

Non-consolidated Information

Assets

Loans Categorized by Internal Classification of Borrowers

(Millions of Yen)

As of March 31,	2018	2017
Loans to legally bankrupt and substantially bankrupt borrowers	559	629
Loans to borrowers with high possibility of bankruptcy	2,974	3,655
Loans with collection risk	15,479	16,018
Subtotal	19,013	20,303
Proportion of total loans (%)	0.28	0.33
Normal loans	6,702,846	6,217,629
Total	6,721,859	6,237,932

- 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,	2018	2017
Loans to bankrupt borrowers	—	—
Loans in arrears	3,533	4,284
Loans in arrears for three months or longer	—	—
Restructured loans	15,246	15,781
Total	18,780	20,066
Non-performing loans/total loans (%)	0.42	0.43

- 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, 2017; and ¥368 million for loans to bankrupt borrowers and ¥2 million for loans in arrears as of March 31, 2018.
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,	(Millions of Yen)			
	2018		2017	
	Amount	% of total value of loans	Amount	% of total value of loans
Not Classified	6,684,117	99.4	6,196,663	99.3
Class II	37,625	0.6	41,155	0.7
Class III	115	0.0	113	0.0
Class IV	—	—	—	—
Subtotal of II-IV	37,741	0.6	41,269	0.7
Total	6,721,859	100.0	6,237,932	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,	(Millions of Yen)	
	2018	2017
(A) Total solvency margin	7,614,123	7,328,416
① Foundation funds	1,195,875	1,194,040
② Reserve for price fluctuation	684,594	577,545
③ Contingency reserves	691,787	681,534
④ General allowance for possible loan losses	1,310	1,388
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)	3,202,005	3,166,950
⑥ Unrealized gains on land × 85% (100% in case of losses)	348,812	310,754
⑦ Excess of continued Zillmerized reserve	936,352	953,588
⑧ Qualifying subordinated debt	453,310	353,310
⑨ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑩ Deductions	—	—
⑪ Other (tax effect adjustment)	100,074	89,303
(B) Total amount of risk $\sqrt{(12+13)^2+(14+15+16)^2+17}$	1,623,634	1,550,146
⑫ Insurance risk	119,760	119,135
⑬ Third-sector insurance risk	61,586	57,838
⑭ Assumed interest rate risk	145,077	146,781
⑮ Minimum guarantee risk	8,829	12,011
⑯ Investment risk	1,424,153	1,347,329
⑰ Business management risk	35,188	33,661
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	937.9	945.5

- 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,	2018	2017
Real net assets	9,827,543	9,563,981
Ratio of real net assets to general account assets (%)	26.1	26.0

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,	2018	2017
Real net assets after deducting unrealized gains and losses on held-to-maturity debt securities and policy-reserve-matching bonds	7,597,042	7,414,023

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,	2018		2017	
	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	785,232	(4,583)	741,879	3,419
General account	—	—	—	—
Separate account	785,232	(4,583)	741,879	3,419

Fair Value of Securities

• Securities with Fair Value (excluding trading securities)

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,540,301	5,348,839	808,537	809,196	(658)	4,715,320	5,537,852	822,531	823,812	(1,281)
Policy-reserve-matching bonds	7,549,821	8,971,785	1,421,963	1,425,365	(3,401)	7,250,615	8,578,042	1,327,426	1,327,428	(1)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	14,317,705	17,875,899	3,558,193	3,729,394	(171,200)	13,550,699	17,067,658	3,516,959	3,602,161	(85,202)
Domestic bonds	4,974,782	5,400,878	426,096	432,444	(6,347)	4,867,245	5,322,149	454,903	456,657	(1,753)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,018,010	7,425,040	407,029	556,602	(149,572)	6,580,194	7,247,738	667,544	745,092	(77,548)
Foreign bonds	6,282,089	6,553,962	271,872	407,224	(135,351)	5,934,260	6,461,472	527,211	597,262	(70,050)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	15,626	16,816	1,190	1,190	—	21,567	22,968	1,400	1,400	—
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—
Total	26,407,828	32,196,523	5,788,694	5,963,956	(175,261)	25,516,636	31,183,553	5,666,917	5,753,402	(86,485)
Domestic bonds	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,292,812	7,703,477	410,664	563,639	(152,974)	6,700,479	7,374,594	674,114	751,679	(77,565)
Foreign bonds	6,556,891	6,832,399	275,507	414,261	(138,753)	6,054,545	6,588,327	533,781	603,849	(70,067)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	213,540	225,501	11,960	12,606	(645)	218,717	230,634	11,917	13,162	(1,245)
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—

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,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,482,952	5,292,148	809,196	4,664,197	5,488,010	823,812
Domestic bonds	4,220,155	5,011,203	791,048	4,395,085	5,200,549	805,464
Foreign bonds	119,183	125,914	6,731	108,062	114,649	6,587
Monetary claims bought	143,614	155,030	11,416	161,050	172,811	11,761
Securities whose fair value does not exceed the balance sheet amount	57,349	56,690	(658)	51,123	49,841	(1,281)
Domestic bonds	2,800	2,786	(13)	2,800	2,780	(19)
Foreign bonds	249	248	(0)	12,223	12,206	(17)
Monetary claims bought	54,300	53,654	(645)	36,100	34,854	(1,245)

• Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	7,427,523	8,852,888	1,425,365	7,249,715	8,577,144	1,327,428
Domestic bonds	7,394,452	8,819,512	1,425,060	7,249,715	8,577,144	1,327,428
Foreign bonds	33,070	33,376	305	—	—	—
Securities whose fair value does not exceed the balance sheet amount	122,298	118,896	(3,401)	900	898	(1)
Domestic bonds	—	—	—	900	898	(1)
Foreign bonds	122,298	118,896	(3,401)	—	—	—

• Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2018			2017		
	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	10,087,737	13,817,132	3,729,394	10,622,245	14,224,406	3,602,161
Domestic bonds	4,762,611	5,195,056	432,444	4,662,842	5,119,499	456,657
Domestic stocks	1,548,692	4,227,017	2,678,324	1,573,628	3,927,005	2,353,377
Foreign securities	3,346,851	3,903,453	556,602	4,023,370	4,768,463	745,092
Other securities	399,140	459,711	60,570	334,836	380,470	45,633
Monetary claims bought	15,626	16,816	1,190	21,567	22,968	1,400
Negotiable deposits	5,000	5,000	0	6,000	6,000	0
Money held in trust	9,814	10,076	262	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	4,229,967	4,058,766	(171,200)	2,928,453	2,843,251	(85,202)
Domestic bonds	212,170	205,822	(6,347)	204,402	202,649	(1,753)
Domestic stocks	123,241	112,743	(10,498)	96,754	91,605	(5,149)
Foreign securities	3,671,159	3,521,586	(149,572)	2,556,823	2,479,275	(77,548)
Other securities	192,396	187,615	(4,780)	26,473	25,724	(748)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	31,000	30,999	(0)	44,000	43,996	(3)
Money held in trust	—	—	—	—	—	—

