is applied.

The Company held no derivative transactions other than ① and ② as of March 31, 2019 or March 31, 2020.
Therefore no information for ③ Stock-related transactions, ④ Bond-related transactions and ⑤ Others is provided in the report.