



## Non-consolidated Information

### Assets

#### Loans Categorized by Internal Classification of Borrowers

(Millions of Yen)

As of March 31,	2017	2016
Loans to legally bankrupt and substantially bankrupt borrowers	629	497
Loans to borrowers with high possibility of bankruptcy	3,655	3,224
Loans with collection risk	16,018	16,695
Subtotal	20,303	20,417
Proportion of total loans (%)	0.33	0.32
Normal loans	6,217,629	6,411,416
Total	6,237,932	6,431,834

- Notes: 1. Loans to legally bankrupt and substantially bankrupt borrowers are loans to borrowers that have been found or are likely to be found legally bankrupt through filings for the commencement of bankruptcy, corporate reorganization or civil rehabilitation proceedings, and loans to borrowers of similar status.
2. Loans to borrowers with high possibility of bankruptcy are loans with a high probability of failure in the payment of principal or interest under terms of the loan agreement due to the borrower's deteriorated financial status and/or business performance. These loans exclude loans to legally bankrupt and substantially bankrupt borrowers.
3. Loans with collection risk consist of loans in arrears three months or more and restructured loans. Loans in arrears three months or more are loans with principal or interest in arrears for three or more months from the day following the payment date established by the loan agreement (excluding the loans described above in Notes 1. and 2.). Restructured loans are loans with favorable concessions given to the borrower (including interest reduction or exemption, relaxed interest payments, relaxed principal repayments and loan forgiveness) in order to support the rebuilding of operations at the borrower. Restructured loans exclude the loans described above in Notes 1. and 2. as well as loans in arrears three months or more.
4. Normal loans are loans to borrowers whose financial status and business performance exhibit no particular problems. These loans exclude the loans described above in Notes 1. to 3.

#### Non-performing Loans

(Millions of Yen)

As of March 31,	2017	2016
Loans to bankrupt borrowers	—	—
Loans in arrears	4,284	3,722
Loans in arrears for three months or longer	—	—
Restructured loans	15,781	16,450
Total	20,066	20,172
Non-performing loans/total loans (%)	0.43	0.41

- Notes: 1. Loans to bankrupt borrowers and substantially bankrupt borrowers including collateralized and guaranteed loans are directly deducted from total loans based on estimated uncollectible amounts. This is calculated as the remainder after deducting any amounts expected to be collected through the disposal of collateral or the execution of guarantees. The amounts recognized in the financial statements were ¥44 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2016; and ¥44 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2017.
2. Loans to bankrupt borrowers are loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act or Company Act; loans to borrowers with notes suspended from trading on exchanges; and loans to borrowers that have filed for similar legal proceedings based on overseas laws. Interest is not accrued as income on these loans, which remain in arrears on principal and interest payments with little likelihood for the recovery of principal or interest.
3. Loans in arrears are loans that do not accrue interest. These loans exclude loans to bankrupt borrowers and loans with modified interest payment terms and conditions extended in order to support the borrowers or business restructuring.
4. Loans in arrears for three months or longer are loans with principal or interest in arrears for three or more months from the day following the payment date established by the loan agreement. These loans exclude loans to bankrupt borrowers and loans in arrears.
5. Restructured loans are loans with favorable concessions given to the borrower (including interest reduction or exemption, relaxed interest payments, relaxed principal repayments and loan forgiveness) in order to support the rebuilding of operations at the borrower. These loans exclude loans to bankrupt borrowers, loans in arrears, and loans in arrears for three months or longer.

## Self Assessment of Loans and other Assets

Under relevant regulations, insurance companies are obliged to assess the quality of their assets. Prior to determining write-offs or allowance, each asset is classified according to collectability and impairment risk.

To ensure stringent implementation, the Company has established

detailed rules governing the procedures for self assessment. In addition, a separate department performs internal audits on these rules and the results of self assessment. External accounting auditors provide a further check to ensure the reliability of the self assessment.

As of March 31,	2017		2016	
	Amount	% of total value of loans	Amount	% of total value of loans
Not Classified	6,196,663	99.3	6,387,813	99.3
Class II	41,155	0.7	43,951	0.7
Class III	113	0.0	69	0.0
Class IV	—	—	—	—
Subtotal of II-IV	41,269	0.7	44,021	0.7
Total	6,237,932	100.0	6,431,834	100.0

Notes: 1. Loans and other assets comprise loans, loaned securities, customers' liabilities under acceptances and guarantees, accrued income (asset related) and suspense payments (loan style).

2. The above chart presents figures after posting write-offs and allowances.

3. "Not classified" loans are deemed as non-problematic based on collectability or impairment risk.

4. "Class II" loans and other assets are deemed to present higher than normal collectability risks due to such reasons as the borrower's failure to meet conditions for maintaining such loans and other issues of creditworthiness.

5. "Class III" loans and other assets present serious doubts regarding their ultimate collectability or value. These assets are very likely to result in an impairment loss, but the amount of impairment cannot reasonably be estimated.

6. "Class IV" assets are deemed to be uncollectible or worthless.

## Loans Involving Guaranteed Investment Trusts

Not applicable.

## Enhancement of Ability for Insurance Claim and Benefit Payout (Solvency margin ratio)

As of March 31,	2017	2016
(A) Total solvency margin	7,328,416	6,805,494
① Foundation funds	1,194,040	1,079,518
② Reserve for price fluctuation	577,545	521,677
③ Contingency reserves	681,534	675,573
④ General allowance for possible loan losses	1,388	1,310
⑤ Net unrealized gains (losses) on available-for-sale securities (before tax effect deduction) and deferred unrealized gains (losses) on derivatives under hedge accounting (before tax effect deduction) × 90% (100% in case of losses)	3,166,950	2,857,322
⑥ Unrealized gains on land × 85% (100% in case of losses)	310,754	281,996
⑦ Excess of continued Zillmerized reserve	953,588	966,800
⑧ Qualifying subordinated debt	353,310	338,310
⑨ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑩ Deductions	—	—
⑪ Other (tax effect adjustment)	89,303	82,985
(B) Total amount of risk $\sqrt{(12+13)^2+(14+15+16)^2+17}$	1,550,146	1,450,251
⑫ Insurance risk	119,135	118,650
⑬ Third-sector insurance risk	57,838	56,014
⑭ Assumed interest rate risk	146,781	150,273
⑮ Minimum guarantee risk	12,011	8,800
⑯ Investment risk	1,347,329	1,248,733
⑰ Business management risk	33,661	31,649
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	945.5	938.5

Notes: 1. The figures presented above are calculated based on provisions in Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Notification No. 50 in 1996.

2. Minimum guarantee risk is calculated based on standard methods stipulated in Article 2, Paragraph 4 of said notification.

## Real Net Assets

(Millions of Yen)

As of March 31,	2017	2016
Real net assets	<b>9,563,981</b>	9,515,679
Ratio of real net assets to general account assets (%)	<b>26.0</b>	26.6

Note: Calculated based on provisions of Article 3, Paragraph 2 of the Order Providing for the Categories, etc. prescribed in Article 132, Paragraph 2 of the Insurance Business Act.

## Reference

(Millions of Yen)

As of March 31,	2017	2016
Real net assets after deducting unrealized gains and losses on held-to-maturity debt securities and policy-reserve-matching bonds	<b>7,414,023</b>	6,870,848

Note: Calculated based on provisions of Article 3, Paragraph 2 of the Order Providing for the Categories, etc. prescribed in Article 132, Paragraph 2 of the Insurance Business Act and Section II-2-2-6 of Comprehensive Guidelines for Supervision of Insurance Companies issued by the Financial Services Agency.

## Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2017		2016	
	Balance sheet amount	Valuation gains/losses included in the statement of income	Balance sheet amount	Valuation gains/losses included in the statement of income
Trading securities	<b>741,879</b>	<b>3,419</b>	746,596	(59,656)
General account	—	—	—	—
Separate account	<b>741,879</b>	<b>3,419</b>	746,596	(59,656)

## Fair Value of Securities

### • Securities with Fair Value (excluding trading securities)

(Millions of Yen)

As of March 31,	2017					2016				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,715,320	5,537,852	822,531	823,812	(1,281)	4,855,067	5,844,342	989,274	989,964	(689)
Policy-reserve-matching bonds	7,250,615	8,578,042	1,327,426	1,327,428	(1)	7,162,085	8,817,642	1,655,556	1,655,563	(7)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	13,550,699	17,067,658	3,516,959	3,602,161	(85,202)	12,367,508	15,543,135	3,175,626	3,248,357	(72,730)
Domestic bonds	4,867,245	5,322,149	454,903	456,657	(1,753)	4,752,079	5,292,559	540,479	541,220	(741)
Domestic stocks	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)	1,651,311	3,439,110	1,787,799	1,802,177	(14,378)
Foreign securities	6,580,194	7,247,738	667,544	745,092	(77,548)	5,662,264	6,484,268	822,004	871,607	(49,603)
Foreign bonds	5,934,260	6,461,472	527,211	597,262	(70,050)	5,051,489	5,750,923	699,433	741,873	(42,439)
Foreign stocks and others	645,934	786,266	140,332	147,830	(7,497)	610,774	733,345	122,570	129,733	(7,163)
Other securities	361,309	406,195	44,885	45,633	(748)	251,881	274,920	23,038	31,044	(8,006)
Monetary claims bought	21,567	22,968	1,400	1,400	—	25,971	28,278	2,307	2,307	—
Negotiable deposits	50,000	49,996	(3)	0	(3)	24,000	23,998	(1)	—	(1)
Others	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>25,516,636</b>	<b>31,183,553</b>	<b>5,666,917</b>	<b>5,753,402</b>	<b>(86,485)</b>	<b>24,384,662</b>	<b>30,205,120</b>	<b>5,820,458</b>	<b>5,893,885</b>	<b>(73,427)</b>
Domestic bonds	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)	16,458,020	19,619,067	3,161,046	3,161,795	(748)
Domestic stocks	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)	1,651,311	3,439,110	1,787,799	1,802,177	(14,378)
Foreign securities	6,700,479	7,374,594	674,114	751,679	(77,565)	5,778,096	6,606,819	828,722	879,015	(50,292)
Foreign bonds	6,054,545	6,588,327	533,781	603,849	(70,067)	5,167,321	5,873,474	706,152	749,281	(43,129)
Foreign stocks and others	645,934	786,266	140,332	147,830	(7,497)	610,774	733,345	122,570	129,733	(7,163)
Other securities	361,309	406,195	44,885	45,633	(748)	251,881	274,920	23,038	31,044	(8,006)
Monetary claims bought	218,717	230,634	11,917	13,162	(1,245)	221,352	241,204	19,852	19,852	—
Negotiable deposits	50,000	49,996	(3)	0	(3)	24,000	23,998	(1)	—	(1)
Others	—	—	—	—	—	—	—	—	—	—

Note: Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

## • Held-to-Maturity Debt Securities

(Millions of Yen)

As of March 31,	2017			2016		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	<b>4,664,197</b>	<b>5,488,010</b>	<b>823,812</b>	4,842,623	5,832,587	989,964
Domestic bonds	<b>4,395,085</b>	<b>5,200,549</b>	<b>805,464</b>	4,543,854	5,508,865	965,010
Foreign bonds	<b>108,062</b>	<b>114,649</b>	<b>6,587</b>	103,387	110,795	7,407
Monetary claims bought	<b>161,050</b>	<b>172,811</b>	<b>11,761</b>	195,380	212,925	17,545
Securities whose fair value does not exceed the balance sheet amount	<b>51,123</b>	<b>49,841</b>	<b>(1,281)</b>	12,444	11,755	(689)
Domestic bonds	<b>2,800</b>	<b>2,780</b>	<b>(19)</b>	—	—	—
Foreign bonds	<b>12,223</b>	<b>12,206</b>	<b>(17)</b>	12,444	11,755	(689)
Monetary claims bought	<b>36,100</b>	<b>34,854</b>	<b>(1,245)</b>	—	—	—

## • Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2017			2016		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	<b>7,249,715</b>	<b>8,577,144</b>	<b>1,327,428</b>	7,161,185	8,816,749	1,655,563
Domestic bonds	<b>7,249,715</b>	<b>8,577,144</b>	<b>1,327,428</b>	7,161,185	8,816,749	1,655,563
Securities whose fair value does not exceed the balance sheet amount	<b>900</b>	<b>898</b>	<b>(1)</b>	900	892	(7)
Domestic bonds	<b>900</b>	<b>898</b>	<b>(1)</b>	900	892	(7)

## • Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2017			2016		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs	<b>10,622,245</b>	<b>14,224,406</b>	<b>3,602,161</b>	10,476,734	13,725,092	3,248,357
Domestic bonds	<b>4,662,842</b>	<b>5,119,499</b>	<b>456,657</b>	4,744,251	5,285,472	541,220
Domestic stocks	<b>1,573,628</b>	<b>3,927,005</b>	<b>2,353,377</b>	1,515,554	3,317,732	1,802,177
Foreign securities	<b>4,023,370</b>	<b>4,768,463</b>	<b>745,092</b>	4,046,382	4,917,990	871,607
Other securities	<b>334,836</b>	<b>380,470</b>	<b>45,633</b>	144,574	175,618	31,044
Monetary claims bought	<b>21,567</b>	<b>22,968</b>	<b>1,400</b>	25,971	28,278	2,307
Negotiable deposits	<b>6,000</b>	<b>6,000</b>	<b>0</b>	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	<b>2,928,453</b>	<b>2,843,251</b>	<b>(85,202)</b>	1,890,774	1,818,043	(72,730)
Domestic bonds	<b>204,402</b>	<b>202,649</b>	<b>(1,753)</b>	7,828	7,086	(741)
Domestic stocks	<b>96,754</b>	<b>91,605</b>	<b>(5,149)</b>	135,757	121,378	(14,378)
Foreign securities	<b>2,556,823</b>	<b>2,479,275</b>	<b>(77,548)</b>	1,615,881	1,566,278	(49,603)
Other securities	<b>26,473</b>	<b>25,724</b>	<b>(748)</b>	107,307	99,301	(8,006)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	<b>44,000</b>	<b>43,996</b>	<b>(3)</b>	24,000	23,998	(1)

## • Book Value of Securities of Which Market Value is Extremely Difficult to Determine

(Millions of Yen)

As of March 31,	2017	2016
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	891,559	890,889
Available-for-sale securities	466,167	585,469
Unlisted domestic stocks	28,456	48,290
Unlisted foreign stocks	427,126	527,126
Other foreign securities	1,168	1,461
Others	9,416	8,590
Total	1,357,727	1,476,359

### Fair Value of Money-Held-in-Trust

Not applicable.

#### Policy-Reserve-Matching Bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" (JICPA, issued on November 16, 2000).

The effectiveness of the duration matching of these policy-reserve-matching bonds is periodically reevaluated.

### Fair Value of Derivative Transactions

#### 1. Qualitative Information

##### (1) Content of Transactions

The main types of derivative transactions executed by the Company are those related to:

- Interest rates: interest rate futures, interest rate options, interest rate swaps and swaptions
- Currencies: foreign exchange contracts, currency options and currency swaps
- Stocks: stock index futures and stock options
- Bonds: bond futures and bond options

None of the Over-the-Counter (OTC) transactions involves excessive risk that may emerge from the complexity of the transaction structure.

##### (2) Transaction Policy

The Company positions derivative transactions as a key hedging method against risks associated with invested assets, insurance liabilities and bonds payable. In principle, such transactions are executed only for hedging purposes.

##### (3) Purpose of Transactions

Derivative transactions are mainly used as follows:

- Interest rate-related transactions are intended to fix the interest rate of loans and debts with floating rates and to hedge against interest rate risk of insurance liabilities.
- Currency-related transactions are intended to fix currency exchange rates applied to the purchase or sale of foreign currency denominated assets and liabilities, to minimize unexpected losses caused by exchange rate fluctuations, and avoid other risks associated with foreign currency exchange.

- Stock-related transactions are intended to avoid price fluctuation risk that may emerge from the planned purchase or sale of stocks due to a time lag between the decision on and execution of such deal as well as risks resulting from the fluctuation in the value of the Company's stock portfolio.

- Bond-related transactions are intended to avoid price fluctuation risk that may emerge from the planned purchase or sale of bonds due to a time lag between the decision on and execution of such deal.

Of the transactions described above, some interest-rate transactions are subject to exceptional accounting treatment and deferred hedge accounting. Also, some transactions aimed at avoiding foreign currency exchange risk are subject to fair value hedge accounting, deferred hedge accounting and the allocation method for currency swaps.

#### (4) Risk Content

In principle, these derivative transactions are aimed at hedging against invested asset risk, insurance liability risk and bonds payable risk. Accordingly, the market-related risk accompanying these transactions is mitigated and limited.

In addition, transactions are executed through market exchange or OTC transactions. The latter give due consideration to assessing the soundness of counterparties. Therefore, the Company believes these transactions pose limited risk that might emerge from counterparty default due to such reasons as insolvency.

#### (5) Risk Management Structure

With regard to handling derivative transactions, the Company limits risk by setting up policies and establishing limits by the type of transaction and by each counterparty. By using the Current Exposure Method, the Company calculates counterparty credit risk based on replacement cost, thereby limiting exposure risk. Counterparties are selected based on their soundness, giving due consideration to their ratings and other factors.

The overall status of these transactions is managed comprehensively. For example, the small-committee for investment risk management monitors the total value and balance of transactions and other invested assets subject to hedge accounting. Moreover, a system of internal checks is in place by segregating the departments executing the transactions from the administrative departments to ensure risk management is on an appropriate footing.

#### (6) Supplementary Explanation on Quantitative Information

##### (i) Calculation of Fair Value

The fair value of interest rate swap transactions is stated at theoretical prices calculated by discounting the net future cash flows to the present value.