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

(Millions of Yen)

As of March 31,	2018	2017
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	875,118	891,559
Available-for-sale securities	415,356	466,167
Unlisted domestic stocks	27,776	28,456
Unlisted foreign stocks	377,126	427,126
Other foreign securities	458	1,168
Others	9,994	9,416
Total	1,290,474	1,357,727

Fair Value of Money Held in Trust (Consolidated)

(Millions of Yen)

As of March 31,	2018					2017				
	Balance sheet		Net gains/losses			Balance sheet		Net gains/losses		
	amount	Fair value	Gains	Losses	amount	Fair value	Gains	Losses		
Money held in trust	10,076	10,076	—	—	—	—	—	—		

Money Held in Trust for Investment

Not applicable.

Money Held in Trust for Maturity, for Policy Reserve Matching and for Other Purposes

(Millions of Yen)

As of March 31,	2018					2017				
	Book value		Net gains/losses			Book value		Net gains/losses		
	amount	Fair value	Gains	Losses	amount	Fair value	Gains	Losses		
Held-to-maturity	—	—	—	—	—	—	—	—		
Policy reserve matching	—	—	—	—	—	—	—	—		
Other purposes	9,814	10,076	262	262	—	—	—	—		

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 credit balance limits for each type of transaction and 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 Risk Management Verification Committee 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,	2018						2017					
	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	51,453	78,337	—	—	—	129,790	51,422	(28,235)	—	—	—	23,186
Hedge accounting not applied	4	(2,558)	(53)	—	—	(2,608)	(5)	632	(25)	—	—	601
Total	51,457	75,778	(53)	—	—	127,182	51,416	(27,603)	(25)	—	—	23,788

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017 and gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018. 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,	2018			2017		
	Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
OTC						
Interest rate swaps						
Receipts fixed, payments floating	1,200	1,200	4	200	200	(5)
Total			4			(5)

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,	2018							2017						
	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	—	—	—	—	—	1,200	1,200	—	—	—	—	—	200	200
Average interest rate in receipt (%)	—	—	—	—	—	0.68	0.68	—	—	—	—	—	0.46	0.46
Average interest rate in payment (%)	—	—	—	—	—	0.01	0.01	—	—	—	—	—	0.02	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,	2018				2017			
	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	88,295	—	1,768	1,768	118,008	—	592	592
(U.S. dollar)	62,385	—	1,661	1,661	106,347	—	575	575
(Euro)	13,904	—	37	37	224	—	1	1
(Australian dollar)	11,454	—	68	68	4,363	—	38	38
(British pound)	127	—	0	0	6,979	—	(23)	(23)
(Others)	422	—	0	0	92	—	0	0
Bought	19,226	—	61	61	11,993	—	38	38
(U.S. dollar)	9,566	—	64	64	11,742	—	40	40
(Euro)	6,914	—	(0)	(0)	146	—	(1)	(1)
(Australian dollar)	2,302	—	(0)	(0)	93	—	0	0
(Others)	442	—	(1)	(1)	9	—	0	0
Currency options								
Sold								
Call	—	—	—	—	105,400	—	—	—
(U.S. dollar)	[—]	—	—	—	[499]	—	—	499
Put	—	—	—	—	89,250	—	0	(499)
(U.S. dollar)	[—]	—	—	—	[499]	—	0	(499)
Bought								
Call	—	—	—	—	89,250	—	0	(499)
(U.S. dollar)	[—]	—	—	—	[499]	—	0	(499)
Currency swaps								
Yen payments/Australian dollar receipts	88,870	88,870	(4,389)	(4,389)	—	—	—	—
Total				(2,558)				632

Notes: 1. Net gains (losses) on foreign exchange contracts and swap transactions 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,	2018			2017			
	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value	
	Over 1 year	Net gains (losses)		Over 1 year	Net gains (losses)		
Exchange-traded transactions							
Yen Stock index futures							
Bought	2,706	—	39	39	2,192	—	(29)
Foreign currency-denominated stock index futures							
Bought	2,820	—	(93)	(93)	1,098	—	3
Total				(53)			(25)

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,				2018		2017	
	Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Notional amount/ contract value	
				Over 1 year	Fair value	Over 1 year	Fair value
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	231,400	231,400	51,256	232,600	232,600
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	8,562	3,562	197	16,755	8,755
Total					51,453		51,422

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

(Millions of Yen)

As of March 31,	2018							2017						
	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	5,000	3,636	7,100	8,926	14,500	200,800	239,962	8,000	5,227	7,500	7,500	16,028	205,100	249,355
Average interest rate in receipt (%)	2.15	1.51	1.69	1.73	1.90	1.88	1.87	1.90	2.12	1.56	1.75	1.79	1.89	1.87
Average interest rate in payment (%)	0.21	0.01	(0.00)	0.11	0.06	0.01	0.02	0.21	0.20	0.02	0.03	0.12	0.02	0.04

◆ Currency-Related

(Millions of Yen)

As of March 31,			2018			2017			
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	3,376,632	—	79,785	2,852,379	—	(29,786)
			(U.S. dollar)	3,058,604	—	76,837	2,560,560	—	(23,153)
			(Euro)	183,159	—	319	168,759	—	(173)
	(Australian dollar)	134,867	—	2,628	123,059	—	(6,459)		
Deferred hedge accounting	Cross currency swaps	Foreign-currency- denominated bonds							
			(Euro)	35,575	35,575	(1,641)	35,575	35,575	1,472
			(Australian dollar)	4,305	4,305	192	4,305	4,305	78
Total					78,337		(28,235)		

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: 11

Total amount reported in the balance sheet: 64,048 million yen

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

As of March 31, 2018

(Thousand Shares, Millions of Yen)

Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	57,626	Ongoing stockholding to maintain a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets

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

3. Investment Securities Held Solely for Investment

(Millions of Yen)

As of and years ended March 31,	2018					2017				
	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	27,505	1,102	710	1,069	(211)	27,079	1,974	716	917	(34)
Others	4,385,729	92,939	1,700	2,691,152	(1,181)	4,066,262	79,852	12,108	2,372,282	(332)

Components of Ordinary Profit (Base Profit)

(Millions of Yen)