The fair value of OTC transactions, such as foreign exchange contracts, is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, or fair value based on data provided by pricing vendors.

The fair value of stock index futures and bond futures is calculated based on closing or settlement prices as of March 31.

(ii) Net Gains and Losses on Transactions

In principle, the Company utilizes derivative transactions as a hedging method against risk associated with invested assets, insurance liabilities and bonds payable, and, therefore, does not engage in derivative transactions for speculative purpose.

For example, interest rate swap transactions related to invested

assets are executed mainly for the purpose of fixing interest rates on assets with floating rates. Likewise, interest rate swap transactions related to insurance liabilities are intended to control the impact of interest rate fluctuations on such liabilities.

In short, the Company undertakes derivative transactions in combination with invested assets, insurance liabilities and bonds payable subject to hedge accounting, rather than on an individual transaction basis.

## 2. Quantitative Information

### (1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

(Millions of Yen)

As of March 31,	2017						2016					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	51,422	(28,235)	—	—	—	23,186	59,990	88,255	—	—	—	148,246
Hedge accounting not applied	(5)	632	(25)	—	—	601	(0)	(63)	43	—	—	(20)
Total	51,416	(27,603)	(25)	—	—	23,788	59,989	88,192	43	—	—	148,225

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included gain attributable to currency-related transactions totaling ¥89,473 million as of March 31, 2016 and loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017. These figures are presented on the statements of income, together with gains and losses on derivative transactions where hedge accounting is not applied.

### (2) Transactions Where Hedge Accounting is Not Applied

#### ◆ Interest-Rate Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
OTC								
Interest rate swaps								
Receipts fixed, payments floating	200	200	(5)	(5)	100	100	(0)	(0)
Total				(5)				(0)

Note: Net gains (losses) represent the fair values.

### Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,	2017							2016							
	Within 1 year	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	Within 1 year	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	
Receipts fixed, payments floating swap															
Notional amount	—	—	—	—	—	200	200	—	—	—	—	—	—	100	100
Average interest rate in receipt (%)	—	—	—	—	—	0.46	0.46	—	—	—	—	—	—	0.46	0.46
Average interest rate in payment (%)	—	—	—	—	—	0.02	0.02	—	—	—	—	—	—	0.02	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
OTC								
Foreign currency forward contracts								
Sold	118,008	—	592	592	12,946	—	(103)	(103)
(U.S. dollar)	106,347	—	575	575	519	—	3	3
(British pound)	6,979	—	(23)	(23)	32	—	0	0
(Australian dollar)	4,363	—	38	38	12,226	—	(105)	(105)
(Others)	317	—	1	1	169	—	(1)	(1)
Bought	11,993	—	38	38	5,339	—	39	39
(U.S. dollar)	11,742	—	40	40	3,572	—	(7)	(7)
(Euro)	146	—	(1)	(1)	1,641	—	46	46
(Others)	103	—	0	0	125	—	0	0
Currency options								
Sold								
Call	105,400	—			—	—		
	[499]		—	499	[—]		—	—
(U.S. dollar)	105,400	—			—	—		
	[499]		—	499	[—]		—	—
Bought								
Put	89,250	—			—	—		
	[499]		0	(499)	[—]		—	—
(U.S. dollar)	89,250	—			—	—		
	[499]		0	(499)	[—]		—	—
Total				632				(63)

Notes: 1. Net gains (losses) on foreign currency forward contracts represent the fair values, and net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.

2. Option fees are shown in [ ].

◆ Stock-Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
Exchange-traded transactions								
Yen Stock index futures								
Sold	—	—	—	—	274	—	4	4
Bought	2,192	—	(29)	(29)	1,824	—	21	21
Foreign currency-denominated stock index futures								
Bought	1,098	—	3	3	2,332	—	17	17
Total				(25)				43

Note: Net gains (losses) represent the fair values.

◆ Bond-Related

Not applicable.



### (3) Transactions Where Hedge Accounting is Applied

#### ◆ Interest-Rate Related

(Millions of Yen)

As of March 31,			2017			2016		
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year			Over 1 year		
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	232,600	232,600	51,026	233,900	233,900	59,067
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	16,755	8,755	395	28,948	18,948	922
Total			51,422			59,990		

#### Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,		2017							2016						
		Within 1 year	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	Within 1 year	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
		Receipts fixed, payments floating swap													
	Notional amount	8,000	5,227	7,500	7,500	16,028	205,100	249,355	10,000	15,000	4,118	7,400	16,130	210,200	262,848
	Average interest rate in receipt (%)	1.90	2.12	1.56	1.75	1.79	1.89	1.87	1.95	1.97	1.51	1.68	1.73	1.89	1.88
	Average interest rate in payment (%)	0.21	0.20	0.02	0.03	0.12	0.02	0.04	0.22	0.23	0.01	0.04	0.16	0.06	0.08

#### ◆ Currency-Related

(Millions of Yen)

As of March 31,			2017			2016					
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value			
			Over 1 year			Over 1 year					
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds	Sold								
			(U.S. dollar)	2,852,379		—	(29,786)		2,123,031	—	89,473
			(Euro)	2,560,560		—	(23,153)		1,808,792	—	86,840
			(Australian dollar)	168,759		—	(173)		182,880	—	1,773
			123,059	—	(6,459)	131,358	—	859			
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds	(Euro)	35,575	35,575	1,472	35,575	35,575	(1,307)		
			(Australian dollar)	4,305	4,305	78	4,305	4,305	89		
			Total	(28,235)			88,255				

Note: Excluding transactions related to foreign currency denominated monetary claims and liabilities whose value is fixed in yen at the time of settlement through such means as forward exchange contracts and can thus be included in yen on the balance sheet.

#### ◆ Stock-Related

Not applicable.

#### ◆ Bond-Related

Not applicable.

### Status of Stocks Held

#### 1. Investment Securities Held Excluding Those Held Solely for the Purpose of Investment

Number of stocks held: 13

Total amount reported in the balance sheet: 55,891 million yen

## 2. Of Which, Details of Investment Securities Excluding Unlisted Stocks

As of March 31, 2017

(Thousand Shares, Millions of Yen)

Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	49,469	To reinforce a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets, with the aim of facilitating the expansion of the Company's overseas insurance business

As of March 31, 2016

(Thousand Shares, Millions of Yen)

Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	47,878	To reinforce a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets, with the aim of facilitating the expansion of the Company's overseas insurance business

## 3. Investment Securities Held Solely for Investment

(Millions of Yen)

As of and years ended March 31,	2017					2016				
	Balance sheet amount	Dividends received	Gains/Losses on sales	Valuation gains/losses		Balance sheet amount	Dividends received	Gains/Losses on sales	Valuation gains/losses	
Unrealized gains/losses				Impairment losses	Unrealized gains/losses				Impairment losses	
Unlisted stocks	27,079	1,974	716	917	(34)	46,912	2,249	164	897	(98)
Others	4,066,262	79,852	12,108	2,372,282	(332)	3,493,060	74,109	12,711	1,801,510	(8,358)

## Components of Ordinary Profit (Base Profit)

(Millions of Yen)

Years ended March 31,	2017	2016
Base income ①	<b>3,520,567</b>	4,227,253
Insurance premiums and other	<b>2,615,872</b>	3,357,858
Insurance premiums	<b>2,614,768</b>	3,357,042
Investment income (Note 1)	<b>794,431</b>	779,942
Interest, dividends and other income	<b>721,464</b>	690,849
Other ordinary income (Note 1)	<b>110,262</b>	89,452
Base expenses ②	<b>3,048,224</b>	3,767,349
Benefits and other payments	<b>2,204,036</b>	2,301,138
Claims paid	<b>564,719</b>	562,557
Annuity payments	<b>695,207</b>	695,922
Benefit payments	<b>396,440</b>	409,457
Surrender benefits	<b>452,951</b>	454,237
Other refunds	<b>89,190</b>	173,064
Provision for policy reserves and other reserves (Note 1)	<b>283,189</b>	853,869
Investment expenses (Note 1)	<b>37,014</b>	57,257
Operating expenses	<b>350,389</b>	355,644
Other ordinary expenses	<b>173,594</b>	199,438
Base profit	<b>A (①-②)</b>	459,903
Capital income ③	<b>21,635</b>	8,568
Gains on money held in trust	—	0
Gains on trading securities	—	—
Gains on sales of securities	<b>21,635</b>	8,415
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	153
Other capital income	—	—
Capital expenses ④	<b>134,641</b>	122,080
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	<b>32,078</b>	1,959
Losses on valuation of securities	<b>12,009</b>	12,791
Losses on derivative financial instruments	<b>90,154</b>	107,329
Foreign exchange losses	<b>399</b>	—
Other capital expenses	—	—
Capital gains/losses	<b>B (③-④)</b>	(113,511)
Total of base profit and capital gains/losses	<b>A+B</b>	346,392
Temporary income ⑤	—	—
Reversal of contingency reserves	—	—
Reversal of specific allowance for possible loan losses	—	—
Other temporary income	—	—
Temporary expenses ⑥	<b>40,882</b>	45,438
Provision for contingency reserves	<b>5,960</b>	8,227
Provision for specific allowance for possible loan losses	<b>381</b>	1,031
Provision for specific allowance for possible overseas loan losses	—	—
Write-off of doubtful accounts	—	—
Other temporary expenses (Note 2)	<b>34,540</b>	36,179
Temporary gains/losses	<b>C (⑤-⑥)</b>	(45,438)
Ordinary profit	<b>A+B+C</b>	300,953

Notes: 1. Excludes items presented on the statements of income as investment income and expenses, other ordinary income and provision for policy reserves and other reserves, which are all deemed to be capital income/expenses and temporary gains/losses.

2. Other temporary expenses presented above are provision for policy reserves posted in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

## Components of Base Profit (Three Surplus Factors)

(Billions of Yen)

Years ended March 31,		2017	2016
Base profit	A	472.3	459.9
Interest surplus		174.8	181.9
Mortality profit		281.6	267.9
Expense profit		15.8	9.9
Capital gains/losses	B	(113.0)	(113.5)
Temporary gains/losses	C	(40.8)	(45.4)
Ordinary profit	D (=A+B+C)	318.4	300.9
Extraordinary gains/losses, income taxes	E	(81.1)	(80.3)
Unappropriated surplus	F (=D+E)	237.2	220.6

## Performance Indicators

### Performance Indicators for Main Business Annualized Premiums and Number of Policies

#### (1) Policies in Force

##### • Annualized Premiums

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	1,561,156	102.2	1,527,436	103.4
Individual annuities	688,870	102.9	669,261	100.8
Total	2,250,027	102.4	2,196,698	102.6
Medical insurance, living benefits and others	382,233	103.9	367,950	104.0

##### • Number of Policies

As of March 31,	2017		2016	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	9,152,556	102.5	8,925,048	101.4
Individual annuities	2,687,165	105.2	2,553,514	102.7
Total	11,839,721	103.1	11,478,562	101.7

#### (2) New Policies

##### • Annualized Premiums

(Millions of Yen)

Years ended March 31,	2017		2016	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	127,695	87.7	145,629	110.9
Individual annuities	52,228	132.7	39,345	103.9
Total	179,924	97.3	184,974	109.3
Medical insurance, living benefits and others	36,545	100.6	36,337	111.2

• Number of Policies

Years ended March 31,	2017		2016	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	1,096,308	109.2	1,004,226	99.6
Individual annuities	248,088	133.3	186,062	111.2
<b>Total</b>	<b>1,344,396</b>	<b>112.9</b>	<b>1,190,288</b>	<b>101.2</b>

Notes: 1. Annualized premiums are calculated by multiplying the amount of premium payments for twelve months by a coefficient determined by payment frequency. (For policies with a single lump-sum payment, the amount is calculated by dividing total premiums by years contracted).  
 2. Figures for medical insurance, living benefits and others represent annualized premiums paid for coverage under medical insurance (hospitalization benefits and surgery benefits), living benefits (benefits under coverage for specified diseases and nursing care) and benefits subject to premium payment waiver (including premium payment waiver for those who suffer from specified diseases or require nursing care; excluding waivers for those who become disabled).  
 3. In (2) new policies, annualized premiums include net increase in premiums resulting from conversion of policies, coverage revision and rider changes. The number of policies includes the number of policies subject to such conversion, revision or changes.

## Insurance Amount of Policies in Force and New Policies

### (1) Policies in Force

As of March 31,	2017		2016	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	68,042,279	95.6	71,193,761	95.6
Individual annuities	14,503,891	103.6	14,003,510	101.0
Subtotal	82,546,170	96.9	85,197,272	96.5
Group life insurance	112,956,900	100.9	111,918,819	100.3
<b>Total</b>	<b>195,503,071</b>	<b>99.2</b>	<b>197,116,091</b>	<b>98.6</b>
Group pensions	7,441,786	101.3	7,345,422	103.0

Notes: 1. Figures for individual annuities represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.  
 2. Figures for group pensions represent the amount of policy reserves.

### (2) New Policies

Years ended March 31,	2017				2016			
	New policies	Net increase from conversion	New policies + net increase from conversion	YOY change (%)	New policies	Net increase from conversion	New policies + net increase from conversion	YOY change (%)
Individual life insurance	2,866,864	(1,038,459)	1,828,405	81.5	3,460,275	(1,217,031)	2,243,243	147.6
Individual annuities	1,268,440	(857)	1,267,583	139.6	908,972	(1,098)	907,873	107.1
Subtotal	4,135,305	(1,039,317)	3,095,988	98.3	4,369,247	(1,218,130)	3,151,117	133.1
Group life insurance	504,243	—	504,243	80.1	629,310	—	629,310	83.8
<b>Total</b>	<b>4,639,549</b>	<b>(1,039,317)</b>	<b>3,600,232</b>	<b>95.2</b>	<b>4,998,558</b>	<b>(1,218,130)</b>	<b>3,780,428</b>	<b>121.2</b>
Group pensions	83	—	83	1.6	5,275	—	5,275	336.3

Notes: 1. Net increase from conversion includes net increase due to coverage revision and rider changes.  
 2. Figures for new policies and net increase from conversion in individual annuities represent planned annuity value at the start of annuity payments.  
 3. The figures for new policies in group pensions represent insurance premiums from the first payment.



(Millions of Yen)

	Policies in force (as of March 31, 2017)				New policies (year ended March 31, 2017)			
	Number of policies	% of policies	Amount	% of policies	Number of policies	% of policies	Amount	% of policies
Endowment insurance with term rider with living benefits	34,575	0.4	320,580	0.5	[1,063]	[0.1]	[12,105]	[0.2]
					995	0.1	11,410	0.2
Term life insurance with living benefits	13,632	0.1	130,948	0.2	—	—	—	—
Child insurance with annuity for child	55,259	0.6	246,486	0.4	—	—	—	—
Term rider with living benefits	[20,635]	—	34,692	0.1	—	—	—	—
Pure endowment insurance	589,386	6.4	782,808	1.2	[300,289]	[27.4]	[307,232]	[4.2]
					300,289	27.4	307,232	4.2
Wealth accumulation insurance with death/accident benefits for women	264,847	2.9	136,791	0.2	[222,970]	[20.3]	[108,554]	[1.5]
					222,970	20.3	108,554	1.5
Child insurance	266,524	2.9	581,893	0.9	[77,319]	[7.1]	[198,678]	[2.7]
					77,319	7.1	198,678	2.7
Child insurance with educational endowment	58,015	0.6	41,342	0.1	—	—	—	—
Policy aggregation rider	[1,158,188]	—	22,781	0.0	—	—	—	—
Total	9,152,556	100.0	68,042,279	100.0	[1,096,308]	[100.0]	[7,384,007]	[100.0]
					783,453	71.5	2,866,864	38.8

Notes: 1. Figures presented in brackets in the first row of each line item for new policies in the year ended March 31, 2017 include policies subject to conversion, coverage revision and rider changes.

2. Total number of policies does not include the number of riders presented in brackets.

## Individual Annuities

(Millions of Yen)

	Policies in force (as of March 31, 2017)		New policies (year ended March 31, 2017)	
	Number of policies	Amount	Number of policies	Amount
Whole life annuities with term life insurance	4,079	5,647	—	—
Individual annuities	2,582,050	14,131,460	246,936	1,263,415
Variable individual annuities	470	1,491	—	—
Variable individual annuities (that assure planned annuity value)	95,565	328,580	1,085	4,465
Annuity type payment rider attached to life insurance policies	2,499	8,356	67	559
Income protection rider	1,641	9,927	—	—
Whole life or fixed-term annuity rider with disability income benefit	541	7,288	—	—
Whole life annuity rider with disability income benefit	284	6,334	—	—
Whole life nursing care annuity rider	36	373	—	—
Others	1,021	4,430	—	—
Total	2,687,165	14,503,891	248,088	1,268,440

Notes: 1. Others is not included in the total number of policies.

2. The amount of policies in force represents the expected future value of accumulated capital of insurance policies written prior to payout at pension eligibility and policy reserves of insurance policies written after pension payout.

3. The amount of new policies represents planned annuity value at the start of annuity payments.

4. The figures for whole life annuity rider with disability income benefit include whole life annuity rider with nursing care support.

## Group Life Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2017)		New policies (year ended March 31, 2017)	
	Number of policies	Amount	Number of policies	Amount
Group term life insurance	11,496,301	53,624,456	98,272	449,074
Comprehensive group term life insurance for employees	4,758,192	14,088,511	88,635	54,596
Group credit life insurance	12,156,828	45,089,798	440	573
Consumer group credit life insurance	5,643	3,323	—	—
Group whole life insurance	1,573	5,282	—	—
Life insurance for disability support	45,239	27,100	—	—
Annuity type payment rider attached to group term life insurance	20,427	118,426	—	—
<b>Total</b>	<b>28,438,964</b>	<b>112,956,900</b>	<b>187,347</b>	<b>504,243</b>

Notes: 1. The number of policies represents the number of insured persons.

2. The amount of annuity type payment rider represents the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.

3. The total number of policies does not include the number of life insurance policies for disability support.

## Group Pensions

(Millions of Yen)

	Policies in force (as of March 31, 2017)		New policies (year ended March 31, 2017)	
	Number of policies	Amount	Number of policies	Amount
Corporate pensions	774	490	—	—
New corporate pensions	7,968,123	425,020	—	—
Corporate pensions with individual contribution	3,245,010	3,519,253	302	45
National pension fund insurance	—	1,294	—	—
Employees' pension fund insurance	476,380	155,744	—	—
Group pure endowment insurance	—	130,765	—	—
Defined contribution pension plans (corporate)	—	103,591	—	12
Defined contribution pension plans (individual)	—	5,882	—	—
Defined benefit corporate pension plans (contract-type)	—	1,720,764	—	—
Defined benefit corporate pension plans (fund-type)	—	1,378,977	—	24
<b>Total</b>	<b>11,690,287</b>	<b>7,441,786</b>	<b>302</b>	<b>83</b>

Notes: 1. The number of policies represents the number of insured persons.

2. The amount of policies in force represents policy reserves.

3. The amount of new policies represents insurance premiums from the first payment of premiums.

## Other Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2017)		New policies (year ended March 31, 2017)	
	Number of policies	Amount	Number of policies	Amount
Asset formation insurance and asset formation annuities				
Asset formation saving insurance	50,360	136,087	805	64
Asset formation for home acquisition insurance	4,783	15,038	121	7
Asset formation benefit saving insurance	7,292	1,071	1,244	38
Asset formation annuities	827	1,891	—	—
Asset formation wealth accumulation annuities	30,080	63,279	422	25
Subtotal	93,342	217,368	2,592	136
Medical life insurance	916,964	3,122	66,277	23
Disability income insurance	49,091	2,963	—	—
Reinsurance underwritten	295,610	100,564	1,694	450

Notes: 1. The number of policies represents the number of insured persons.

2. Insurance amount of policies in force in categories under asset formation insurance and asset formation annuities (excluding figures for "asset formation annuities") represents policy reserves. The amount of new policies represents insurance premiums from the first payment of premiums.

3. The amount of asset formation annuities represents the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.

4. The amount of medical life insurance represents the amount of daily hospitalization benefits.

5. The amount of disability income insurance represents the amount of monthly disability income benefits.



## Insurance Amount of Policies in Force by Coverage Type

(Millions of Yen)

As of March 31,	2017	2016
<b>Death coverage</b>		
Death protection due to illness/accidents		
Individual life insurance	67,259,471	70,672,275
Individual annuities	4,538	4,850
Group life insurance	112,838,473	111,797,105
Group pensions	—	—
Total (including others)	180,203,047	182,575,750
Death protection due to accidents		
Individual life insurance	[11,943,504]	[12,571,325]
Individual annuities	[140,722]	[152,056]
Group life insurance	[6,151,337]	[6,259,500]
Group pensions	[—]	[—]
Total (including others)	[18,266,184]	[19,014,008]
Death protection due to other causes		
Individual life insurance	—	—
Individual annuities	[—]	[—]
Group life insurance	[45,382]	[46,596]
Group pensions	[—]	[—]
Total (including others)	—	—
<b>Pure endowment</b>		
Maturity and living benefits		
Individual life insurance	782,808	521,485
Individual annuities	12,638,458	12,193,288
Group life insurance	5,522	5,703
Group pensions	—	—
Total (including others)	13,468,336	12,763,887
Annuities		
Individual life insurance	[47,452]	[42,781]
Individual annuities	[1,642,591]	[1,564,694]
Group life insurance	[16,794]	[17,242]
Group pensions	[—]	[—]
Total (including others)	[1,711,090]	[1,629,140]
Others		
Individual life insurance	—	—
Individual annuities	1,860,894	1,805,371
Group life insurance	112,904	116,010
Group pensions	7,441,786	7,345,422
Total (including others)	9,591,406	9,442,163
<b>Hospitalization coverage</b>		
Hospitalization due to accidents		
Individual life insurance	[29,990]	[30,028]
Individual annuities	[689]	[747]
Group life insurance	[4,041]	[4,097]
Group pensions	[—]	[—]
Total (including others)	[37,844]	[37,986]
Hospitalization due to illness		
Individual life insurance	[29,591]	[29,528]
Individual annuities	[683]	[740]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[33,398]	[33,383]

(Millions of Yen)

As of March 31,	2017	2016
Hospitalization due to other causes		
Individual life insurance	[40,390]	[48,075]
Individual annuities	[1,234]	[1,322]
Group life insurance	[34]	[34]
Group pensions	[—]	[—]
Total (including others)	[41,660]	[49,432]

- Notes: 1. Figures in brackets are additional coverage and rider coverage attached to coverage under primary policies. However, death coverage due to illness/accidents under term rider is included in figures for coverage under primary policies.
2. In the pure endowment category, the figures for maturity and living benefits of individual annuities and group life insurance represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility.
3. In the pure endowment category, the figures in annuities represent the annual amount of annuity payments.
4. In the pure endowment category, the figures in others represent policy reserves.
5. The figures for hospitalization coverage represent daily hospitalization benefits.
6. The total (including others) of hospitalization due to illness includes coverage under primary policies and additional coverage.

(Number of Policies)

As of March 31,	2017	2016
Disability coverage		
Individual life insurance	[4,305,195]	[4,672,131]
Individual annuities	[24,720]	[26,434]
Group life insurance	[3,169,717]	[3,181,059]
Group pensions	[—]	[—]
Total (including others)	[7,499,632]	[7,879,624]
Surgery coverage		
Individual life insurance	[7,625,815]	[7,288,508]
Individual annuities	[127,871]	[137,472]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[7,753,686]	[7,425,980]

Note: Figures in brackets represent the number of policies and riders attached to coverage under primary policies.

## Insurance Amount of Individual Life Insurance and Individual Annuities in Force by Type of Policy

(Millions of Yen)

As of March 31,	2017	2016
Mortality insurance		
Whole life insurance	14,680,260	14,386,694
Whole life insurance with term rider	5,674,805	6,653,489
Wealth accumulation whole life insurance with floating interest	19,563,550	25,018,820
Comprehensive protection insurance with combined policies	16,930,630	13,013,576
Whole life hospitalization insurance	1,184,509	1,996,131
Term insurance	5,452,599	5,360,260
Total (including others)	65,209,350	68,269,715
Hybrid insurance		
Endowment insurance	851,887	953,904
Endowment insurance with term rider	786,106	913,957
Term life insurance with living benefits	130,948	179,866
Total (including others)	2,050,121	2,402,560
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	136,791	37,595
Child insurance	581,893	392,845
Total (including others)	782,808	521,485
Annuities		
Individual annuities	14,503,891	14,003,510

			(Millions of Yen)	
As of March 31,	2017	2016		
Rider coverage for accidents and illness				
Accidental death benefit rider	1,719,567	2,027,131		
Rider for injuries	8,267,211	8,660,590		
Hospitalization rider due to accidents	2,106	2,421		
Hospitalization rider due to illness	27,845	27,516		
Hospitalization rider due to lifestyle-related diseases	1,942	2,368		
Hospitalization rider due to cancer	1,377	1,717		
Hospitalization rider for female-specific critical illness	6,474	7,547		
Home care rider (post-hospitalization)	21,066	25,435		
Rider for specific injuries	70,702	67,496		
(Number of Policies)				
Surgery rider	2,471,703	2,305,644		
Rider for protection against cancer	2,649,222	2,125,029		
Advanced medical care rider	2,105,012	1,956,179		
Serious disease rider with ongoing coverage	1,423,416	1,140,932		
New nursing care rider	658,777	573,486		

- Notes: 1. Amount of individual annuities in force represents the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.
2. Figures for hospitalization rider due to accidents, illness, lifestyle-related diseases, and cancer as well as hospitalization rider for female-specific critical illness represent daily hospitalization benefits. However, hospitalization rider due to accidents includes standard daily benefits under rider for leisure coverage and comprehensive injury rider.
3. The home care rider (post-hospitalization) represents standard benefits paid to the insured person after hospital release for home treatment.
4. Rider for specific injuries represents injury benefits paid for such injuries.
5. The figures for surgery rider, rider for protection against cancer, advanced medical care rider, serious disease rider with ongoing coverage and new nursing care rider represent the number of policies with such riders.
6. Rider for protection against cancer includes the number of policies with rider for cancer treatment and rider for intraepithelial neoplasia and other types of cancer.
7. Serious disease rider with ongoing coverage includes the number of policies with riders for six specified diseases and riders for seven specified diseases.
8. New nursing care rider includes the number of riders (excluding riders with a set period for premium payments) with lump-sum benefits for policyholders requiring long-term nursing care and those requiring lighter nursing assistance.

## Trend of Policy Transitions

### Individual Life Insurance

					(Millions of Yen)	
Years ended March 31,	2017		2016			
	Number of policies	Amount	Number of policies	Amount		
At the beginning of the fiscal year	8,925,048	71,193,761	8,797,798	74,463,264		
New policies	783,453	2,866,864	697,842	3,460,275		
Renewal	1,404,415	2,393,108	1,356,500	2,322,777		
Reinstatement	23,337	237,611	21,802	239,343		
Increase of insurance amount	—	48	—	15		
Increase from conversion	312,855	4,517,142	306,384	4,823,253		
Death	53,936	312,365	52,286	309,993		
Maturity	1,554,227	3,424,198	1,513,078	3,459,648		
Decrease of insurance amount	—	608,702	—	650,864		
Decrease from conversion	316,130	5,555,602	308,185	6,040,284		
Surrender	317,206	2,738,062	328,367	2,978,822		
Lapse	52,122	496,914	50,652	517,466		
Decrease due to other changes	2,931	30,413	2,710	158,087		
At the end of the fiscal year	9,152,556	68,042,279	8,925,048	71,193,761		
Rate of increase (%)	2.5	(4.4)	1.4	(4.4)		
Net increase	227,508	(3,151,481)	127,250	(3,269,503)		
Year-on-year change in net increase (%)	78.8	—	—	—		

- Notes: 1. Amount represents coverage under primary policies (mortality insurance, hybrid insurance, and pure endowment insurance).
2. The figures for increase/decrease from conversion include, respectively, increase/decrease due to coverage revision and rider changes.

## Individual Annuities

(Millions of Yen)

Years ended March 31,	2017		2016	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	2,553,514	14,003,510	2,486,262	13,866,218
<Annual amount of annuity payments>		<1,564,694>		<1,527,475>
New policies	248,088	1,268,440	186,062	908,972
Reinstatement	2,895	14,925	2,098	11,180
Increase of annuity amount	—	60	—	31
Increase due to conversion	—	—	—	—
Death	5,160	26,564	5,220	29,199
Completion of payments	24,394	59	27,342	79
Decrease of annuity amount	—	27,365	—	21,137
Decrease due to conversion	156	857	179	1,098
Surrender	59,289	334,560	61,210	356,569
Lapse	6,684	32,708	5,168	25,240
Decrease due to other changes	21,649	360,930	21,789	349,565
At the end of the fiscal year	2,687,165	14,503,891	2,553,514	14,003,510
Rate of increase (%)	5.2	3.6	2.7	1.0
<Annual amount of annuity payments>		<1,642,591>		<1,564,694>
Net increase	133,651	500,380	67,252	137,292
Year-on-year change in net increase (%)	98.7	264.5	96.2	—

Note: The amounts represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.

## Group Life Insurance

(Millions of Yen)

Years ended March 31,	2017		2016	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	28,510,739	111,918,819	28,622,943	111,636,133
New policies	187,347	504,243	369,402	629,310
Renewal	16,280,517	67,888,228	16,079,343	66,541,632
Reinstatement	—	—	—	—
Midterm enrollment	1,716,456	6,677,746	1,637,333	6,075,835
Increase of insurance amount	—	1,076,155	—	647,415
Death	48,385	139,348	49,976	142,627
Maturity	16,222,237	67,123,008	16,313,501	66,257,814
Withdrawal	1,960,441	5,162,893	1,793,116	4,663,557
Decrease of insurance amount	—	2,639,793	—	2,462,962
Surrender	26,549	40,327	42,776	79,707
Lapse	—	—	466	1,528
Decrease due to other changes	(1,517)	2,922	(1,553)	3,311
At the end of the fiscal year	28,438,964	112,956,900	28,510,739	111,918,819
Rate of increase (%)	(0.3)	0.9	(0.4)	0.3
Net increase	(71,775)	1,038,081	(112,204)	282,685
Year-on-year change in net increase (%)	—	267.2	—	(55.1)

Notes: 1. Amounts represent coverage under primary policies (mortality insurance, hybrid insurance, and policies with annuity rider attached to death coverage).

2. The number of policies represents the number of insured persons.

3. In decrease due to other changes, the number of policies includes changes in policies where the cause had yet to be determined.

## Group Pensions

(Millions of Yen)

Years ended March 31,	2017		2016	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	11,814,280	7,345,422	11,908,270	7,133,678
New policies	302	83	489	5,275
Annuity payments	2,561,296	247,638	2,310,868	260,780
Lump-sum payments	592,886	237,324	610,728	248,179
Surrender	206,694	59,355	158,881	31,099
At the end of the fiscal year	11,690,287	7,441,786	11,814,280	7,345,422
Rate of increase (%)	(1.0)	1.3	(0.8)	3.0
Net increase	(123,993)	96,363	(93,990)	211,744
Year-on-year change in net increase (%)	—	(54.5)	—	29.8

Notes: 1. Amount at the beginning and the end of the fiscal year represents policy reserves.

2. The figures for new policies represents insurance premiums from the first payment.

3. The figures for annuity payments, lump-sum payments and surrender represents the amount of benefits paid in each instance.

4. The number of policies represents the number of insured persons.

## Performance Indicators for Insurance Policies

### Rate of Change of Policies in Force

(%)

Years ended March 31,	2017	2016
Individual life insurance	(4.4)	(4.4)
Individual annuities	3.6	1.0
Group life insurance	0.9	0.3
Group pensions	1.3	3.0

### Average Insured Amount per New Policy and Policy in Force (individual life insurance)

(Thousands of Yen)

Years ended March 31,	2017	2016
New policy	3,659	4,958
Policy in force	7,434	7,976

Note: New policy does not include policies subject to conversion, revision of coverage and changes in rider.

### New Policy Rate (comparison between the beginning and end of the year)

(%)

Years ended March 31,	2017	2016
Individual life insurance	4.0	4.6
Individual annuities	9.1	6.6
Group life insurance	0.5	0.6

Note: Figures represent the proportion of new policies (excluding those resulting from conversion, revision of coverage and changes in rider) to policies in force at the beginning of the fiscal year. The rates are calculated based on the insurance amount of new policies.

### Surrender and Lapse Rates (comparison between the beginning and end of the year)

(%)

Years ended March 31,	2017	2016
Individual life insurance	4.5	4.7
Individual annuities	2.6	2.8
Group life insurance	0.0	0.1

Note: Surrender and lapse rates represent the proportion of surrendered or lapsed policies to policies in force at the beginning of the fiscal year. The rates are calculated based on the insurance amount of surrendered and lapsed policies.

## Average Premiums for New Policies (individual life insurance policies with monthly payments)

(Yen)

Year ended March 31, 2017	Year ended March 31, 2016
90,853	87,942

Notes: 1. Excludes converted policies.  
2. The premiums have been annualized

## Mortality Rate (individual life insurance)

(‰)

Rate by number of policies		Rate by insurance amount	
Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
5.95	5.88	4.48	4.25

Notes: 1. The rate is calculated on the basis of figures for policies with mortality claims (numerator) divided by total policies (denominator).  
2. Calculations for total policies are based on one-half of policies in force at the beginning of the fiscal year, one-half of policies in force at the end of the fiscal year, and one-half of policies with mortality claims.  
3. Mortality includes severe incapacitation.  
4. Figures are presented on a per thousand (‰) basis.

## Rate of Incidence of Events Covered by Riders (individual life insurance)

(‰)

Years ended March 31,	2017		2016	
	By the number of policies with paid rider	By amount of claims paid	By the number of policies with paid rider	By amount of claims paid
Accidental death	0.15	0.13	0.19	0.17
Disability	0.29	0.10	0.29	0.11
Hospitalization due to accidents	4.76	157.53	4.55	149.27
Hospitalization due to illness	49.56	1,356.34	48.06	1,291.50
Hospitalization due to lifestyle-related diseases	47.42	1,426.26	45.77	1,368.88
Surgery for illness and injuries	82.94		76.18	
Surgery for lifestyle-related diseases	37.44		35.04	

Notes: 1. Rates are calculated by dividing the number of policies with paid rider or the amount of claims paid based on such rider (numerator) by the number of total policies or amount of maximum possible claims under such policies (denominator).  
2. Calculations for total policies for accidental death are based on one-half of policies in force at the beginning of the fiscal year, one-half of policies in force at the end of the fiscal year, and one-half of policies with accidental death claims. However, calculations for total policies for other claims are based on the average of policies in force at the beginning and the end of the fiscal year.  
3. Accidental deaths include severe incapacitation.  
4. Figures are presented on a per thousand (‰) basis.