Years ended March 31,		2018	2017
Base income ①		3,685,492	3,520,567
Insurance premiums and other		2,719,469	2,615,872
Insurance premiums		2,718,837	2,614,768
Investment income (Note 1)		864,599	794,431
Interest, dividends and other income		768,959	721,464
Other ordinary income (Note 1)		100,582	110,262
Other base income		840	—
Base expenses ②		3,138,790	3,048,224
Benefits and other payments		2,212,551	2,204,036
Claims paid		679,816	564,719
Annuity payments		645,353	695,207
Benefit payments		380,435	396,440
Surrender benefits		420,757	452,951
Other refunds		80,543	89,190
Provision for policy reserves and other reserves (Note 1)		374,099	283,189
Investment expenses (Note 1)		38,186	37,014
Operating expenses		356,467	350,389
Other ordinary expenses		146,411	173,594
Other base expenses		11,074	—
Base profit (Note 2)	A (①-②)	546,701	472,343
Capital income ③		36,249	21,635
Gains on money held in trust		—	—
Gains on trading securities		—	—
Gains on sales of securities		25,175	21,635
Gains on derivative financial instruments		—	—
Foreign exchange gains		—	—
Other capital income		11,074	—
Capital expenses ④		169,925	134,641
Losses on money held in trust		—	—
Losses on trading securities		—	—
Losses on sales of securities		38,046	32,078
Losses on valuation of securities		8,530	12,009
Losses on derivative financial instruments		113,851	90,154
Foreign exchange losses		8,679	399
Other capital expenses		817	—
Capital gains/losses (Note 2)	B (③-④)	(133,675)	(113,006)
Total of base profit and capital gains/losses	A+B	413,025	359,337
Temporary income ⑤		320	—
Reversal of contingency reserves		—	—
Reversal of specific allowance for possible loan losses		320	—
Other temporary income		—	—
Temporary expenses ⑥		44,986	40,882
Provision for contingency reserves		10,253	5,960
Provision for specific allowance for possible loan losses		—	381
Provision for specific allowance for possible overseas loan losses		—	—
Write-off of doubtful accounts		—	—
Other temporary expenses (Note 3)		34,732	34,540
Temporary gains/losses	C (⑤-⑥)	(44,665)	(40,882)
Ordinary profit	A+B+C	368,360	318,455

- 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. In the fiscal year ended March 31, 2018, the Company changed its methods for disclosing some components of ordinary income that are affected by fluctuations in surrender benefits associated with market value adjustments and those affected by foreign exchange rate fluctuations associated with insurance policies denominated in foreign currencies. If the aforementioned change had been applied to operating results for the fiscal year ended March 31, 2017, base profit would increase by ¥284 million, while capital gains would decrease by the same amount.
3. 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,		2018	2017
Base profit	A	546.7	472.3
Interest surplus		222.5	174.8
Mortality profit		288.9	281.6
Expense profit		35.2	15.8
Capital gains/losses	B	(133.6)	(113.0)
Temporary gains/losses	C	(44.6)	(40.8)
Ordinary profit	D (=A+B+C)	368.3	318.4
Extraordinary gains/losses, income taxes	E	(128.7)	(81.1)
Unappropriated surplus	F (=D+E)	239.5	237.2

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,	2018		2017	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	1,581,825	101.3	1,561,156	102.2
Individual annuities	669,319	97.2	688,870	102.9
Total	2,251,145	100.0	2,250,027	102.4
Medical insurance, living benefits and others	402,047	105.2	382,233	103.9

• Number of Policies

As of March 31,	2018		2017	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	9,482,859	103.6	9,152,556	102.5
Individual annuities	2,613,215	97.2	2,687,165	105.2
Total	12,096,074	102.2	11,839,721	103.1

(2) New Policies

• Annualized Premiums

(Millions of Yen)

Years ended March 31,	2018		2017	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	122,254	95.7	127,695	87.7
Individual annuities	5,739	11.0	52,228	132.7
Total	127,994	71.1	179,924	97.3
Medical insurance, living benefits and others	42,825	117.2	36,545	100.6

• Number of Policies

Years ended March 31,	2018		2017	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	1,112,145	101.4	1,096,308	109.2
Individual annuities	31,590	12.7	248,088	133.3
Total	1,143,735	85.1	1,344,396	112.9

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,	2018		2017	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	64,557,636	94.9	68,042,279	95.6
Individual annuities	13,969,694	96.3	14,503,891	103.6
Subtotal	78,527,330	95.1	82,546,170	96.9
Group life insurance	113,944,264	100.9	112,956,900	100.9
Total	192,471,595	98.4	195,503,071	99.2
Group pensions	7,607,226	102.2	7,441,786	101.3

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,	2018				2017			
	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	2,365,162	(928,235)	1,436,927	78.6	2,866,864	(1,038,459)	1,828,405	81.5
Individual annuities	163,452	(357)	163,094	12.9	1,268,440	(857)	1,267,583	139.6
Subtotal	2,528,615	(928,593)	1,600,021	51.7	4,135,305	(1,039,317)	3,095,988	98.3
Group life insurance	2,275,567	—	2,275,567	451.3	504,243	—	504,243	80.1
Total	4,804,183	(928,593)	3,875,589	107.6	4,639,549	(1,039,317)	3,600,232	95.2
Group pensions	16	—	16	19.5	83	—	83	1.6

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.

Insurance Amount of Policies in Force and New Policies by Product Type

Individual Life Insurance

	Policies in force (as of March 31, 2018)				New policies (year ended March 31, 2018)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Mortality insurance	8,192,067	86.4	61,781,416	95.7	[726,296]	[65.3]	[5,318,729]	[93.0]
Whole life insurance	1,092,571	11.5	6,427,842	10.0	477,840	43.0	1,964,571	34.3
Whole life insurance with living benefits	92,106	1.0	130,567	0.2	[3,472]	[0.3]	[29,610]	[0.5]
Whole life insurance whose period of premium payments has finished	34,257	0.4	105,881	0.2	3,466	0.3	29,506	0.5
Single premium special whole life insurance	856,167	9.0	5,475,650	8.5	[5,139]	[0.5]	[652]	[0.0]
Whole life insurance (denominated by designated currencies)	32,844	0.3	147,924	0.2	5,139	0.5	652	0.0
Lump-sum whole-life insurance with periodic benefits	4,891	0.1	36,823	0.1	—	—	—	—
Increasing whole life insurance	317,102	3.3	2,215,954	3.4	—	—	—	—
Whole life insurance with term rider	540,568	5.7	4,839,651	7.5	[1,990]	[0.2]	[13,956]	[0.2]
Wealth accumulation whole life insurance with floating interest	985,319	10.4	15,109,598	23.4	1,990	0.2	13,956	0.2
Comprehensive protection insurance with combined policies	1,586,329	16.7	19,313,739	29.9	—	—	—	—
Term life insurance	541,404	5.7	2,694,896	4.2	[432,544]	[38.9]	[4,500,892]	[78.7]
Increasing term life insurance	23,619	0.2	504,746	0.8	186,183	16.7	1,180,682	20.6
Term life insurance with coverage for specified diseases	1,497,578	15.8	2,249,990	3.5	[35,057]	[3.2]	[199,950]	[3.5]
Variable insurance (whole-life type)	51,878	0.5	481,863	0.7	35,057	3.2	199,950	3.5
Whole life insurance for surviving spouses with term rider	32,118	0.3	353,936	0.5	[3,733]	[0.3]	[61,234]	[1.1]
Whole life hospitalization insurance	126,875	1.3	944,875	1.5	3,733	0.3	61,234	1.1
Medical and nursing care insurance	376,441	4.0	193,743	0.3	[151,241]	[13.6]	[210,479]	[3.7]
Term rider	[125,396]	—	546,126	0.8	151,241	13.6	210,479	3.7
Others	[3,615]	—	7,600	0.0	—	—	—	—
					—	—	—	—