## Ratio of Operating Expenses to Insurance Premiums

(%)

Year ended March 31, 2017	Year ended March 31, 2016
13.4	10.6

## The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Year ended March 31, 2017	Year ended March 31, 2016
9	9

Note: There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

## Ratio of Reinsurance Premiums Paid to the Top Five Counterparties

(%)

Year ended March 31, 2017	Year ended March 31, 2016
96.3	96.7

Note: There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

## Ratio of Reinsurance Premiums by Counterparty Rating

Years ended March 31,	(%)	
	2017	2016
A or higher	99.1	99.1
BBB or higher	0.9	0.9
Others	—	—

Notes: 1. Ratings are based on assessments by Standard & Poor's.  
 2. A or higher includes A-. BBB or higher includes BBB-.  
 3. An unrated insurance subsidiary has been included in the data under the rating of its parent company.  
 4. There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

## Unreceived Reinsurance Claims

	(Millions of Yen)	
Year ended March 31, 2017	Year ended March 31, 2016	
136	224	

Note: There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

## Ratio of Premiums Paid as Benefit Payments under Third-Sector Insurance, with Coverage Breakdown

Years ended March 31,	(%)	
	2017	2016
Ratio of benefits paid under third-sector insurance	32.0	32.5
Medical coverage (for illness)	39.8	40.0
Cancer coverage	43.1	43.7
Nursing care coverage	17.3	18.1
Others	17.2	18.0

Notes: 1. Benefits include operating expenses associated with the payment of claims and benefits for third-sector insurance policies.  
 2. Premiums paid are calculated by averaging annualized premiums in force at the beginning of and at the end of the fiscal year.

## Performance Indicators for Accounting Reserve for Outstanding Claims

As of March 31,	(Millions of Yen)	
	2017	2016
Insurance claims	76,075	74,832
Death insurance claims	61,325	58,418
Insurance claims for accidents	666	906
Insurance claims for disabilities	13,555	15,105
Insurance claims upon maturity	505	382
Others	22	19
Annuity payments	2,710	2,716
Benefit payments	22,366	21,303
Surrender benefits	9,609	10,348
Other refunds	308	282
Deferred benefit payments	422	659
Total	111,491	110,142

## Policy Reserves

(Millions of Yen)

As of March 31,	2017	2016
Policy reserves (excluding contingency reserves)		
Individual life insurance	<b>15,466,625</b>	15,300,601
General account	<b>15,403,062</b>	15,234,938
Separate account	<b>63,562</b>	65,662
Individual annuities	<b>7,433,070</b>	7,374,541
General account	<b>7,107,088</b>	7,030,615
Separate account	<b>325,982</b>	343,926
Group life insurance	<b>141,479</b>	144,804
General account	<b>141,479</b>	144,804
Separate account	—	—
Group pensions	<b>7,441,786</b>	7,345,422
General account	<b>7,037,215</b>	6,965,716
Separate account	<b>404,571</b>	379,706
Others	<b>218,705</b>	220,051
General account	<b>218,705</b>	220,051
Separate account	—	—
Subtotal	<b>30,701,667</b>	30,385,422
General account	<b>29,907,551</b>	29,596,126
Separate account	<b>794,116</b>	789,295
Contingency reserves	<b>681,534</b>	675,573
Total	<b>31,383,201</b>	31,060,996
General account	<b>30,589,085</b>	30,271,700
Separate account	<b>794,116</b>	789,295

## Breakdown of Policy Reserves

(Millions of Yen)

	Premium reserves	Unearned premiums	Refund reserves	Contingency reserves	Total
As of March 31, 2017	<b>29,912,086</b>	<b>789,581</b>	—	<b>681,534</b>	<b>31,383,201</b>
As of March 31, 2016	29,737,051	648,370	—	675,573	31,060,996

## Policy Reserves for Individual Life Insurance and Individual Annuities

### Policy Reserve Accumulation Method and Ratio

As of March 31,		2017	2016
Accumulation method	Policies subject to standard policy reserves	<b>The method stipulated by Prime Minister (Ministry of Finance Notification No. 48 in 1996)</b>	The method stipulated by Prime Minister (Ministry of Finance Notification No. 48 in 1996)
	Policies not subject to standard policy reserves	<b>Net level premium method</b>	Net level premium method
Accumulation ratio (excluding contingency reserves)		<b>100%</b>	100%

Notes: 1. The aforementioned accumulation method and ratio apply to policy reserves for individual life insurance and individual annuities.

2. The above table excludes policy reserves for group life insurance and group pensions because these policies are not subject to the accumulation method under the notification described below.

3. The accumulation ratio of policies subject to standard policy reserves is calculated using a method stipulated by Ministry of Finance Notification No. 48 in 1996. The accumulation ratio of other policies represents the ratio of policy reserves to the total of insurance premium reserves calculated using the net level premiums method and unearned premiums.



## Policy Reserves (Categorized by Fiscal Year in Which Policies were Signed)

	Policy reserves (Millions of Yen)	Assumed interest rates (%)
Up to year ended March 31, 1981	288,956	2.75 – 5.00
Years ended March 31, 1982 to 1986	798,864	2.75 – 6.00
Years ended March 31, 1987 to 1991	2,987,852	2.75 – 6.00
Years ended March 31, 1992 to 1996	3,863,093	1.00 – 5.50
Years ended March 31, 1997 to 2001	1,264,516	1.00 – 3.75
Years ended March 31, 2002 to 2006	767,679	0.55 – 2.35
Years ended March 31, 2007 to 2011	3,458,875	0.55 – 1.85
Year ended March 31, 2012	2,858,391	0.71 – 1.50
Year ended March 31, 2013	1,546,140	0.45 – 1.50
Year ended March 31, 2014	1,404,798	0.45 – 1.50
Year ended March 31, 2015	1,319,537	0.35 – 1.09
Year ended March 31, 2016	1,284,835	0.44 – 1.05
<b>Year ended March 31, 2017</b>	<b>666,609</b>	<b>0.25 – 1.00</b>

Notes: 1. The policy reserves balances presented above include reserves for individual life insurance and individual annuity policies, but exclude policy reserves held in separate accounts and contingency reserves.

2. The above table displays the principal assumed interest rates of policy reserves that were signed into effect during each period and subject to reserves.

3. The allocation of policy reserves is determined based on reasonable actuarial methods.

## Balance of, calculation method for, and coefficient used as the basis for the calculation of policy reserves in general account in relation to insurance policies with separate account and minimum insurance benefit guarantee

### • Policy Reserves (General Account)

	(Millions of Yen)	
As of March 31,	2017	2016
Policy reserves (general account)	20,189	12,526

Notes: 1. Policy reserves (general account) are accumulated for insurance policies stipulated by Article 68 of the Ordinance for Enforcement of the Insurance Business Act as being subject to standard policy reserves.

2. Policy reserves (general account) represent insurance premium reserves necessary to ensure minimum insurance benefit guarantee.

### • Calculation Method and Coefficient Used for the Calculation

#### (1) Calculation method

The “scenario testing method” stipulated as an alternative method by Article 9, Paragraph 1, Item 1 of Ministry of Finance Notification No. 48 in 1996 is used for:

- Single premium variable individual annuities with periodic (every five years) and surplus dividends;
- Single premium variable individual annuities (type II) with periodic (every five years) and surplus dividends;
- Single premium variable individual annuities (series 2012—future annuity value guaranteed) with periodic (every five years) and surplus dividends.

The standard method stipulated by Article 9, Paragraph 1, Item 1 of said notification is used for variable annuities other than those stated above.

#### (2) Coefficient used for the calculation

##### i) Assumed mortality rate

The rate stipulated by Article 9, Paragraph 1, Item 2 of said notification.

##### ii) Discount rate

The rate stipulated by Article 9, Paragraph 1, Item 3 of said notification.

##### iii) Expected return and volatility

The rate stipulated by Article 9, Paragraph 1, Item 4 of said notification. However, the following rates are set in line with rates stipulated by the statement of calculation procedures for insurance premiums and

policy reserves.

- Volatility of short-term funds: 0.3% annually
- Volatility of assets in separate accounts for single premium variable individual annuities (type II) with periodic (every five years) and surplus dividends: 5.3% annually
- Volatility of assets in separate accounts for single premium variable individual annuities (series 2012—future annuity value guaranteed) with periodic (every five years) dividends: 4.3% annually for standard-type policies; 3.5% annually for surplus-type policies

### Confirming the Soundness and Validity of Actuarial Assumptions in Accordance with Article 121, Paragraph 1, Item 1 of the Insurance Business Act (Relating to Third-Sector Insurance Only)

#### (1) Securing appropriate funding of policy reserves for third-sector insurance policies

The Company secures a sufficient level of policy reserves by performing liability adequacy tests and stress tests in accordance with provisions stipulated by Financial Supervisory Agency and Ministry of Finance Notification No. 22 in 2000 and Ministry of Finance Notification No. 231 in 1998.

#### (2) Soundness and validity of risk frequency and other assumptions set for liability adequacy tests and stress tests

In principle, the Company classifies its policies by the occurrence rate of insurance claims based on historical data for insurance claims and

thereby determines risk frequency for each classification of policies. The Company also allows for some additional stress factors in this calculation. As a result, possible increases in insurance claims due to changes in occurrence rates are covered with a 97.7% and a 99% degree of certainty.

### (3) Results of liability adequacy tests and stress tests

In the year ended March 31, 2017, the Company set aside provision

for contingency reserves totaling ¥22 million (based on the results of stress tests). On the other hand, the Company did not identify a need for additional policy reserves (based on the results of liability adequacy tests). In line with in-house rules, the soundness and validity of methods for establishing risk frequency ratios and test results are double-checked by the small-committee for underwriting risk management, which is independent from departments performing said calculation.

## Policyholders' Dividend Reserves

(Millions of Yen)

	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance, Asset formation annuities	Other insurance	Total
<b>Year ended March 31, 2017</b>							
Balance at the beginning of the fiscal year	203,952	9,751	22,387	3,452	449	908	240,902
Transfer from surplus in the previous fiscal year	10,357	2,560	128,392	19,067	9	5,319	165,707
Interest accrued during the fiscal year	130	1	3	0	0	0	135
Other increases	46	—	—	—	—	—	46
Dividend payments to policyholders during the fiscal year	17,760	1,378	125,220	20,076	55	5,340	169,832
Balance at the end of the fiscal year	196,726	10,935	25,562	2,443	404	887	236,959
	[185,426]	[7,968]	[16,571]	[—]	[400]	[2]	[210,368]
<b>Year ended March 31, 2016</b>							
Balance at the beginning of the fiscal year	214,551	9,896	23,766	3,293	533	1,373	253,414
Transfer from surplus in the previous fiscal year	8,838	1,758	120,396	44,289	(11)	4,773	180,044
Interest accrued during the fiscal year	233	5	12	0	0	0	251
Other increases	48	—	—	—	—	—	48
Dividend payments to policyholders during the fiscal year	19,718	1,908	121,787	44,131	72	5,238	192,857
Balance at the end of the fiscal year	203,952	9,751	22,387	3,452	449	908	240,902
	[194,356]	[7,788]	[17,334]	[—]	[446]	[2]	[219,928]

Note: Balance at the end of the fiscal year figures in brackets represent amounts appropriated to dividends.

## Allowance for Possible Loan Losses and Other Reserves

(Millions of Yen)

	Beginning balance	Ending balance	YOY increase (decrease)
<b>Year ended March 31, 2017</b>			
Allowance for possible loan losses			
General allowance for possible loan losses	1,310	1,388	78
Specific allowance for possible loan losses	4,147	4,459	312
Specific allowance for possible overseas loan losses	—	—	—
Accrued retirement benefits for directors and executive officers	82	—	(82)
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	521,677	577,545	55,868
<b>Year ended March 31, 2016</b>			
Allowance for possible loan losses			
General allowance for possible loan losses	1,677	1,310	(366)
Specific allowance for possible loan losses	3,356	4,147	790
Specific allowance for possible overseas loan losses	—	—	—
Accrued retirement benefits for directors and executive officers	92	82	(9)
Reserve for contingent liabilities	2	1	(0)
Reserve for price fluctuation	492,482	521,677	29,195

## Specific Allowance for Possible Overseas Loan Losses

### • Specific Allowance for Possible Overseas Loan Losses

Not applicable.

### • Balance of Specific Allowance for Possible Overseas Loan Losses by Country

Not applicable.

## Insurance Premiums

		(Millions of Yen)	
Years ended March 31,		2017	2016
Individual life insurance		1,277,484	1,821,120
Lump-sum payment		296,592	915,087
Annual payment		246,693	178,101
Biannual payment		4,835	4,803
Monthly payment		729,362	723,128
Individual annuities		385,666	346,822
Lump-sum payment		5,709	10,805
Annual payment		57,902	43,533
Biannual payment		679	751
Monthly payment		321,374	291,732
Group life insurance		313,015	310,584
Group pensions		602,866	841,898
Total (including others)*		2,614,768	3,357,042

\* Includes premiums from asset formation insurance and annuities, medical life insurance, disability income insurance, and reinsurance underwritten.

## Insurance Premiums Categorized by Policy Year

		(Millions of Yen)	
Years ended March 31,		2017	2016
Individual life insurance	First-year premiums	516,067	1,126,838
Individual annuities	Premiums for the second year and beyond	1,147,083	1,041,105
	Subtotal	1,663,151	2,167,943
Group life insurance	First-year premiums	933	2,193
	Premiums for the second year and beyond	312,081	308,390
	Subtotal	313,015	310,584
Group pensions	First-year premiums	1,975	15,782
	Premiums for the second year and beyond	600,890	826,116
	Subtotal	602,866	841,898
Total (including others)*	First-year premiums	519,723	1,145,713
	Premiums for the second year and beyond	2,095,045	2,211,328
	Total	2,614,768	3,357,042
	Growth rate (%)	(22.1)	(1.5)

\* Includes premiums from asset formation insurance and annuities, medical life insurance, disability income insurance, and reinsurance underwritten.

## Insurance Claims, Annuities and Benefits Paid

(Millions of Yen)

	Year ended March 31, 2017							Year ended March 31, 2016
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	Total
Claims paid:	421,025	753	139,481	1,967	821	670	564,719	562,557
Death insurance claims	245,470	656	127,714	—	—	667	374,508	375,240
Insurance claims for accidents	2,349	9	394	—	29	—	2,782	2,990
Insurance claims for disabilities	32,743	40	11,320	—	—	2	44,106	45,265
Insurance claims upon maturity	140,462	47	—	1,967	792	—	143,269	139,042
Others	—	—	52	—	—	0	52	19
Annuity payments	7,766	416,897	18,080	247,638	4,824	—	695,207	695,922
Benefit payments:	137,293	18,395	451	237,324	866	2,109	396,440	409,457
Death benefits	31,445	15,260	6	3,181	207	14	50,115	49,522
Hospitalization benefits	32,002	1,038	291	—	—	1,780	35,112	36,269
Surgery benefits	15,055	835	—	—	—	241	16,132	16,939
Disability benefits	865	6	85	—	8	—	966	1,090
Survivor benefits	25,058	1,201	—	—	649	—	26,908	27,542
Lump-sum benefits	—	—	57	232,204	—	—	232,262	242,522
Others	32,866	53	10	1,939	—	73	34,943	35,570
Surrender benefits	303,479	73,443	—	59,355	16,673	0	452,951	454,237

## The Number of Cases Where Claims, Annuities and Benefits were Paid

	Year ended March 31, 2017							Year ended March 31, 2016
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	Total
Claims paid:	143,341	106	50,779	1	2,121	13,275	209,623	206,666
Death insurance claims	41,136	89	47,036	—	—	13,266	101,527	101,571
Insurance claims for accidents	605	4	196	—	5	—	810	850
Insurance claims for disabilities	17,046	13	3,541	—	—	6	20,606	18,706
Insurance claims upon maturity	84,554	—	—	1	2,116	—	86,671	85,526
Others	—	—	6	—	—	3	9	13
Annuity payments	5,368	702,691	58,577	6,037,073	15,447	—	6,819,156	8,115,397
Benefit payments:	2,156,318	35,029	4,632	678,820	373	34,240	2,909,412	3,244,332
Death benefits	10,049	3,632	429	4,088	93	30	18,321	17,670
Hospitalization benefits	355,937	10,536	3,837	—	—	29,667	399,977	401,560
Surgery benefits	172,432	9,120	—	—	—	2,979	184,531	187,119
Disability benefits	580	12	179	—	2	—	773	775
Survivor benefits	90,008	10,610	—	—	278	—	100,896	98,412
Lump-sum benefits	—	—	181	674,728	—	—	674,909	697,145
Others	1,527,312	1,119	6	4	—	1,564	1,530,005	1,841,651

## Depreciation

(Millions of Yen)

	Acquisition cost	Current-year depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
<b>Year ended March 31, 2017</b>					
Tangible fixed assets	303,882	8,328	184,753	119,129	60.8
Buildings	286,571	7,179	170,987	115,584	59.7
Others	17,310	1,149	13,765	3,544	79.5
Intangible fixed assets	89,073	16,014	37,644	51,428	42.3
Others	263	46	117	145	44.7
<b>Total</b>	<b>393,219</b>	<b>24,389</b>	<b>222,515</b>	<b>170,703</b>	<b>56.6</b>
<b>Year ended March 31, 2016</b>					
Tangible fixed assets	301,164	8,294	176,964	124,200	58.8
Buildings	284,458	7,171	163,242	121,216	57.4
Others	16,705	1,122	13,722	2,983	82.1
Intangible fixed assets	72,973	13,280	31,600	41,373	43.3
Others	262	43	112	149	42.9
<b>Total</b>	<b>374,400</b>	<b>21,618</b>	<b>208,677</b>	<b>165,723</b>	<b>55.7</b>

## Operating Expenses

(Millions of Yen)

Years ended March 31,	2017	2016
Marketing promotion expenses	131,822	138,382
Marketing administration expenses	51,540	50,846
General and administration expenses	167,026	166,415
<b>Total</b>	<b>350,389</b>	<b>355,644</b>

Note: General and administration expenses include funding contributions that the Company paid for Insurance Policyholders Protection Corporation of Japan in accordance with Article 259 of the Insurance Business Act, which totaled ¥3,739 million and ¥3,562 million in the years ended March 31, 2016 and March 31, 2017, respectively.

## Taxes

(Millions of Yen)

Years ended March 31,	2017	2016
National tax	15,183	16,022
Consumption tax	12,988	13,336
Special local corporate tax	1,885	2,370
Revenue stamp tax	297	288
Registration and license tax	4	10
Other national taxes	7	16
Local tax	11,080	12,373
Local consumption tax	3,492	3,581
Corporate enterprise tax	4,515	5,676
Fixed asset tax	2,597	2,642
Real estate acquisition tax	5	4
Business office tax	468	467
Other local taxes	0	2
<b>Total</b>	<b>26,264</b>	<b>28,395</b>

## Lease Transactions

### Acquisition cost, accumulated depreciation and ending balance of leased assets

Not applicable.

### Ending balance of future lease payments

Not applicable.

### Cumulative lease fees paid, depreciation and interest expenses

Not applicable.

## Balance of Loans Payable by Remaining Loan Period

(Millions of Yen)

	Within 1 year	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
<b>As of March 31, 2017</b>							
Bonds payable	—	—	—	—	—	353,310	353,310
Payables under securities borrowing transactions	130,034	—	—	—	—	—	130,034
Loans payable	—	—	—	—	—	—	—
<b>Total</b>	<b>130,034</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>353,310</b>	<b>483,344</b>
<b>As of March 31, 2016</b>							
Bonds payable	—	—	—	—	—	238,310	238,310
Payables under securities borrowing transactions	—	—	—	—	—	—	—
Loans payable*	100,000	—	—	—	—	—	100,000
<b>Total</b>	<b>100,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>238,310</b>	<b>338,310</b>

\* Loans payable are included in "Within 1 year," due to the repayment of ¥100,000 million in April 2016, prior to their maturity.

## Reference: Average Interest Rates of Bonds and Loans Payable

(%)

As of March 31,	2017	2016
Bonds payable (denominated in yen)	1.11	—
Bonds payable (denominated in foreign currencies)	5.20	5.20
Loans payable	—	1.31

Notes: 1. Average interest rates presented above are weighted average interest rates applied to balances at the end of each fiscal year.

2. Bonds payable (denominated in yen) consist of subordinated bonds denominated in yen with the date of maturity set at December 2046 or 2051. Bonds payable (denominated in foreign currencies) consist of subordinated bonds denominated in U.S. dollars with the date of maturity set at October 2045.

## Quarterly Information

(Millions of Yen)

	As of June 30, 2016	As of September 30, 2016	As of December 31, 2016	As of March 31, 2017
Insurance premiums and other	748,644	1,376,362	1,958,499	2,615,872
Base profit	87,763	209,868	302,111	472,343

## Investment Performance Indicators

### Breakdown of Invested Assets (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	380,822	1.0	394,726	1.1
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	220,118	0.6	223,659	0.6
Trading account securities	—	—	—	—
Money held in trust	—	—	—	—
Securities	30,121,531	81.9	28,789,384	80.4
Domestic bonds	16,970,650	46.2	16,998,500	47.5
Domestic stocks	4,141,988	11.3	3,581,780	10.0
Foreign securities	8,578,000	23.3	7,910,257	22.1
Foreign bonds	6,581,757	17.9	5,866,755	16.4
Foreign stocks and others	1,996,242	5.4	2,043,502	5.7
Other securities	430,891	1.2	298,845	0.8
Loans	4,681,981	12.7	4,949,867	13.8
Policy loans	260,726	0.7	275,085	0.8
Industrial and consumer loans	4,421,255	12.0	4,674,782	13.1
Real estate	878,498	2.4	889,415	2.5
Deferred tax assets	—	—	—	—
Others	485,612	1.3	547,927	1.5
Allowance for possible loan losses	(5,848)	(0.0)	(5,457)	(0.0)
<b>Total</b>	<b>36,762,716</b>	<b>100.0</b>	<b>35,789,522</b>	<b>100.0</b>
Assets denominated in foreign currencies	8,041,467	21.9	7,111,751	19.9

Note: Real estate reflects the total value of land, buildings and construction in progress.

## Increase (Decrease) by Asset Type (General Account)

	(Millions of Yen)	
Years ended March 31,	2017	2016
Cash, deposits and call loans	(13,903)	(112,587)
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	(3,541)	(5,864)
Trading account securities	—	—
Money held in trust	—	—
Securities	1,332,147	355,921
Domestic bonds	(27,849)	432,060
Domestic stocks	560,207	(631,671)
Foreign securities	667,742	510,724
Foreign bonds	715,002	54,500
Foreign stocks and others	(47,259)	456,223
Other securities	132,046	44,808
Loans	(267,885)	(102,371)
Policy loans	(14,359)	(14,835)
Industrial and consumer loans	(253,526)	(87,535)
Real estate	(10,917)	(27,171)
Deferred tax assets	—	—
Others	(62,315)	68,659
Allowance for possible loan losses	(391)	(423)
<b>Total</b>	<b>973,193</b>	<b>176,162</b>
Assets denominated in foreign currencies	<b>929,716</b>	<b>659,215</b>

Note: Real estate reflects the total value of land, buildings and construction in progress.

## Investment Returns (General Account)

	(%)	
Years ended March 31,	2017	2016
Cash, deposits and call loans	0.00	0.07
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.90	2.02
Trading account securities	—	—
Money held in trust	—	—
Securities	2.06	2.16
Domestic bonds	1.63	1.63
Domestic stocks	4.65	3.86
Foreign securities	2.19	3.09
Foreign bonds	1.57	2.92
Foreign stocks and others	3.91	3.65
Loans	1.72	1.80
Industrial and consumer loans	1.57	1.64
Real estate	1.95	1.80
<b>Total</b>	<b>1.89</b>	<b>1.99</b>
Overseas investments	<b>2.16</b>	<b>3.01</b>

Notes: 1. The rate of return is calculated by deducting investment expenses from investment income (numerator: presented as ordinary profit), and by dividing the result by the average daily balance (denominator: based on the book value).

2. Overseas investments include assets denominated in yen.

## Average Balances of Assets (General Account)

(Millions of Yen)

Years ended March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	491,121	1.5	426,643	1.3
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	216,158	0.6	230,756	0.7
Trading account securities	—	—	—	—
Money held in trust	—	—	—	—
Securities	25,800,376	77.5	24,424,290	76.2
Domestic bonds	16,518,828	49.6	16,432,599	51.3
Domestic stocks	1,799,003	5.4	1,793,861	5.6
Foreign securities	7,068,938	21.2	5,951,875	18.6
Foreign bonds	5,208,069	15.6	4,597,569	14.3
Foreign stocks and others	1,860,868	5.6	1,354,305	4.2
Loans	4,833,951	14.5	5,009,928	15.6
Industrial and consumer loans	4,566,071	13.7	4,727,548	14.7
Real estate	892,889	2.7	919,494	2.9
<b>Total</b>	<b>33,295,711</b>	<b>100.0</b>	<b>32,052,039</b>	<b>100.0</b>
Overseas investments	7,321,359	22.0	6,201,016	19.3

Notes: 1. Average balances are calculated based on book value.  
2. Overseas investments include assets denominated in yen.

## Investment Income (General Account)

(Millions of Yen)

Years ended March 31,	2017	2016
Interest, dividends and other income	721,464	690,849
Gains on securities products	—	—
Gains on money held in trust	—	0
Gains on trading securities	—	—
Gains on sales of securities	21,635	8,415
Gains on redemption of securities	56,692	88,701
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	153
Reversal of allowance for possible loan losses	—	—
Other investment income	468	24
<b>Total</b>	<b>800,260</b>	<b>788,144</b>

## Investment Expenses (General Account)

(Millions of Yen)

Years ended March 31,	2017	2016
Interest expenses	11,307	6,217
Losses on securities products	—	—
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	32,078	1,959
Losses on valuation of securities	12,009	12,791
Losses on redemption of securities	4,423	37
Losses on derivative financial instruments	90,154	107,329
Foreign exchange losses	399	—
Provision for allowance for possible loan losses	459	664
Redemption of loans	—	—
Depreciation of real estate for non-insurance business	9,353	9,508
Other investment expenses	11,852	12,538
<b>Total</b>	<b>172,037</b>	<b>151,045</b>



## Interest, Dividends and Other Income (General Account)

		(Millions of Yen)	
Years ended March 31,		2017	2016
Interest on deposits		16	42
Interest and dividends on securities		591,340	554,603
Interest on domestic bonds		269,484	268,008
Dividends on domestic stocks		80,568	76,093
Interest and dividends on foreign securities		217,351	203,015
Interest on loans		84,525	90,474
Rent on real estate		35,023	34,861
<b>Total (including others)</b>		<b>721,464</b>	<b>690,849</b>

## Attribution Analysis of Interest, Dividends and Other Income (General Account)

		2017			2016		
Years ended March 31,		Net increase (decrease)	Change in balance	Change due to interest rate and others	Net increase (decrease)	Change in balance	Change due to interest rate and others
Interest, dividends and other income		30,614	26,806	3,808	(7,292)	18,778	(26,071)
Securities		36,737	31,246	5,490	(4,020)	17,701	(21,721)
Loans		(5,948)	(3,177)	(2,771)	(4,532)	(1,874)	(2,658)
Real estate		162	(1,008)	1,171	1,456	(737)	2,193

## Gains on Sales of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2017	2016
Domestic bonds and others		523	4
Domestic stocks and others		3,976	2,073
Foreign securities		17,135	6,337
<b>Total (including others)</b>		<b>21,635</b>	<b>8,415</b>

## Losses on Sales of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2017	2016
Domestic bonds and others		362	21
Domestic stocks and others		605	472
Foreign securities		31,110	1,465
<b>Total (including others)</b>		<b>32,078</b>	<b>1,959</b>

## Losses on Valuation of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2017	2016
Domestic bonds and others		—	—
Domestic stocks and others		366	8,457
Foreign securities		11,168	4,333
<b>Total (including others)</b>		<b>12,009</b>	<b>12,791</b>

## Balance of Securities (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Government bonds	14,199,391	47.1	14,265,684	49.6
Municipal bonds	606,156	2.0	692,832	2.4
Corporate bonds	2,165,103	7.2	2,039,982	7.1
Public entity bonds	466,266	1.5	486,090	1.7
Domestic stocks	4,141,988	13.8	3,581,780	12.4
Foreign securities	8,578,000	28.5	7,910,257	27.5
Foreign bonds	6,581,757	21.9	5,866,755	20.4
Foreign stocks and others	1,996,242	6.6	2,043,502	7.1
Other securities	430,891	1.4	298,845	1.0
<b>Total</b>	<b>30,121,531</b>	<b>100.0</b>	<b>28,789,384</b>	<b>100.0</b>

## Breakdown of Municipal Bonds by Region

(Millions of Yen)

As of March 31,	2017	2016
Hokkaido	23,075	31,618
Tohoku	300	5,818
Kanto	188,183	208,242
Chubu	83,664	86,947
Kinki	157,626	193,114
Chugoku	30,224	30,754
Shikoku	—	—
Kyushu	47,494	50,805
Others	75,586	85,529
<b>Total</b>	<b>606,156</b>	<b>692,832</b>

Note: Others represents municipal bonds issued through public offering under the Joint Local Government Bonds scheme.

## Breakdown of Securities by Remaining Period for Maturity (General Account)

(Millions of Yen)

	Within 1 year	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
<b>As of March 31, 2017</b>							
Securities	524,238	1,601,076	2,990,926	2,469,878	1,626,311	20,909,099	30,121,531
Government bonds	189,390	507,274	1,187,234	1,178,740	1,133,414	10,003,337	14,199,391
Municipal bonds	104,945	229,797	9,196	5,084	35,960	221,172	606,156
Corporate bonds	97,014	204,881	181,584	150,091	131,421	1,400,110	2,165,103
Domestic stocks	—	—	—	—	—	4,141,988	4,141,988
Foreign securities	131,502	658,934	1,607,462	1,134,875	324,392	4,720,833	8,578,000
Foreign bonds	131,149	658,934	1,607,462	1,134,875	324,392	2,724,942	6,581,757
Foreign stocks and others	352	—	—	—	—	1,995,890	1,996,242
Other securities	1,386	188	5,448	1,086	1,124	421,657	430,891
Monetary claims bought	—	—	—	—	—	220,118	220,118
Negotiable deposits	49,996	—	—	—	—	—	49,996
Others	—	—	—	—	—	—	—
<b>Total</b>	<b>574,235</b>	<b>1,601,076</b>	<b>2,990,926</b>	<b>2,469,878</b>	<b>1,626,311</b>	<b>21,129,217</b>	<b>30,391,646</b>
<b>As of March 31, 2016</b>							
Securities	318,432	1,373,259	2,029,070	3,614,158	2,133,003	19,321,459	28,789,384
Government bonds	73,059	475,658	422,387	1,535,523	1,463,934	10,295,121	14,265,684
Municipal bonds	80,751	274,025	72,797	100	6,787	258,369	692,832
Corporate bonds	70,607	235,357	152,060	167,678	105,777	1,308,501	2,039,982
Domestic stocks	100	—	—	—	—	3,581,680	3,581,780
Foreign securities	93,851	384,715	1,377,737	1,907,919	556,142	3,589,892	7,910,257
Foreign bonds	93,188	384,715	1,377,737	1,907,919	556,142	1,547,052	5,866,755
Foreign stocks and others	662	—	—	—	—	2,042,839	2,043,502
Other securities	61	3,503	4,087	2,937	362	287,893	298,845
Monetary claims bought	—	—	—	—	—	223,659	223,659
Negotiable deposits	23,998	—	—	—	—	—	23,998
Others	—	—	—	—	—	—	—
<b>Total</b>	<b>342,430</b>	<b>1,373,259</b>	<b>2,029,070</b>	<b>3,614,158</b>	<b>2,133,003</b>	<b>19,545,118</b>	<b>29,037,042</b>

Notes: 1. Figures for over 10 years include financial instruments with no specified maturity period.

2. Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

## Rate of Return on Bonds at Fiscal Year End (General Account)

(%)

As of March 31,	2017	2016
Domestic bonds	1.74	1.73
Foreign bonds	3.11	2.96

## Breakdown of Stocks Held by Industry (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Fishery, agriculture & forestry	1,503	0.0	973	0.0
Mining	—	—	—	—
Construction	83,669	2.0	77,671	2.2
Manufacturing				
Foods	201,907	4.9	178,484	5.0
Textiles & apparels	23,759	0.6	21,142	0.6
Pulp & paper	4,366	0.1	4,037	0.1
Chemicals	366,381	8.8	249,312	7.0
Pharmaceuticals	109,656	2.6	136,044	3.8
Oil & coal products	6,410	0.2	5,360	0.1
Rubber products	13,548	0.3	11,589	0.3
Glass & ceramics products	187,391	4.5	144,415	4.0
Iron & steel	69,821	1.7	56,580	1.6
Nonferrous metals	17,795	0.4	16,051	0.4
Metal products	21,476	0.5	19,351	0.5
Machinery	271,557	6.6	217,555	6.1
Electric appliances	494,918	11.9	391,128	10.9
Transportation equipment	463,829	11.2	419,330	11.7
Precision instruments	139,401	3.4	139,908	3.9
Other products	42,052	1.0	35,626	1.0
Electric power & gas	140,203	3.4	143,616	4.0
Transportation, information & communication				
Land transportation	202,816	4.9	194,939	5.4
Marine transportation	8,866	0.2	7,920	0.2
Air transportation	3,445	0.1	3,295	0.1
Warehouse & harbor transportation services	26,081	0.6	24,122	0.7
Information & communication	26,643	0.6	24,696	0.7
Trade				
Wholesale trade	258,171	6.2	211,057	5.9
Retail trade	40,209	1.0	39,449	1.1
Finance & insurance				
Banks	439,201	10.6	369,222	10.3
Securities & commodity futures	16,837	0.4	16,275	0.5
Insurance	176,512	4.3	156,477	4.4
Other financing business	70,656	1.7	63,312	1.8
Real estate	164,997	4.0	164,330	4.6
Services	47,897	1.2	38,499	1.1
<b>Total</b>	<b>4,141,988</b>	<b>100.0</b>	<b>3,581,780</b>	<b>100.0</b>

Note: Classification is based on industrial sector classification specified by the Securities Identification Code Committee.

## Loans (General Account)

		(Millions of Yen)	
As of March 31,		2017	2016
Policy loans		<b>260,726</b>	275,085
Policyholder loans		<b>245,684</b>	258,842
Premium loans		<b>15,042</b>	16,242
Industrial and consumer loans		<b>4,421,255</b>	4,674,782
(Loans for non-residents)		<b>67,560</b>	104,704
Corporate loans		<b>4,229,354</b>	4,429,189
(To domestic corporations)		<b>4,197,814</b>	4,398,279
Loans to governments and supranationals		<b>27,315</b>	58,270
Loans to public organizations		<b>143,792</b>	165,195
Housing loans		<b>1,201</b>	1,737
Consumer loans		<b>19,005</b>	19,580
Others		<b>585</b>	809
<b>Total</b>		<b>4,681,981</b>	4,949,867

## Breakdown of Loans by Duration (General Account)

		(Millions of Yen)						
		Within 1 year	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
<b>As of March 31, 2017</b>								
Floating interest rate		<b>37,971</b>	<b>6,729</b>	<b>20,459</b>	<b>25,712</b>	<b>9,994</b>	<b>36,974</b>	<b>137,842</b>
Fixed interest rate		<b>370,268</b>	<b>643,707</b>	<b>554,976</b>	<b>590,821</b>	<b>853,841</b>	<b>1,269,797</b>	<b>4,283,413</b>
<b>Total</b>		<b>408,240</b>	<b>650,437</b>	<b>575,435</b>	<b>616,534</b>	<b>863,835</b>	<b>1,306,772</b>	<b>4,421,255</b>
<b>As of March 31, 2016</b>								
Floating interest rate		20,199	16,842	2,212	37,929	26,864	6,944	110,993
Fixed interest rate		446,511	763,468	526,396	564,691	876,976	1,385,743	4,563,788
<b>Total</b>		466,711	780,311	528,608	602,621	903,841	1,392,688	4,674,782

Note: Figures for over 10 years include loans with no specified maturity period.