Group Life Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2018)		New policies (year ended March 31, 2018)	
	Number of policies	Amount	Number of policies	Amount
Group term life insurance	12,551,049	53,971,295	303,305	1,958,774
Comprehensive group term life insurance for employees	4,851,189	14,099,482	29,591	44,937
Group credit life insurance	11,964,148	45,724,566	20,817	271,856
Consumer group credit life insurance	5,105	2,848	—	—
Group whole life insurance	1,355	4,595	—	—
Life insurance for disability support	(43,641)	26,467	—	—
Annuity type payment rider attached to group term life insurance	19,800	115,008	—	—
Total	29,392,646	113,944,264	353,713	2,275,567

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, 2018)		New policies (year ended March 31, 2018)	
	Number of policies	Amount	Number of policies	Amount
Corporate pensions	742	482	—	—
New corporate pensions	8,073,570	436,466	—	—
Corporate pensions with individual contribution	3,228,821	3,545,456	—	5
National pension fund insurance	—	12	—	—
Employees' pension fund insurance	244,608	137,013	—	—
Group pure endowment insurance	—	129,180	—	—
Defined contribution pension plans (corporate)	—	107,109	—	5
Defined contribution pension plans (individual)	—	7,701	—	—
Defined benefit corporate pension plans (contract-type)	—	1,784,023	—	4
Defined benefit corporate pension plans (fund-type)	—	1,459,779	—	—
Total	11,547,741	7,607,226	—	16

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, 2018)		New policies (year ended March 31, 2018)	
	Number of policies	Amount	Number of policies	Amount
Asset formation insurance and asset formation annuities				
Asset formation saving insurance	48,602	138,241	700	22
Asset formation for home acquisition insurance	4,413	14,003	89	5
Asset formation benefit saving insurance	7,448	1,129	954	42
Asset formation annuities	806	1,775	—	—
Asset formation wealth accumulation annuities	28,717	60,839	422	16
Subtotal	89,986	215,989	2,165	87
Medical life insurance	958,803	3,104	46,367	23
Disability income insurance	62,639	3,887	1	0
Reinsurance underwritten	278,888	95,041	1,300	399

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,	2018	2017
Death coverage		
Death protection due to illness/accidents		
Individual life insurance	63,631,933	67,259,471
Individual annuities	4,200	4,538
Group life insurance	113,829,256	112,838,473
Group pensions	—	—
Total (including others)	177,560,431	180,203,047
Death protection due to accidents		
Individual life insurance	[11,360,154]	[11,943,504]
Individual annuities	[131,278]	[140,722]
Group life insurance	[6,120,470]	[6,151,337]
Group pensions	[—]	[—]
Total (including others)	[17,641,513]	[18,266,184]
Death protection due to other causes		
Individual life insurance	—	—
Individual annuities	[—]	[—]
Group life insurance	[41,456]	[45,382]
Group pensions	[—]	[—]
Total (including others)	—	—
Pure endowment		
Maturity and living benefits		
Individual life insurance	925,702	782,808
Individual annuities	12,081,182	12,638,458
Group life insurance	5,408	5,522
Group pensions	—	—
Total (including others)	13,052,433	13,468,336
Annuities		
Individual life insurance	[50,427]	[47,452]
Individual annuities	[1,597,448]	[1,642,591]
Group life insurance	[16,295]	[16,794]
Group pensions	[—]	[—]
Total (including others)	[1,668,204]	[1,711,090]
Others		
Individual life insurance	—	—
Individual annuities	1,884,311	1,860,894
Group life insurance	109,600	112,904
Group pensions	7,607,226	7,441,786
Total (including others)	9,776,988	9,591,406
Hospitalization coverage		
Hospitalization due to accidents		
Individual life insurance	[30,012]	[29,990]
Individual annuities	[633]	[689]
Group life insurance	[4,028]	[4,041]
Group pensions	[—]	[—]
Total (including others)	[37,779]	[37,844]
Hospitalization due to illness		
Individual life insurance	[29,677]	[29,591]
Individual annuities	[627]	[683]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[33,409]	[33,398]

(Millions of Yen)

As of March 31,	2018	2017
Hospitalization due to other causes		
Individual life insurance	[34,013]	[40,390]
Individual annuities	[1,149]	[1,234]
Group life insurance	[29]	[34]
Group pensions	[—]	[—]
Total (including others)	[35,192]	[41,660]

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,	2018	2017
Disability coverage		
Individual life insurance	[3,976,172]	[4,305,195]
Individual annuities	[23,069]	[24,720]
Group life insurance	[3,187,498]	[3,169,717]
Group pensions	[—]	[—]
Total (including others)	[7,186,739]	[7,499,632]
Surgery coverage		
Individual life insurance	[7,897,829]	[7,625,815]
Individual annuities	[118,382]	[127,871]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[8,016,211]	[7,753,686]

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,	2018	2017
Mortality insurance		
Whole life insurance	14,548,309	14,680,260
Whole life insurance with term rider	4,839,651	5,674,805
Wealth accumulation whole life insurance with floating interest	15,109,598	19,563,550
Comprehensive protection insurance with combined policies	19,313,739	16,930,630
Whole life hospitalization insurance	944,875	1,184,509
Term insurance	5,449,633	5,452,599
Total (including others)	61,781,416	65,209,350
Hybrid insurance		
Endowment insurance	868,063	851,887
Endowment insurance with term rider	664,790	786,106
Term life insurance with living benefits	98,199	130,948
Total (including others)	1,850,517	2,050,121
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	266,688	136,791
Child insurance	612,319	581,893
Total (including others)	925,702	782,808
Annuities		
Individual annuities	13,969,694	14,503,891

(Millions of Yen)

As of March 31,	2018	2017
Rider coverage for accidents and illness		
Accidental death benefit rider	1,448,559	1,719,567
Rider for injuries	7,856,427	8,267,211
Hospitalization rider due to accidents	1,854	2,106
Hospitalization rider due to illness	27,920	27,845
Hospitalization rider due to lifestyle-related diseases	1,574	1,942
Hospitalization rider due to cancer	1,087	1,377
Hospitalization rider for female-specific critical illness	5,716	6,474
Home care rider (post-hospitalization)	17,356	21,066
Rider for specific injuries	72,794	70,702
		(Number of Policies)
Surgery rider	2,562,274	2,471,703
Rider for protection against cancer	3,196,861	2,649,222
Advanced medical care rider	2,245,029	2,105,012
Serious disease rider with ongoing coverage	1,774,731	1,423,416
New nursing care rider	720,829	658,777

- 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,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	9,152,556	68,042,279	8,925,048	71,193,761
New policies	863,603	2,365,162	783,453	2,866,864
Renewal	1,490,693	2,458,598	1,404,415	2,393,108
Reinstatement	24,376	213,779	23,337	237,611
Increase of insurance amount	—	8	—	48
Increase from conversion	248,542	3,355,357	312,855	4,517,142
Death	57,265	324,812	53,936	312,365
Maturity	1,605,753	3,585,370	1,554,227	3,424,198
Decrease of insurance amount	—	575,940	—	608,702
Decrease from conversion	250,264	4,283,592	316,130	5,555,602
Surrender	322,940	2,518,972	317,206	2,738,062
Lapse	56,232	473,714	52,122	496,914
Decrease due to other changes	4,457	115,146	2,931	30,413
At the end of the fiscal year	9,482,859	64,557,636	9,152,556	68,042,279
Rate of increase (%)	3.6	(5.1)	2.5	(4.4)
Net increase	330,303	(3,484,643)	227,508	(3,151,481)
Year-on-year change in net increase (%)	45.2	—	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,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	2,687,165	14,503,891	2,553,514	14,003,510
<Annual amount of annuity payments>		<1,642,591>		<1,564,694>
New policies	31,590	163,452	248,088	1,268,440
Reinstatement	3,350	17,210	2,895	14,925
Increase of annuity amount	—	11	—	60
Increase due to conversion	—	—	—	—
Death	5,099	25,734	5,160	26,564
Completion of payments	27,337	38	24,394	59
Decrease of annuity amount	—	25,685	—	27,365
Decrease due to conversion	69	357	156	857
Surrender	57,473	317,308	59,289	334,560
Lapse	6,943	33,704	6,684	32,708
Decrease due to other changes	11,969	312,043	21,649	360,930
At the end of the fiscal year	2,613,215	13,969,694	2,687,165	14,503,891
Rate of increase (%)	(2.8)	(3.7)	5.2	3.6
<Annual amount of annuity payments>		<1,597,448>		<1,642,591>
Net increase	(73,950)	(534,196)	133,651	500,380
Year-on-year change in net increase (%)	—	—	98.7	264.5

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,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	28,438,964	112,956,900	28,510,739	111,918,819
New policies	353,713	2,275,567	187,347	504,243
Renewal	17,338,725	66,532,197	16,280,517	67,888,228
Reinstatement	—	—	—	—
Midterm enrollment	1,539,801	6,167,697	1,716,456	6,677,746
Increase of insurance amount	—	787,595	—	1,076,155
Death	46,656	135,246	48,385	139,348
Maturity	16,483,882	67,357,731	16,222,237	67,123,008
Withdrawal	1,713,566	4,597,377	1,960,441	5,162,893
Decrease of insurance amount	—	2,443,554	—	2,639,793
Surrender	35,905	238,606	26,549	40,327
Lapse	—	—	—	—
Decrease due to other changes	(1,452)	3,177	(1,517)	2,922
At the end of the fiscal year	29,392,646	113,944,264	28,438,964	112,956,900
Rate of increase (%)	3.4	0.9	(0.3)	0.9
Net increase	953,682	987,364	(71,775)	1,038,081
Year-on-year change in net increase (%)	—	(4.9)	—	267.2

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,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	11,690,287	7,441,786	11,814,280	7,345,422
New policies	—	16	302	83
Annuity payments	2,763,597	232,733	2,561,296	247,638
Lump-sum payments	573,492	224,874	592,886	237,324
Surrender	54,147	15,376	206,694	59,355
At the end of the fiscal year	11,547,741	7,607,226	11,690,287	7,441,786
Rate of increase (%)	(1.2)	2.2	(1.0)	1.3
Net increase	(142,546)	165,440	(123,993)	96,363
Year-on-year change in net increase (%)	—	71.7	—	(54.5)

- 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,	2018	2017
Individual life insurance	(5.1)	(4.4)
Individual annuities	(3.7)	3.6
Group life insurance	0.9	0.9
Group pensions	2.2	1.3

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

(Thousands of Yen)

Years ended March 31,	2018	2017
New policy	2,738	3,659
Policy in force	6,807	7,434

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,	2018	2017
Individual life insurance	3.5	4.0
Individual annuities	1.1	9.1
Group life insurance	2.0	0.5

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,	2018	2017
Individual life insurance	4.4	4.5
Individual annuities	2.4	2.6
Group life insurance	0.2	0.0

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, 2018	Year ended March 31, 2017
91,127	90,853

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, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
6.13	5.95	4.89	4.48

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,	2018		2017	
	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	0.14	0.13	0.15	0.13
Disability	0.30	0.10	0.29	0.10
Hospitalization due to accidents	4.89	161.32	4.76	157.53
Hospitalization due to illness	50.72	1,423.61	49.56	1,356.34
Hospitalization due to lifestyle-related diseases	50.29	1,496.18	47.42	1,426.26
Surgery for illness and injuries	88.83		82.94	
Surgery for lifestyle-related diseases	38.35		37.44	

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, 2018	Year ended March 31, 2017
13.1	13.4

The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Year ended March 31, 2018	Year ended March 31, 2017
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, 2018	Year ended March 31, 2017
96.0	96.3

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,	2018	2017
A or higher	99.0	99.1
BBB or higher	1.0	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, 2018	Year ended March 31, 2017	
	179	136

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,	2018	2017
Ratio of benefits paid under third-sector insurance	31.7	32.0
Medical coverage (for illness)	39.5	39.8
Cancer coverage	44.8	43.1
Nursing care coverage	15.9	17.3
Others	16.9	17.2