## Breakdown of Domestic Corporate Loans by Size of Borrower (General Account)

		(Millions of Yen)			
As of March 31,		2017		2016	
			(%)		(%)
Large size corporations	Number of borrowers	<b>683</b>	<b>61.1</b>	693	64.0
	Loan amount	<b>3,779,101</b>	<b>90.0</b>	3,992,999	90.8
Medium size corporations	Number of borrowers	<b>91</b>	<b>8.1</b>	79	7.3
	Loan amount	<b>20,236</b>	<b>0.5</b>	33,661	0.8
Small size corporations	Number of borrowers	<b>344</b>	<b>30.8</b>	311	28.7
	Loan amount	<b>398,476</b>	<b>9.5</b>	371,617	8.4
<b>Total</b>	Number of borrowers	<b>1,118</b>	<b>100.0</b>	1,083	100.0
	Loan amount	<b>4,197,814</b>	<b>100.0</b>	4,398,279	100.0

Notes: 1. Please refer to the following chart for the classification of borrowers by size and industry.

2. The number of borrowers does not represent the number of loans, as a single borrower may have multiple loans under the same name.

Size	Conditions	1. All industries excluding 2. to 4.	2. Retail trade, food and beverage service	3. Service industry	4. Wholesale trade
Large	Capital	¥1 billion or greater	¥1 billion or greater	¥1 billion or greater	¥1 billion or greater
	Number of regular employees	More than 300	More than 50	More than 100	More than 100
Medium	Capital	More than ¥300 million and less than ¥1 billion	More than ¥50 million and less than ¥1 billion	More than ¥50 million and less than ¥1 billion	More than ¥100 million and less than ¥1 billion
	Number of regular employees	More than 300	More than 50	More than 100	More than 100
Small	Capital*	¥300 million or smaller	¥50 million or smaller	¥50 million or smaller	¥100 million or smaller
	Number of regular employees*	300 or less	50 or less	100 or less	100 or less

\* Entities that meet either of two conditions stipulated for this classification shall be defined as small-size corporations.

## Breakdown of Loans by Industry (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Domestic				
Manufacturing	769,199	17.4	861,921	18.4
Foodstuffs and beverages	55,118	1.2	56,804	1.2
Textile products	11,766	0.3	11,930	0.3
Lumber and wood products	—	—	—	—
Pulp, paper, and paper products	43,142	1.0	50,370	1.1
Printing	5,326	0.1	5,314	0.1
Chemical and allied products	110,949	2.5	128,205	2.7
Petroleum refining	84,650	1.9	81,080	1.7
Ceramic, stone, and clay products	68,688	1.6	80,171	1.7
Iron and steel	127,318	2.9	143,228	3.1
Nonferrous metals and products	13,944	0.3	16,807	0.4
Fabricated metal products	2,474	0.1	3,221	0.1
General-purpose, production, and business-oriented machinery	56,403	1.3	58,994	1.3
Electrical machinery equipment and supplies	95,125	2.2	113,224	2.4
Transportation equipment	88,974	2.0	105,934	2.3
Miscellaneous manufacturing industries	5,318	0.1	6,636	0.1
Agriculture and forestry	120	0.0	100	0.0
Fishery	—	—	—	—
Mining and quarrying of stone and gravel	78	0.0	131	0.0
Construction	16,745	0.4	18,488	0.4
Electricity, gas, heat supply, and water	658,588	14.9	694,175	14.8
Information and communications	92,505	2.1	93,559	2.0
Transport and postal activities	307,776	7.0	326,861	7.0
Wholesale trade	891,822	20.2	914,010	19.6
Retail trade	16,625	0.4	20,867	0.4
Finance and insurance	1,092,417	24.7	1,115,034	23.9
Real estate	338,629	7.7	332,213	7.1
Goods rental and leasing	118,666	2.7	140,573	3.0
Scientific research, and professional and technical services	20,700	0.5	20,700	0.4
Hotels	2,198	0.0	2,249	0.0
Eating and drinking services	612	0.0	598	0.0
Living-related and personal services, and amusement services	3,256	0.1	3,437	0.1
Education and learning support	722	0.0	817	0.0
Medical, health care, and welfare services	191	0.0	252	0.0
Other services	1,865	0.0	1,687	0.0
Local governments	764	0.0	1,080	0.0
Loans for housing funds and consumer credit (with installment repayments)	20,207	0.5	21,317	0.5
Others	—	—	—	—
Subtotal	4,353,695	98.5	4,570,077	97.8
Overseas				
Governments and others	36,020	0.8	73,793	1.6
Financial institutions	15,540	0.4	17,880	0.4
Commerce, industry and others	16,000	0.4	13,030	0.3
Subtotal	67,560	1.5	104,704	2.2
Total of industrial and consumer loans	4,421,255	100.0	4,674,782	100.0

Note: For domestic borrowers, industrial sectors are classified based on Loans and Bills Discounted and New Loans for Fixed Investment by Sector (by Type of Industries) issued by the Bank of Japan.

## Breakdown of Loans by Usage (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Capital expenditures	889,577	20.1	905,335	19.4
Operating capital	3,531,678	79.9	3,769,446	80.6

## Breakdown of Loans by Region (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Hokkaido	39,955	0.9	40,951	0.9
Tohoku	56,615	1.3	69,371	1.5
Kanto	3,352,191	77.4	3,452,126	75.9
Chubu	359,795	8.3	410,509	9.0
Kinki	275,572	6.4	310,368	6.8
Chugoku	52,769	1.2	58,222	1.3
Shikoku	52,864	1.2	56,336	1.2
Kyushu	143,724	3.3	150,874	3.3
Total	4,333,488	100.0	4,548,760	100.0

Notes: 1. Excludes individual loans, loans for non-residents and policy loans.  
2. Regions are based on the locations of the borrowers' headquarters.

## Breakdown of Loans by Collateral (General Account)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Collateral loans	16,051	0.4	17,632	0.4
Loans secured by securities	4,629	0.1	5,276	0.1
Loans secured by real estate, movable assets or aggregated foundation collateral	10,231	0.2	11,218	0.2
Loans secured by nominative claims	1,190	0.0	1,137	0.0
Guaranteed loans	81,070	1.8	96,154	2.1
Fiduciary loans	4,303,925	97.3	4,539,677	97.1
Others	20,207	0.5	21,317	0.5
Total of industrial and consumer loans	4,421,255	100.0	4,674,782	100.0
Subordinated loans	503,800	11.4	481,800	10.3



## Tangible and Intangible Fixed Assets (General Account)

(Millions of Yen)

	Beginning balance	Increase	Decrease		Ending balance	Accumulated depreciation	Accumulated depreciation ratio (%)
			Impairment losses	Depreciation			
<b>Year ended March 31, 2017</b>							
Land	602,923	9,724	9,671	714	—	602,976	—
Buildings	284,975	11,470	6,835	2,319	16,341	273,269	394,212
Construction in progress	1,516	20,049	19,313	—	—	2,252	—
Other tangible fixed assets	3,330	1,930	59	—	1,286	3,916	15,241
Total of tangible fixed assets	892,746	43,175	35,879	3,033	17,628	882,414	409,454
Real estate for rent	555,366	45,284	39,915	3,033	9,164	551,571	229,012
Software	41,631	26,140	—	—	16,194	51,577	37,770
Other intangible fixed assets	31,169	26,565	32,317	—	17	25,400	175
Total of intangible fixed assets	72,801	52,706	32,317	—	16,212	76,978	37,945
<b>Year ended March 31, 2016</b>							
Land	613,832	340	11,249	1,518	—	602,923	—
Buildings	296,709	14,376	9,580	2,282	16,529	284,975	386,782
Construction in progress	6,045	9,843	14,372	—	—	1,516	—
Other tangible fixed assets	3,248	1,334	46	—	1,205	3,330	15,164
Total of tangible fixed assets	919,835	25,895	35,248	3,800	17,735	892,746	401,947
Real estate for rent	570,298	27,058	32,631	3,763	9,359	555,366	227,246
Software	37,443	17,695	—	—	13,506	41,631	32,320
Other intangible fixed assets	26,274	27,422	22,509	—	18	31,169	168
Total of intangible fixed assets	63,717	45,118	22,509	—	13,525	72,801	32,489

Note: Figures for increase and decrease of "Real estate for rent" include increases and decreases due to changes in usage, such as from operational to rental usage.

## Real Estate Balance and the Number of Buildings Owned

(Millions of Yen)

As of March 31,	2017	2016
Real estate	878,498	889,415
For operational use	331,252	337,158
For rent	547,245	552,257
The number of buildings for rent	154 buildings	155 buildings

## Gains on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2017	2016
Tangible fixed assets	1,766	2,552
Land	1,468	1,686
Buildings	297	866
Others	—	—
Intangible fixed assets	—	62
Others	—	—
Total	1,766	2,614
Real estate for rent	1,608	2,560

## Losses on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2017	2016
Tangible fixed assets	3,571	5,896
Land	753	768
Buildings	2,758	5,088
Others	59	39
Intangible fixed assets	485	132
Others	204	555
Total	4,261	6,584
Real estate for rent	3,285	3,817

## Depreciation of Real Estate for Non-Insurance Business (General Account)

(Millions of Yen)

	Acquisition cost	Depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
<b>Year ended March 31, 2017</b>					
Tangible fixed assets	382,750	9,299	224,694	158,055	58.7
Buildings	380,910	9,162	223,224	157,685	58.6
Others	1,840	136	1,469	370	79.9
Intangible fixed assets	85	4	54	31	63.2
Others	560	49	447	112	79.9
Total	383,396	9,353	225,196	158,199	58.7
<b>Year ended March 31, 2016</b>					
Tangible fixed assets	389,076	9,441	224,971	164,105	57.8
Buildings	387,299	9,358	223,540	163,758	57.7
Others	1,776	82	1,430	346	80.5
Intangible fixed assets	89	5	51	37	57.8
Others	822	61	655	167	79.6
Total	389,989	9,508	225,678	164,310	57.9

## Foreign Securities Investment and Overseas Loans (General Account)

### Breakdown by Asset Type

#### (1) Assets denominated in foreign currencies

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Bonds	6,420,171	72.3	5,578,278	68.3
Stocks and others	1,548,076	17.4	1,495,185	18.3
Cash, deposits and others	39,563	0.4	38,287	0.5
Subtotal	8,007,810	90.1	7,111,751	87.0

#### (2) Assets with value fixed in yen

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Loans	119,856	1.3	119,856	1.5
Others	89	0.0	85	0.0
Subtotal	119,945	1.4	119,941	1.5

Note: The above figures represent the value of assets whose value is fixed in yen at the time of settlement through such means as forward exchange contracts. These values are included in yen on the balance sheet.

### (3) Assets denominated in yen

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Loans for non-residents	67,560	0.8	104,704	1.3
Domestic bonds (foreign bonds issued in yen)	240,001	2.7	288,477	3.5
Others	448,166	5.0	548,317	6.7
Subtotal	755,728	8.5	941,498	11.5

### (4) Total of (1)+(2)+(3)

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Foreign securities investment and overseas loans	8,883,484	100.0	8,173,191	100.0
Overseas real estate	24,843	0.3	24,843	0.3

### Breakdown of Foreign Securities Investment and Overseas Loans by Region

(Millions of Yen)

	Foreign securities							
			Bonds		Stocks and others		Loans for non-residents	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>As of March 31, 2017</b>								
North America	5,949,950	69.4	5,294,087	80.4	655,863	32.9	21,000	31.1
Europe	901,215	10.5	758,030	11.5	143,184	7.2	29,500	43.7
Oceania	249,842	2.9	249,842	3.8	—	—	—	—
Asia	162,777	1.9	49,723	0.8	113,054	5.7	2,040	3.0
Latin America	1,152,224	13.4	68,083	1.0	1,084,140	54.3	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	161,989	1.9	161,989	2.5	—	—	15,020	22.2
<b>Total</b>	<b>8,578,000</b>	<b>100.0</b>	<b>6,581,757</b>	<b>100.0</b>	<b>1,996,242</b>	<b>100.0</b>	<b>67,560</b>	<b>100.0</b>
<b>As of March 31, 2016</b>								
North America	5,143,121	65.0	4,491,085	76.6	652,035	31.9	23,000	22.0
Europe	973,456	12.3	823,260	14.0	150,196	7.3	38,500	36.8
Oceania	265,052	3.4	265,052	4.5	—	—	—	—
Asia	173,325	2.2	61,136	1.0	112,188	5.5	2,380	2.3
Latin America	1,196,082	15.1	67,001	1.1	1,129,081	55.3	30	0.0
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	159,219	2.0	159,219	2.7	—	—	40,793	39.0
<b>Total</b>	<b>7,910,257</b>	<b>100.0</b>	<b>5,866,755</b>	<b>100.0</b>	<b>2,043,502</b>	<b>100.0</b>	<b>104,704</b>	<b>100.0</b>

### Breakdown of Foreign Currency-Denominated Assets by Currency

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
(U.S. dollar)	6,944,640	86.4	5,910,446	83.1
(Euro)	472,323	5.9	517,893	7.3
(Others)	624,504	7.8	683,410	9.6
<b>Total</b>	<b>8,041,467</b>	<b>100.0</b>	<b>7,111,751</b>	<b>100.0</b>

## Investments and Loans for Public Entities (General Account)

(Millions of Yen)

Years ended March 31,	2017	2016
<b>Bonds</b>		
Government bonds	—	—
Municipal bonds	—	—
Other public entity bonds	797	2,118
Subtotal	797	2,118
<b>Loans</b>		
Loans for government-related agencies	1,295	1,477
Loans for other public entities	—	5,800
Subtotal	1,295	7,277
<b>Total</b>	<b>2,092</b>	<b>9,395</b>

Note: Figures for bonds represent the value of bonds underwritten during the fiscal year. Figures for loans represent loans made during each fiscal year to domestic borrowers.

## Interest Rates of Loans

Not applicable.

## Other Assets (General Account)

(Millions of Yen)

	Acquisition cost	Increase	Decrease	Accumulated depreciation	Ending balance
<b>Year ended March 31, 2017</b>					
Deferred assets	3,880	862	328	1,009	3,405
Others	—	685	1,358	—	6,294
Total	3,880	1,548	1,687	1,009	9,699
<b>Year ended March 31, 2016</b>					
Deferred assets	1,079	2,862	60	907	2,973
Others	—	739	1,624	—	6,967
Total	1,079	3,602	1,685	907	9,940

Note: Acquisition cost and accumulated depreciation represent amount for deferred assets only.

**Fair Values of Financial Instruments (General Account)**  
**Gains and Losses on Valuation of Trading Securities (General Account)**

Not applicable.