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

	(Millions of Yen)	
As of March 31,	2018	2017
Insurance claims	78,002	76,075
Death insurance claims	63,533	61,325
Insurance claims for accidents	755	666
Insurance claims for disabilities	13,331	13,555
Insurance claims upon maturity	352	505
Others	29	22
Annuity payments	2,599	2,710
Benefit payments	22,868	22,366
Surrender benefits	10,751	9,609
Other refunds	388	308
Deferred benefit payments	499	422
Total	115,109	111,491

Policy Reserves

(Millions of Yen)

As of March 31,	2018	2017
Policy reserves (excluding contingency reserves)		
Individual life insurance	15,618,563	15,466,625
General account	15,556,849	15,403,062
Separate account	61,714	63,562
Individual annuities	7,525,677	7,433,070
General account	7,212,700	7,107,088
Separate account	312,976	325,982
Group life insurance	137,956	141,479
General account	137,956	141,479
Separate account	—	—
Group pensions	7,607,226	7,441,786
General account	7,138,960	7,037,215
Separate account	468,266	404,571
Others	217,351	218,705
General account	217,351	218,705
Separate account	—	—
Subtotal	31,106,775	30,701,667
General account	30,263,818	29,907,551
Separate account	842,957	794,116
Contingency reserves	691,787	681,534
Total	31,798,563	31,383,201
General account	30,955,606	30,589,085
Separate account	842,957	794,116

Breakdown of Policy Reserves

(Millions of Yen)

	Premium reserves	Unearned premiums	Refund reserves	Contingency reserves	Total
As of March 31, 2018	30,305,338	801,437	—	691,787	31,798,563
As of March 31, 2017	29,912,086	789,581	—	681,534	31,383,201

Policy Reserves for Individual Life Insurance and Individual Annuities Policy Reserve Accumulation Method and Ratio

As of March 31,		2018	2017
Accumulation method	Policies subject to standard policy reserves	The method stipulated by Prime Minister (Ministry of Finance Notification No. 48 in 1996)	The method stipulated by Prime Minister (Ministry of Finance Notification No. 48 in 1996)
	Policies not subject to standard policy reserves	Net level premium method	Net level premium method
Accumulation ratio (excluding contingency reserves)		100%	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	265,924	2.75 – 5.00
Years ended March 31, 1982 to 1986	763,051	2.75 – 6.00
Years ended March 31, 1987 to 1991	2,867,924	2.75 – 6.00
Years ended March 31, 1992 to 1996	3,867,120	1.00 – 5.50
Years ended March 31, 1997 to 2001	1,248,915	1.00 – 3.75
Years ended March 31, 2002 to 2006	722,707	0.55 – 2.35
Years ended March 31, 2007 to 2011	3,256,372	0.55 – 1.85
Year ended March 31, 2012	2,819,303	0.71 – 1.50
Year ended March 31, 2013	1,486,761	0.45 – 1.50
Year ended March 31, 2014	1,404,079	0.45 – 1.50
Year ended March 31, 2015	1,326,575	0.35 – 1.09
Year ended March 31, 2016	1,354,933	0.44 – 1.05
Year ended March 31, 2017	765,190	0.25 – 1.00
Year ended March 31, 2018	620,688	0.25 – 3.46

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,	2018	2017
Policy reserves (general account)	22,549	20,189

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, 2018, the Company set aside provision for contingency reserves totaling ¥19 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 departments in charge of underwriting risk management, which are 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
Year ended March 31, 2018							
Balance at the beginning of the fiscal year	196,726	10,935	25,562	2,443	404	887	236,959
Transfer from surplus in the previous fiscal year	11,111	3,404	129,206	20,732	26	5,334	169,815
Interest accrued during the fiscal year	103	0	1	0	0	0	106
Other increases	45	—	—	—	—	—	45
Dividend payments to policyholders during the fiscal year	15,699	1,146	130,383	20,644	47	5,235	173,157
Balance at the end of the fiscal year	192,286	13,193	24,386	2,531	382	986	233,768
	[177,095]	[8,980]	[15,724]	[—]	[366]	[1]	[202,168]
Year ended March 31, 2017							
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]

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)
Year ended March 31, 2018			
Allowance for possible loan losses			
General allowance for possible loan losses	1,388	1,310	(78)
Specific allowance for possible loan losses	4,459	3,789	(669)
Specific allowance for possible overseas loan losses	—	—	—
Accrued retirement benefits for directors and executive officers	—	—	—
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	577,545	684,594	107,048
Year ended March 31, 2017			
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

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,		2018	2017
Individual life insurance		1,362,839	1,277,484
Lump-sum payment		383,899	296,592
Annual payment		227,394	246,693
Biannual payment		4,772	4,835
Monthly payment		746,772	729,362
Individual annuities		372,725	385,666
Lump-sum payment		1,150	5,709
Annual payment		56,722	57,902
Biannual payment		617	679
Monthly payment		314,236	321,374
Group life insurance		312,153	313,015
Group pensions		635,714	602,866
Total (including others)*		2,718,837	2,614,768

* 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,		2018	2017
Individual life insurance	First-year premiums	560,067	516,067
Individual annuities	Premiums for the second year and beyond	1,175,498	1,147,083
	Subtotal	1,735,565	1,663,151
Group life insurance	First-year premiums	1,898	933
	Premiums for the second year and beyond	310,254	312,081
	Subtotal	312,153	313,015
Group pensions	First-year premiums	146	1,975
	Premiums for the second year and beyond	635,568	600,890
	Subtotal	635,714	602,866
Total (including others)*	First-year premiums	562,992	519,723
	Premiums for the second year and beyond	2,155,844	2,095,045
	Total	2,718,837	2,614,768
	Growth rate (%)	4.0	(22.1)

* 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, 2018							Year ended
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	March 31, 2017
Claims paid:	493,876	622	135,521	48,262	861	672	679,816	564,719
Death insurance claims	257,189	593	123,560	—	—	663	382,005	374,508
Insurance claims for accidents	2,337	2	475	—	43	—	2,858	2,782
Insurance claims for disabilities	33,609	7	11,418	—	—	8	45,043	44,106
Insurance claims upon maturity	200,739	20	—	48,262	817	—	249,840	143,269
Others	—	—	67	—	—	1	68	52
Annuity payments	7,188	383,349	17,464	232,733	4,617	—	645,353	695,207
Benefit payments:	136,266	15,867	448	224,874	814	2,163	380,435	396,440
Death benefits	36,367	13,174	6	2,663	193	15	52,421	50,115
Hospitalization benefits	31,138	981	282	—	—	1,743	34,145	35,112
Surgery benefits	14,169	783	—	—	—	276	15,229	16,132
Disability benefits	810	11	82	—	—	—	904	966
Survivor benefits	19,821	854	—	—	621	—	21,296	26,908
Lump-sum benefits	—	—	53	220,346	—	—	220,400	232,262
Others	33,959	62	24	1,863	—	127	36,037	34,943
Surrender benefits	314,960	74,482	—	15,376	15,937	0	420,757	452,951

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

	Year ended March 31, 2018							Year ended
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	March 31, 2017
Claims paid:	185,845	91	48,999	2	1,552	12,976	249,465	209,623
Death insurance claims	43,160	85	45,355	—	—	12,967	101,567	101,527
Insurance claims for accidents	580	1	199	—	6	—	786	810
Insurance claims for disabilities	19,040	5	3,437	—	—	5	22,487	20,606
Insurance claims upon maturity	123,065	—	—	2	1,546	—	124,613	86,671
Others	—	—	8	—	—	4	12	9
Annuity payments	5,092	713,918	56,520	5,882,048	14,914	—	6,672,492	6,819,156
Benefit payments:	2,901,267	64,263	4,686	660,029	332	36,055	3,666,632	2,909,412
Death benefits	11,079	3,526	459	3,679	72	31	18,846	18,321
Hospitalization benefits	354,812	10,219	3,784	—	—	29,224	398,039	399,977
Surgery benefits	167,832	8,719	—	—	—	3,691	180,242	184,531
Disability benefits	580	16	156	—	—	—	752	773
Survivor benefits	274,319	40,699	—	—	260	—	315,278	100,896
Lump-sum benefits	—	—	274	656,346	—	—	656,620	674,909
Others	2,092,645	1,084	13	4	—	3,109	2,096,855	1,530,005

Depreciation

(Millions of Yen)

	Acquisition cost	Current-year depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2018					
Tangible fixed assets	290,615	8,572	177,270	113,344	61.0
Buildings	273,030	7,121	163,496	109,534	59.9
Others	17,584	1,450	13,774	3,810	78.3
Intangible fixed assets	100,673	18,995	48,557	52,116	48.2
Others	270	48	126	144	46.7
Total	391,559	27,616	225,954	165,604	57.7
Year ended March 31, 2017					
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
Total	393,219	24,389	222,515	170,703	56.6

Operating Expenses

(Millions of Yen)

Years ended March 31,	2018	2017
Marketing promotion expenses	132,246	131,822
Marketing administration expenses	52,176	51,540
General and administration expenses	172,044	167,026
Total	356,467	350,389

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 ¥3,562 million and ¥3,475 million in the years ended March 31, 2017 and March 31, 2018, respectively.

Taxes

(Millions of Yen)

Years ended March 31,	2018	2017
National tax	15,441	15,183
Consumption tax	13,211	12,988
Special local corporate tax	1,967	1,885
Revenue stamp tax	256	297
Registration and license tax	2	4
Other national taxes	3	7
Local tax	11,211	11,080
Local consumption tax	3,558	3,492
Corporate enterprise tax	4,716	4,515
Fixed asset tax	2,456	2,597
Real estate acquisition tax	3	5
Business office tax	476	468
Other local taxes	—	0
Total	26,653	26,264

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
As of March 31, 2018							
Bonds payable	—	—	—	—	—	453,310	453,310
Payables under repurchase agreements	5,358	—	—	—	—	—	5,358
Payables under securities borrowing transactions	382,564	—	—	—	—	—	382,564
Total	387,922	—	—	—	—	453,310	841,232
As of March 31, 2017							
Bonds payable	—	—	—	—	—	353,310	353,310
Payables under repurchase agreements	—	—	—	—	—	—	—
Payables under securities borrowing transactions	130,034	—	—	—	—	—	130,034
Total	130,034	—	—	—	—	353,310	483,344

Reference: Average Interest Rates of Bonds

(%)

As of March 31,	2018	2017
Bonds payable (denominated in yen)	1.11	1.11
Bonds payable (denominated in foreign currencies)	5.20	5.20

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, November 2047 or December 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, 2017	As of September 30, 2017	As of December 31, 2017	As of March 31, 2018
Insurance premiums and other	641,138	1,332,662	1,998,412	2,719,469
Base profit	101,700	257,136	361,946	546,701

Note: Base profits from operations for the nine month period spanning July 1, 2017 to March 31, 2018 are calculated without taking into account fluctuations in surrender benefits associated with market value adjustments and foreign exchange rate fluctuations associated with insurance policies denominated in foreign currencies.

Investment Performance Indicators

Breakdown of Invested Assets (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	553,381	1.5	380,822	1.0
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	214,730	0.6	220,118	0.6
Trading account securities	—	—	—	—
Money held in trust	10,076	0.0	—	—
Securities	30,996,728	82.2	30,121,531	81.9
Domestic bonds	17,018,286	45.1	16,970,650	46.2
Domestic stocks	4,464,095	11.8	4,141,988	11.3
Foreign securities	8,841,746	23.5	8,578,000	23.3
Foreign bonds	6,828,764	18.1	6,581,757	17.9
Foreign stocks and others	2,012,982	5.3	1,996,242	5.4
Other securities	672,600	1.8	430,891	1.2
Loans	4,507,370	12.0	4,681,981	12.7
Policy loans	249,260	0.7	260,726	0.7
Industrial and consumer loans	4,258,109	11.3	4,421,255	12.0
Real estate	868,899	2.3	878,498	2.4
Deferred tax assets	—	—	—	—
Others	558,203	1.5	485,612	1.3
Allowance for possible loan losses	(5,100)	(0.0)	(5,848)	(0.0)
Total	37,704,290	100.0	36,762,716	100.0
Assets denominated in foreign currencies	8,524,354	22.6	8,041,467	21.9

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,	2018	2017
Cash, deposits and call loans	172,558	(13,903)
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	(5,387)	(3,541)
Trading account securities	—	—
Money held in trust	10,076	—
Securities	875,197	1,332,147
Domestic bonds	47,636	(27,849)
Domestic stocks	322,106	560,207
Foreign securities	263,745	667,742
Foreign bonds	247,006	715,002
Foreign stocks and others	16,739	(47,259)
Other securities	241,708	132,046
Loans	(174,611)	(267,885)
Policy loans	(11,465)	(14,359)
Industrial and consumer loans	(163,145)	(253,526)
Real estate	(9,599)	(10,917)
Deferred tax assets	—	—
Others	72,590	(62,315)
Allowance for possible loan losses	748	(391)
Total	941,573	973,193
Assets denominated in foreign currencies	482,886	929,716

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

Investment Returns (General Account)