**Fair Values of Securities (General Account)**

• **Securities with Fair Value (excluding trading securities)**

(Millions of Yen)

As of March 31,	2017					2016				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,715,320	5,537,852	822,531	823,812	(1,281)	4,855,067	5,844,342	989,274	989,964	(689)
Policy-reserve-matching bonds	7,250,615	8,578,042	1,327,426	1,327,428	(1)	7,162,085	8,817,642	1,655,556	1,655,563	(7)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	13,550,699	17,067,658	3,516,959	3,602,161	(85,202)	12,367,508	15,543,135	3,175,626	3,248,357	(72,730)
Domestic bonds	4,867,245	5,322,149	454,903	456,657	(1,753)	4,752,079	5,292,559	540,479	541,220	(741)
Domestic stocks	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)	1,651,311	3,439,110	1,787,799	1,802,177	(14,378)
Foreign securities	6,580,194	7,247,738	667,544	745,092	(77,548)	5,662,264	6,484,268	822,004	871,607	(49,603)
Foreign bonds	5,934,260	6,461,472	527,211	597,262	(70,050)	5,051,489	5,750,923	699,433	741,873	(42,439)
Foreign stocks and others	645,934	786,266	140,332	147,830	(7,497)	610,774	733,345	122,570	129,733	(7,163)
Other securities	361,309	406,195	44,885	45,633	(748)	251,881	274,920	23,038	31,044	(8,006)
Monetary claims bought	21,567	22,968	1,400	1,400	—	25,971	28,278	2,307	2,307	—
Negotiable deposits	50,000	49,996	(3)	0	(3)	24,000	23,998	(1)	—	(1)
Others	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>25,516,636</b>	<b>31,183,553</b>	<b>5,666,917</b>	<b>5,753,402</b>	<b>(86,485)</b>	<b>24,384,662</b>	<b>30,205,120</b>	<b>5,820,458</b>	<b>5,893,885</b>	<b>(73,427)</b>
Domestic bonds	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)	16,458,020	19,619,067	3,161,046	3,161,795	(748)
Domestic stocks	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)	1,651,311	3,439,110	1,787,799	1,802,177	(14,378)
Foreign securities	6,700,479	7,374,594	674,114	751,679	(77,565)	5,778,096	6,606,819	828,722	879,015	(50,292)
Foreign bonds	6,054,545	6,588,327	533,781	603,849	(70,067)	5,167,321	5,873,474	706,152	749,281	(43,129)
Foreign stocks and others	645,934	786,266	140,332	147,830	(7,497)	610,774	733,345	122,570	129,733	(7,163)
Other securities	361,309	406,195	44,885	45,633	(748)	251,881	274,920	23,038	31,044	(8,006)
Monetary claims bought	218,717	230,634	11,917	13,162	(1,245)	221,352	241,204	19,852	19,852	—
Negotiable deposits	50,000	49,996	(3)	0	(3)	24,000	23,998	(1)	—	(1)
Others	—	—	—	—	—	—	—	—	—	—

Note: Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

## (1) Held-to-Maturity Debt Securities

(Millions of Yen)

As of March 31,	2017			2016		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	<b>4,664,197</b>	<b>5,488,010</b>	<b>823,812</b>	4,842,623	5,832,587	989,964
Domestic bonds	<b>4,395,085</b>	<b>5,200,549</b>	<b>805,464</b>	4,543,854	5,508,865	965,010
Foreign bonds	<b>108,062</b>	<b>114,649</b>	<b>6,587</b>	103,387	110,795	7,407
Monetary claims bought	<b>161,050</b>	<b>172,811</b>	<b>11,761</b>	195,380	212,925	17,545
Securities whose fair value does not exceed the balance sheet amount	<b>51,123</b>	<b>49,841</b>	<b>(1,281)</b>	12,444	11,755	(689)
Domestic bonds	<b>2,800</b>	<b>2,780</b>	<b>(19)</b>	—	—	—
Foreign bonds	<b>12,223</b>	<b>12,206</b>	<b>(17)</b>	12,444	11,755	(689)
Monetary claims bought	<b>36,100</b>	<b>34,854</b>	<b>(1,245)</b>	—	—	—

## (2) Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2017			2016		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	<b>7,249,715</b>	<b>8,577,144</b>	<b>1,327,428</b>	7,161,185	8,816,749	1,655,563
Domestic bonds	<b>7,249,715</b>	<b>8,577,144</b>	<b>1,327,428</b>	7,161,185	8,816,749	1,655,563
Securities whose fair value does not exceed the balance sheet amount	<b>900</b>	<b>898</b>	<b>(1)</b>	900	892	(7)
Domestic bonds	<b>900</b>	<b>898</b>	<b>(1)</b>	900	892	(7)

## (3) Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2017			2016		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs	<b>10,622,245</b>	<b>14,224,406</b>	<b>3,602,161</b>	10,476,734	13,725,092	3,248,357
Domestic bonds	<b>4,662,842</b>	<b>5,119,499</b>	<b>456,657</b>	4,744,251	5,285,472	541,220
Domestic stocks	<b>1,573,628</b>	<b>3,927,005</b>	<b>2,353,377</b>	1,515,554	3,317,732	1,802,177
Foreign securities	<b>4,023,370</b>	<b>4,768,463</b>	<b>745,092</b>	4,046,382	4,917,990	871,607
Other securities	<b>334,836</b>	<b>380,470</b>	<b>45,633</b>	144,574	175,618	31,044
Monetary claims bought	<b>21,567</b>	<b>22,968</b>	<b>1,400</b>	25,971	28,278	2,307
Negotiable deposits	<b>6,000</b>	<b>6,000</b>	<b>0</b>	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	<b>2,928,453</b>	<b>2,843,251</b>	<b>(85,202)</b>	1,890,774	1,818,043	(72,730)
Domestic bonds	<b>204,402</b>	<b>202,649</b>	<b>(1,753)</b>	7,828	7,086	(741)
Domestic stocks	<b>96,754</b>	<b>91,605</b>	<b>(5,149)</b>	135,757	121,378	(14,378)
Foreign securities	<b>2,556,823</b>	<b>2,479,275</b>	<b>(77,548)</b>	1,615,881	1,566,278	(49,603)
Other securities	<b>26,473</b>	<b>25,724</b>	<b>(748)</b>	107,307	99,301	(8,006)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	<b>44,000</b>	<b>43,996</b>	<b>(3)</b>	24,000	23,998	(1)

## • Book Value of Securities of Which Market Value is Extremely Difficult to Determine

(Millions of Yen)

As of March 31,	2017	2016
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	891,559	890,889
Available-for-sale securities	466,167	585,469
Unlisted domestic stocks	28,456	48,290
Unlisted foreign stocks	427,126	527,126
Other foreign securities	1,168	1,461
Others	9,416	8,590
<b>Total</b>	<b>1,357,727</b>	<b>1,476,359</b>

## Reference: Foreign currency denominated stocks and others of subsidiaries and affiliates (as presented in the above chart) with additional information on fair value of general account securities calculated with adjustments for foreign exchange valuation and other factors

(Millions of Yen)

As of March 31,	2017					2016				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Domestic bonds	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)	16,458,020	19,619,067	3,161,046	3,161,795	(748)
Domestic stocks	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)	1,651,311	3,439,110	1,787,799	1,802,177	(14,378)
Foreign securities	7,487,203	8,116,945	629,741	765,590	(135,848)	6,564,984	7,353,653	788,668	894,473	(105,804)
Foreign bonds	6,054,545	6,588,327	533,781	603,849	(70,067)	5,167,321	5,873,474	706,152	749,281	(43,129)
Foreign stocks and others	1,432,657	1,528,617	95,960	161,740	(65,780)	1,397,662	1,480,179	82,516	145,191	(62,675)
Other securities	362,367	407,324	44,956	45,726	(770)	253,003	276,167	23,163	31,171	(8,007)
Others	268,717	280,631	11,914	13,162	(1,248)	245,352	265,203	19,851	19,852	(1)
<b>Total</b>	<b>26,304,417</b>	<b>31,927,033</b>	<b>5,622,615</b>	<b>5,767,406</b>	<b>(144,790)</b>	<b>25,172,672</b>	<b>30,953,201</b>	<b>5,780,529</b>	<b>5,909,470</b>	<b>(128,940)</b>

Notes: 1. Figures presented above exclude ¥688,348 million comprising unlisted domestic securities totaling ¥165,348 million and unlisted foreign securities totaling ¥523,000 million, both of which were posted at book value as of March 31, 2016.

2. Figures presented above exclude ¥569,946 million comprising unlisted domestic securities totaling ¥146,945 million and unlisted foreign securities totaling ¥423,000 million, both of which were posted at book value as of March 31, 2017.

3. After these exclusions, the above figures account for 97.3% and 97.8% of total securities, respectively, as of March 31, 2016 and March 31, 2017.

4. This table includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

## Fair Value of Money-Held-in-Trust (General Account)

Not applicable.

## Fair Value of Derivative Transactions (General Account)

### (1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

(Millions of Yen)

As of March 31,	2017						2016					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	51,422	(28,235)	—	—	—	23,186	59,990	88,255	—	—	—	148,246
Hedge accounting not applied	(5)	638	—	—	—	633	(0)	(106)	—	—	—	(107)
<b>Total</b>	<b>51,416</b>	<b>(27,597)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23,819</b>	<b>59,989</b>	<b>88,149</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>148,138</b>

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included gain attributable to currency-related transactions totaling ¥89,473 million as of March 31, 2016 and loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017. These figures are presented on the statements of income, together with gains and losses on derivative transactions where hedge accounting is not applied.

## (2) Transactions Where Hedge Accounting is Not Applied

### ◆ Interest-Rate Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value			Fair value	Net gains (losses)	Notional amount/ contract value		
	Over 1 year	Over 3 years	Over 5 years			Over 1 year	Over 3 years	Over 5 years
OTC								
Interest rate swaps								
Receipts fixed, payments floating	200	200	(5)	(5)	100	100	(0)	(0)
Total				(5)				(0)

Note: Net gains (losses) represent the fair values.

### Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,	2017							2016						
	Within 1 year	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	Within 1 year	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
Receipts fixed, payments floating swap														
Notional amount	—	—	—	—	—	200	200	—	—	—	—	—	100	100
Average interest rate in receipt (%)	—	—	—	—	—	0.46	0.46	—	—	—	—	—	0.46	0.46
Average interest rate in payment (%)	—	—	—	—	—	0.02	0.02	—	—	—	—	—	0.02	0.02

### ◆ Currency-Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value			Fair value	Net gains (losses)	Notional amount/ contract value		
	Over 1 year	Over 3 years	Over 5 years			Over 1 year	Over 3 years	Over 5 years
OTC								
Foreign currency forward contracts								
Sold	117,654	—	591	591	12,367	—	(106)	(106)
(U.S. dollar)	106,317	—	575	575	141	—	(0)	(0)
(British pound)	6,973	—	(23)	(23)	—	—	—	—
(Australian dollar)	4,363	—	38	38	12,226	—	(105)	(105)
Bought	11,171	—	46	46	—	—	—	—
(U.S. dollar)	11,171	—	46	46	—	—	—	—
Currency options								
Sold								
Call	105,400	—	—	499	—	—	—	—
(U.S. dollar)	[499]	—	—	499	[—]	—	—	—
Bought								
Put	89,250	—	0	(499)	—	—	—	—
(U.S. dollar)	[499]	—	0	(499)	[—]	—	—	—
Total				638				(106)

Notes: 1. Net gains (losses) on foreign currency forward contracts represent the fair values, and net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.

2. Option fees are shown in [ ].

### ◆ Stock-Related

Not applicable.

### ◆ Bond-Related

Not applicable.



### (3) Transactions Where Hedge Accounting is Applied

#### ◆ Interest-Rate Related

(Millions of Yen)

As of March 31,			2017			2016		
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year	Over 1 year		Over 1 year	Over 1 year	
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	232,600	232,600	51,026	233,900	233,900	59,067
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	16,755	8,755	395	28,948	18,948	922
Total			51,422			59,990		

### Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,		2017							2016						
		Within 1 year	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	Within 1 year	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
		Receipts fixed, payments floating swap													
	Notional amount	8,000	5,227	7,500	7,500	16,028	205,100	249,355	10,000	15,000	4,118	7,400	16,130	210,200	262,848
	Average interest rate in receipt (%)	1.90	2.12	1.56	1.75	1.79	1.89	1.87	1.95	1.97	1.51	1.68	1.73	1.89	1.88
	Average interest rate in payment (%)	0.21	0.20	0.02	0.03	0.12	0.02	0.04	0.22	0.23	0.01	0.04	0.16	0.06	0.08

#### ◆ Currency-Related

(Millions of Yen)

As of March 31,			2017			2016			
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value	
			Over 1 year	Over 1 year		Over 1 year	Over 1 year		
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds							
			Sold	2,852,379	—	(29,786)	2,123,031	—	89,473
			(U.S. dollar)	2,560,560	—	(23,153)	1,808,792	—	86,840
			(Euro)	168,759	—	(173)	182,880	—	1,773
	(Australian dollar)	123,059	—	(6,459)	131,358	—	859		
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds							
			(Euro)	35,575	35,575	1,472	35,575	35,575	(1,307)
			(Australian dollar)	4,305	4,305	78	4,305	4,305	89
Total			(28,235)			88,255			

Note: Excluding transactions related to foreign currency denominated monetary claims and liabilities whose value is fixed in yen at the time of settlement through such means as forward exchange contracts and can thus be included in yen on the balance sheet.

#### ◆ Stock-Related

Not applicable.

#### ◆ Bond-Related

Not applicable.

### Fair Value of Land (General Account)

(Millions of Yen)

	Net unrealized gains			
		Revaluation differences	Unrealized gains in off-balance-sheet transactions	
			Book value	Fair value
As of March 31, 2017	365,593	196,936	168,657	783,927
As of March 31, 2016	331,760	202,032	129,727	745,777

Notes: 1. Includes land used under leasehold rights.

2. Revaluation differences are based on the results of fair value accounting performed by former Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company on March 31, 2000 and 2001, respectively, in accordance with the Act on Revaluation of Land.

3. Unrealized gains in off-balance-sheet transactions result from fluctuations in market value before and after revaluation.

## Unrealized Gains and Losses on Overall Assets (General Account)

(Millions of Yen)

As of March 31,	2017	2016
Securities	<b>5,622,615</b>	5,780,529
Valuation differences	<b>3,517,282</b>	3,176,020
Unrealized gains in off-balance-sheet transactions	<b>2,105,332</b>	2,604,508
Land	<b>365,593</b>	331,760
Revaluation differences	<b>196,936</b>	202,032
Unrealized gains in off-balance-sheet transactions	<b>168,657</b>	129,727
Others	<b>52,724</b>	58,510
<b>Total</b>	<b>6,040,933</b>	6,170,799

Notes: 1. Figures for securities represent unrealized gains attributable to such factors as foreign currency translation adjustments of securities with market prices as well as those whose market value is extremely difficult to determine (e.g., foreign currency denominated stocks of subsidiaries and affiliates).  
2. Securities include financial instruments that are deemed appropriate to handle as securities under the Financial Instruments and Exchange Act.  
3. Revaluation differences of land are based on the results of fair value accounting performed by former Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company on March 31, 2000 and 2001, respectively, in accordance with the Act on Revaluation of Land. In addition, land includes land used under leasehold rights.  
4. Others include unrealized gains and losses on derivative transactions. In addition, the Company applied hedge accounting to some of these transactions. The above table presents unrealized gains and losses on derivative transaction where hedge accounting (deferred hedge accounting or special hedge accounting treatment) is applied. Of those transactions, derivative transactions where fair value hedge accounting is applied posted gain attributable to currency-related transactions totaling ¥89,473 million as of March 31, 2016 and loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017. These figures are presented on the statements of income on the basis of valuation gains and losses, together with gains and losses on transactions where hedge accounting is not applied. None of these transactions included unrealized gains and losses.

## Performance Indicators for Separate Account Balance of Separate Account Assets

(Millions of Yen)

As of March 31,	2017	2016
Variable individual life insurance	<b>63,967</b>	66,061
Variable individual annuities	<b>327,786</b>	345,612
Group pensions	<b>418,087</b>	387,929
<b>Total</b>	<b>809,841</b>	799,603

## Investment Status of Separate Account Assets for Variable Individual Life Insurance and Variable Individual Annuities

In the domestic bond market, long-term yields initially fell on the back of a growing risk avoidance in the wake of the Leave camp's victory in the June 2016 Brexit referendum and increasing expectations for the Bank of Japan (BOJ) to undertake additional monetary easing measures. However, long-term bond yields rose with the BOJ's decision near the end of July to abstain from fortifying its negative interest rate policy and gained further support from U.S. interest rate hikes following Mr. Trump's November victory in the presidential election. As a result, the yield on ten-year JGBs rose to 0.065% as of March 31, 2017, up 0.115% compared with the end of the previous fiscal year.

In the domestic stock market, rising prices for U.S. stocks and crude oil provided an overall boost, until fallout from the Brexit referendum led to drastic price plunges. However, the market rebounded in July 2016 amid expectations that supplemental national budgets would be announced by the Japanese government and on anticipation of additional monetary easing measures from the BOJ. After that, the stock market remained robust on the back of positive market sentiment influenced by the BOJ's announcement at the end of July with regard to its decision to supplement its monetary easing policies by expanding purchases of exchange traded funds (ETFs). During the November 2016 U.S. presidential election, domestic stock prices suddenly fell as polls announced the high probability of Mr. Trump's victory. After the results were confirmed, however, stock prices rose again, significantly buoyed by higher U.S. stock prices and interest rates, as well as considerable yen depreciation in anticipation of the new administration's upcoming economic policies. From January 2017 onward, however, the rise in stock prices grew muted due to such factors as the appreciation of the yen. As a result, the Nikkei average as of March 31, 2017 was ¥18,909, up ¥2,151 from March 31, 2016.

In the U.S. bond market, long-term interest rates declined on the June 2016 announcement that employment statistics fell short of market predictions and amid growing risk aversion due to fallout from the Brexit referendum. Long-term interest rates remained predictably low from the middle of July onward. After Mr. Trump's election, however, long-term interest rates rose amid expectations that the new administration's economic policies would boost both the budget deficit and the inflation rate. Moreover, statements on upward rate revisions made by members of the Federal Open Market Committee in December 2016 contributed to higher long-term interest rates. The Federal Reserve's subsequent decision to raise U.S. interest rates was consistent with market predictions. From January, long-term interest rates remained at higher levels. As a result, the yield on ten-year U.S. Treasuries was 2.388% as of March 31, 2017, up 0.618% from a year earlier.

In the U.S. stock market, prices were stable, until dropping amid fallout from the UK referendum. However, stock prices recovered on a turnaround in sentiment as investors decided they had been overly risk averse and with the announcement of employment statistics that exceeded market expectations. Stock prices remained stagnant from the middle of July 2016 onward. However, growing expectations for the new U.S. administration's economic policies and favorable corporate earnings served as positive factors contributing to subsequent growth in stock prices. As a result, the Dow Jones Industrial Average stood at US\$20,663 on March 31, 2017, up US\$2,978 year on year.

As for foreign currency exchange rates, the yen appreciated due mainly to growing risk aversion associated with fallout from the Brexit referendum. Although the yen declined on the back of the increases in U.S. interest rates and stock prices following Mr. Trump's presidential election victory, the yen gained some strength from January 2017. As of March 31, 2017, the exchange rate stood at ¥112.19 to the U.S. dollar, up ¥0.49 year on year. Against the euro, the exchange rate stood at ¥119.79, up ¥7.91 year on year.

Given this environment, the Company strove to secure stable returns from variable individual life insurance through diversified investment in both domestic and overseas assets. Specifically, during the fiscal year ended March 31, 2017, the Company flexibly adjusted its asset portfolio on the back of ongoing volatility in the stock market by, for example, decreasing stock allocations when risk aversion prevailed and by raising them when stock prices were rising.

As for variable individual annuities, the Company invested in investment trusts formulated for each product. Generally, the ratio of such assets in investment trusts remained high during the fiscal year under review.

## Variable Individual Life Insurance (Separate Account) Insurance Amount of Policies in Force

As of March 31,	2017		2016	
	Number of policies	Amount	Number of policies	Amount
Variable life insurance (term type)	—	—	2	6
Variable life insurance (whole-life type)	53,023	498,163	54,077	513,183
<b>Total</b>	<b>53,023</b>	<b>498,163</b>	<b>54,079</b>	<b>513,190</b>

(Millions of Yen)

Note: Insurance amount of policies in force includes coverage under term rider.

## Breakdown of Assets

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	1,888	3.0	1,904	2.9
Securities	57,871	90.5	59,189	89.6
Domestic bonds	13,438	21.0	11,614	17.6
Domestic stocks	23,877	37.3	23,951	36.3
Foreign securities	20,554	32.1	23,623	35.8
Foreign bonds	4,634	7.2	7,165	10.8
Foreign stocks and others	15,920	24.9	16,457	24.9
Other securities	—	—	—	—
Loans	—	—	—	—
Others	4,206	6.6	4,968	7.5
Allowance for possible loan losses	—	—	—	—
<b>Total</b>	<b>63,967</b>	<b>100.0</b>	<b>66,061</b>	<b>100.0</b>

(Millions of Yen)

## Investment Returns

(Millions of Yen)

Years ended March 31,	2017	2016
Interest, dividends and other income	1,266	1,480
Gains on sales of securities	3,809	6,211
Gains on redemption of securities	—	—
Gains on valuation of securities	9,552	6,020
Foreign exchange gains	39	55
Gains on derivative financial instruments	480	762
Other income	3	4
Losses on sales of securities	3,249	2,132
Losses on redemption of securities	—	0
Losses on valuation of securities	6,556	15,196
Foreign exchange losses	57	81
Losses on derivative financial instruments	638	800
Other expenses	1	0
Net gains (losses)	4,649	(3,674)

## Fair Value of Securities

### Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2017		2016	
	Balance sheet amount	Valuation gains/losses included in the statement of income	Balance sheet amount	Valuation gains/losses included in the statement of income
Trading securities	57,871	2,995	59,189	(9,175)

## Fair Value of Money-Held-in-Trust

Not applicable.

## Fair Value of Derivative Transactions

### (1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

(Millions of Yen)

As of March 31,	2017						2016					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	—	—	—	—	—	—	—	—	—	—	—	—
Hedge accounting not applied	—	0	—	—	—	0	—	11	15	—	—	27
Total	—	0	—	—	—	0	—	11	15	—	—	27

Note: Gains and losses on derivative transactions where hedge accounting is not applied are presented on the statements of income.

### (2) Transactions Where Hedge Accounting is Not Applied

#### ◆ Interest-Rate Related

Not applicable.

◆ Currency-Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
OTC								
Foreign currency forward contracts								
Sold	34	—	(0)	(0)	—	—	—	—
(Euro)	25	—	(0)	(0)	—	—	—	—
(Polish zloty)	9	—	(0)	(0)	—	—	—	—
Bought	35	—	0	0	1,008	—	11	11
(U.S. dollar)	25	—	0	0	708	—	1	1
(Australian dollar)	9	—	0	0	—	—	—	—
(Euro)	—	—	—	—	300	—	10	10
Total				0				11

Note: Net gains (losses) represent the fair values.

◆ Stock-Related

(Millions of Yen)

As of March 31,	2017				2016			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
Exchange-traded transactions								
Yen Stock index futures								
Sold	—	—	—	—	274	—	4	4
Foreign currency-denominated stock index futures								
Bought	—	—	—	—	1,087	—	10	10
Total				—				15

Note: Net gains (losses) represent the fair values.

◆ Bond-Related

Not applicable.

(3) Transactions Where Hedge Accounting is Applied

Not applicable.

**Variable Individual Annuities (Separate Account)  
Policies in Force**

(Millions of Yen)

As of March 31,	2017		2016	
	Number of policies	Amount	Number of policies	Amount
Variable individual annuities	96,035	330,072	96,785	351,165

Note: Insurance amount of policies in force includes the amount of general account policies written after pension payout.

## Breakdown of Assets

(Millions of Yen)

As of March 31,	2017		2016	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	307	0.1	655	0.2
Securities	324,825	99.1	342,083	99.0
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and others	—	—	—	—
Other securities	324,825	99.1	342,083	99.0
Loans	—	—	—	—
Others	2,653	0.8	2,873	0.8
Allowance for possible loan losses	—	—	—	—
<b>Total</b>	<b>327,786</b>	<b>100.0</b>	<b>345,612</b>	<b>100.0</b>

## Investment Returns

(Millions of Yen)

Years ended March 31,	2017	2016
Interest, dividends and other income	1,719	2,919
Gains on sales of securities	0	0
Gains on redemption of securities	—	—
Gains on valuation of securities	38,759	36,528
Foreign exchange gains	—	—
Gains on derivative financial instruments	—	—
Other income	—	—
Losses on sales of securities	202	0
Losses on redemption of securities	—	—
Losses on valuation of securities	48,266	49,848
Foreign exchange losses	—	—
Losses on derivative financial instruments	—	—
Other expenses	—	—
<b>Net gains (losses)</b>	<b>(7,990)</b>	<b>(10,400)</b>

## Fair Value of Securities

### Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2017		2016	
	Balance sheet amount	Valuation gains/losses included in the statement of income	Balance sheet amount	Valuation gains/losses included in the statement of income
Trading securities	324,825	(9,507)	342,083	(13,319)

## Fair Value of Money-Held-in-Trust

Not applicable.

## Fair Value of Derivative Transactions

Not applicable.

## Group Pensions (Separate Account) Separate Account Assets Managed for Group Pension Policyholders

(Millions of Yen)

As of March 31,	2017		2016	
	Number of groups	Fair value	Number of groups	Fair value
First treaty separate account	769	404,571	742	379,706
Comprehensive account	517	204,612	565	233,110
Accounts established for each investee	296	199,958	189	146,596
Total	769	404,571	742	379,706

Note: First treaty separate account jointly manages the assets of multiple group pension policyholders.

## Investment Performance of First Treaty Separate Account (Comprehensive Account)

### (1) Investment Status in the Year Ended March 31, 2017

In line with its annual investment plan, the Company generally maintained a greater allocation of stocks, both domestic and overseas, in its portfolio and a smaller allocation of domestic bonds. As necessary, the Company rebalanced its asset allocations to maintain this policy and adapt to changes in the market environment. The average time-weighted return rate for comprehensive account assets during the fiscal year ended March 31, 2017 was 7.25%. This was attributable to positive returns recorded in both domestic and foreign stockholdings.

(%)

	Planned figures for year ended March 31, 2017	Asset Allocations				As of March 31, 2017
		As of March 31, 2016	As of June 30, 2016	As of September 30, 2016	As of December 31, 2016	
Domestic bonds	30.0	19.9	27.0	26.1	24.7	20.9
Domestic stocks	33.0	35.3	33.9	37.9	41.0	37.6
Foreign bonds	10.0	11.0	8.7	9.3	8.1	10.1
Foreign stocks	24.0	27.2	26.2	24.9	24.7	26.2
Short-term funds and others	3.0	6.5	4.1	1.8	1.4	5.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1. Asset allocations are based on fair value.

2. The figures for allocation by asset type from June 2016 onward include the finalized results of futures transactions.

### (2) Balance in Fair Value by Asset Type

(Millions of Yen)

As of March 31,	2017		2016	
	Fair value	(%)	Fair value	(%)
Domestic bonds	42,758	20.9	46,381	19.9
Domestic stocks	76,925	37.6	82,323	35.3
Foreign bonds	20,658	10.1	25,736	11.0
Foreign stocks	53,689	26.2	63,404	27.2
Short-term funds and others	10,581	5.2	15,264	6.5
Total	204,612	100.0	233,110	100.0

Note: The figures for balance in fair value as of March 31, 2017 include the finalized results of futures transactions.

### (3) Investment Performance

(%)

Years ended March 31,	2017	2016
Time-weighted return rate	7.25	(5.13)

## First Treaty Separate Account (Accounts Established for Each Investee)

### (1) Investment Status in the Year Ended March 31, 2017

Fund	Status
Yen currency denominated bond account	Based on fundamental analysis, the Company determined its duration, yield curve and sector allocation strategies, thus executing active investment. Having expected the low interest rate environment to remain in place, the Company adjusted its duration strategy while monitoring trends in interest rates and investor sentiment. Looking at the allocation by bond category, the Company maintained a greater proportion of non-government bonds.
Yen currency denominated bond account—A	The Company engaged in active investment while taking a cautious stance in executing its duration, yield curve and sector allocation strategies. The Company adjusted the allocation by duration in line with changes in yield curves. Looking at the allocation by bond category, the Company maintained a greater proportion of industrial bonds.
Yen currency denominated stock account	Drawing on the combined results of bottom-up analyses, both qualitative and quantitative, the Company engaged in active investment while controlling exposure to risks specific to certain business sectors. The Company also reshuffled its stock portfolio by focusing on investment efficiency, growth potential and other factors. The Company also gave due consideration to such market factors as economic trends in Japan, the United States and other countries, as well as changes in monetary policies.
Yen currency denominated stock account—B	The Company adopted a “factor rotation strategy,” an investment strategy that focuses on various factors affecting investment performance to adjust allocation in step with changes due to market conditions. In this way, the Company executed enhanced index investing. The Company maintains a neutral sector allocation policy while focusing on value indices and profitability.
Foreign currency denominated bond account	Based on fundamental analysis, the Company determined its currency, duration and yield curve strategies, thereby executing active investment. Allocation by currency was flexibly revised based on the outlook of future trends by country. The Company was also flexible in adjusting bond duration, with due consideration given to gaps between U.S. and German interest rates, as well as the prevailing interest rates in other markets.
Foreign currency denominated bond account—A	The Company maintained a cautious stance in executing its currency, duration, yield curve and sector allocation strategies, thereby executing active investment. On the other hand, the Company has flexibly adjusted allocation by currency and bond duration. The Company also adjusted allocation by duration based on changes in yield curves while including non-government bonds.
Foreign currency denominated stock account	Drawing on the combined results of bottom-up analyses, both qualitative and quantitative, the Company engaged in active investment. In developed countries, the Company controlled its exposure to risks specific to certain business sectors while maintaining regionally neutral allocation. In selecting stocks, the Company also focused on the issuer's unique growth drivers and growth potential in shareholder returns. In addition, the Company continuously invested in stocks issued by companies in emerging Asian nations.
Foreign currency denominated stock account—B	The Company adopted a “factor rotation strategy,” an investment strategy that focuses on various factors affecting investment performance to adjust allocations in step with changes in market conditions. In this way, the Company executed enhanced index investing. Remaining neutral on region- and sector-based allocation, the Company focused on value indices for both U.S. and European stocks.
Short-term fund account	The Company engaged in investment focusing on maintaining liquidity and stability.

### (2) Fair Value and Investment Performance

(Millions of Yen)

As of and years ended March 31,	2017		2016	
	Fair value	Time-weighted return rate (%)	Fair value	Time-weighted return rate (%)
Yen currency denominated bond account	77,942	(1.24)	53,921	5.43
Yen currency denominated bond account—A	20,354	(0.98)	20,396	5.50
Yen currency denominated stock account	15,536	15.03	13,641	(10.57)
Yen currency denominated stock account—B	25,312	15.68	14,625	(11.02)
Foreign currency denominated bond account	9,029	(5.60)	9,120	(2.81)
Foreign currency denominated bond account—A	6,679	(5.57)	6,975	(2.81)
Foreign currency denominated stock account	10,235	14.11	9,629	(9.03)
Foreign currency denominated stock account—B	9,383	14.25	8,517	(8.16)
Short-term fund account	25,484	0.00	9,769	0.06
<b>Total</b>	<b>199,958</b>		<b>146,596</b>	



## Consolidated Information

### Non-performing Loans

	(Millions of Yen)	
As of March 31,	2017	2016
Loans to bankrupt borrowers	—	—
Loans in arrears	4,362	3,985
Loans in arrears for three months or longer	—	125
Restructured loans	27,036	25,728
<b>Total</b>	<b>31,398</b>	29,840
Non-performing loans/total loans (%)	0.58	0.53

- Notes: 1. Loans to bankrupt borrowers and substantially bankrupt borrowers including collateralized and guaranteed loans are directly deducted from total loans based on estimated uncollectible amounts. This is calculated as the remainder after deducting any amounts expected to be collected through the disposal of collateral or the execution of guarantees. The amounts recognized in the financial statements were ¥44 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2016; and ¥44 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2017.
2. Loans to bankrupt borrowers are loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act or Company Act; loans to borrowers with notes suspended from trading on exchanges; and loans to borrowers that have filed for similar legal proceedings based on overseas laws. Interest is not accrued as income on these loans, which remain in arrears on principal and interest payments with little likelihood for the recovery of principal or interest.
3. Loans in arrears are loans that do not accrue interest. These loans exclude loans to bankrupt borrowers and restructured loans with modified interest payment terms and conditions extended in order to support the borrowers or business restructuring.
4. Loans in arrears for three months or longer are loans with principal or interest in arrears for three or more months from the day following the payment date established by the loan agreement. These loans exclude loans to bankrupt borrowers and loans in arrears.
5. Restructured loans are loans with favorable concessions given to the borrower (including interest reduction or exemption, relaxed interest payments, relaxed principal repayments and loan forgiveness) in order to support the rebuilding of operations at the borrower. These loans exclude loans to bankrupt borrowers, loans in arrears, and loans in arrears for three months or longer.

### The Enhancement of Ability for Insurance Claim and Benefit Payout Possessed by the Insurance Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

	(Millions of Yen)	
As of March 31,	2017	2016
(A) Total solvency margin	6,801,090	6,195,368
① Foundation funds and capital and others	739,676	626,226
② Reserve for price fluctuation	578,227	522,116
③ Contingency reserves	681,563	675,607
④ Catastrophe reserves	9,586	9,116
⑤ General allowance for possible loan losses	1,389	1,310
⑥ Net unrealized gains (losses) on available-for-sale securities (before tax effect deduction) and deferred unrealized gains (losses) on derivatives under hedge accounting (before tax effect deduction) × 90% (100% in case of losses)	3,177,007	2,859,755
⑦ Unrealized gains on land × 85% (100% in case of losses)	316,220	288,299
⑧ Total of unrecognized actuarial differences and unrecognized past service costs	21,998	(44,743)
⑨ Excess of continued Zillmerized reserve	953,588	966,800
⑩ Qualifying subordinated debt	379,632	363,901
⑪ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑫ Deductions	(147,646)	(156,398)
⑬ Other (tax effect adjustment)	89,844	83,374
(B) Total amount of risk $\sqrt{(\sqrt{14^2+15^2+17+18})^2+(19+20+21)^2+16+22}$	1,361,632	1,259,489
⑭ Insurance risk	158,532	155,024
⑮ General underwriting risk	1,785	1,782
⑯ Major disaster risk	471	500
⑰ Third-sector insurance risk	58,241	56,391
⑱ Insurance risk of small-amount short-term insurer	—	—
⑲ Assumed interest rate risk	146,789	150,281
⑳ Minimum guarantee risk	12,011	8,800
㉑ Investment risk	1,153,945	1,053,088
㉒ Business management risk	30,635	28,517
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	998.9	983.7

- Notes: 1. The figures presented above are calculated based on provisions in Article 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act and the Financial Services Agency Notification No. 23 in 2011.
2. Minimum guarantee risk is calculated based on standard methods stipulated in Article 4, Paragraph 5 of said notification.

## The Enhancement of Ability for Insurance Claim and Benefit Payout Possessed by the Insurance Company's Subsidiary (Solvency Margin Ratio)

### Meiji Yasuda General Insurance Co., Ltd.

(Millions of Yen)

As of March 31,	2017	2016
(A) Total solvency margin	70,276	68,902
① Foundation funds and capital and others	57,700	57,136
② Reserve for price fluctuation	370	113
③ Contingency reserves	29	34
④ Catastrophe reserves	9,586	9,116
⑤ General allowance for possible loan losses	—	—
⑥ Net unrealized gains (losses) on available-for-sale securities (before tax effect deduction) and deferred unrealized gains (losses) on derivatives under hedge accounting (before tax effect deduction) × 90% (100% in case of losses)	1,165	1,198
⑦ Unrealized gains on land × 85% (100% in case of losses)	883	915
⑧ Excess of refund reserves	—	—
⑨ Qualifying subordinated debt	—	—
⑩ Excess of refund reserves and qualifying subordinated debt not included in margin calculation	—	—
⑪ Deductions	—	—
⑫ Others	540	389
(B) Total amount of risk $\sqrt{((13+14)^2+(15+16)^2+(17)+18)}$	2,731	2,735
⑬ General underwriting risk	1,785	1,782
⑭ Third-sector insurance risk	—	—
⑮ Assumed interest rate risk	7	8
⑯ Investment risk	1,259	1,221
⑰ Business management risk	70	70
⑱ Major disaster risk	471	500
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	5,146.2	5,036.7

Note: The figures presented above are calculated based on provisions in Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Notification No. 50 in 1996.

### Segment Information

Business operations undertaken by the Company, its consolidated subsidiaries and subsidiary entities during the years ended March 31, 2016 and March 31, 2017, included the nonlife insurance business in addition to the life insurance business. However, the nonlife insurance business has been omitted from segment information since it represents such a minor proportion of total operations and the Company's operations can be regarded as consisting of a single business segment.