	(%)	
Years ended March 31,	2018	2017
Cash, deposits and call loans	(0.05)	0.00
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.70	1.90
Trading account securities	—	—
Money held in trust	0.67	—
Securities	2.08	2.06
Domestic bonds	1.62	1.63
Domestic stocks	5.31	4.65
Foreign securities	2.16	2.19
Foreign bonds	1.73	1.57
Foreign stocks and others	3.52	3.91
Loans	1.75	1.72
Industrial and consumer loans	1.60	1.57
Real estate	1.98	1.95
Total	1.91	1.89
Overseas investments	2.10	2.16

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,	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	401,199	1.2	491,121	1.5
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	218,878	0.6	216,158	0.6
Trading account securities	—	—	—	—
Money held in trust	3,123	0.0	—	—
Securities	26,609,876	78.7	25,800,376	77.5
Domestic bonds	16,631,582	49.2	16,518,828	49.6
Domestic stocks	1,793,381	5.3	1,799,003	5.4
Foreign securities	7,695,684	22.8	7,068,938	21.2
Foreign bonds	5,821,885	17.2	5,208,069	15.6
Foreign stocks and others	1,873,798	5.5	1,860,868	5.6
Loans	4,599,402	13.6	4,833,951	14.5
Industrial and consumer loans	4,344,699	12.9	4,566,071	13.7
Real estate	881,563	2.6	892,889	2.7
Total	33,795,996	100.0	33,295,711	100.0
Overseas investments	8,234,933	24.4	7,321,359	22.0

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,	2018	2017
Interest, dividends and other income	768,959	721,464
Gains on securities products	—	—
Gains on money held in trust	22	—
Gains on trading securities	—	—
Gains on sales of securities	25,175	21,635
Gains on redemption of securities	58,119	56,692
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	—
Reversal of allowance for possible loan losses	399	—
Other investment income	85	468
Total	852,761	800,260

Investment Expenses (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Interest expenses	10,085	11,307
Losses on securities products	—	—
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	38,046	32,078
Losses on valuation of securities	8,530	12,009
Losses on redemption of securities	4,302	4,423
Losses on derivative financial instruments	113,851	90,154
Foreign exchange losses	8,679	399
Provision for allowance for possible loan losses	—	459
Redemption of loans	—	—
Depreciation of real estate for non-insurance business	9,687	9,353
Other investment expenses	14,110	11,852
Total	207,294	172,037

Interest, Dividends and Other Income (General Account)

	(Millions of Yen)	
Years ended March 31,	2018	2017
Interest on deposits	21	16
Interest and dividends on securities	641,470	591,340
Interest on domestic bonds	270,624	269,484
Dividends on domestic stocks	94,072	80,568
Interest and dividends on foreign securities	253,278	217,351
Interest on loans	79,112	84,525
Rent on real estate	36,175	35,023
Total (including others)	768,959	721,464

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

	(Millions of Yen)					
Years ended March 31,	2018			2017		
	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	47,495	10,840	36,654	30,614	26,806	3,808
Securities	50,129	18,553	31,576	36,737	31,246	5,490
Loans	(5,413)	(4,101)	(1,311)	(5,948)	(3,177)	(2,771)
Real estate	1,151	(444)	1,596	162	(1,008)	1,171

Gains on Sales of Securities (General Account)

	(Millions of Yen)	
Years ended March 31,	2018	2017
Domestic bonds and others	495	523
Domestic stocks and others	2,427	3,976
Foreign securities	22,253	17,135
Total (including others)	25,175	21,635

Losses on Sales of Securities (General Account)

	(Millions of Yen)	
Years ended March 31,	2018	2017
Domestic bonds and others	220	362
Domestic stocks and others	15	605
Foreign securities	37,809	31,110
Total (including others)	38,046	32,078

Losses on Valuation of Securities (General Account)

	(Millions of Yen)	
Years ended March 31,	2018	2017
Domestic bonds and others	—	—
Domestic stocks and others	1,393	366
Foreign securities	6,931	11,168
Total (including others)	8,530	12,009

Balance of Securities (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Government bonds	14,263,267	46.0	14,199,391	47.1
Municipal bonds	498,341	1.6	606,156	2.0
Corporate bonds	2,256,677	7.3	2,165,103	7.2
Public entity bonds	419,959	1.4	466,266	1.5
Domestic stocks	4,464,095	14.4	4,141,988	13.8
Foreign securities	8,841,746	28.5	8,578,000	28.5
Foreign bonds	6,828,764	22.0	6,581,757	21.9
Foreign stocks and others	2,012,982	6.5	1,996,242	6.6
Other securities	672,600	2.2	430,891	1.4
Total	30,996,728	100.0	30,121,531	100.0

Breakdown of Municipal Bonds by Region

(Millions of Yen)

As of March 31,	2018	2017
Hokkaido	11,495	23,075
Tohoku	300	300
Kanto	159,534	188,183
Chubu	75,632	83,664
Kinki	116,732	157,626
Chugoku	25,570	30,224
Shikoku	—	—
Kyushu	44,131	47,494
Others	64,945	75,586
Total	498,341	606,156

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
As of March 31, 2018							
Securities	811,026	1,629,985	2,748,904	1,520,306	2,582,464	21,704,041	30,996,728
Government bonds	277,532	416,466	1,508,889	988,742	1,413,823	9,657,813	14,263,267
Municipal bonds	164,238	72,481	100	5,287	86,651	169,581	498,341
Corporate bonds	133,463	146,945	177,640	98,516	234,139	1,465,972	2,256,677
Domestic stocks	—	—	—	—	—	4,464,095	4,464,095
Foreign securities	223,328	988,617	1,059,275	427,464	839,547	5,303,512	8,841,746
Foreign bonds	223,085	988,617	1,059,275	427,464	839,547	3,290,772	6,828,764
Foreign stocks and others	242	—	—	—	—	2,012,739	2,012,982
Other securities	12,463	5,474	2,998	295	8,302	643,066	672,600
Monetary claims bought	—	—	—	—	—	214,730	214,730
Negotiable deposits	35,999	—	—	—	—	—	35,999
Money held in trust	—	—	—	—	—	10,076	10,076
Total	847,025	1,629,985	2,748,904	1,520,306	2,582,464	21,928,848	31,257,535
As of March 31, 2017							
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
Money held in trust	—	—	—	—	—	—	—
Total	574,235	1,601,076	2,990,926	2,469,878	1,626,311	21,129,217	30,391,646

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,	2018	2017
Domestic bonds	1.73	1.74
Foreign bonds	3.28	3.11

Breakdown of Stocks Held by Industry (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Fishery, agriculture & forestry	1,634	0.0	1,503	0.0
Mining	—	—	—	—
Construction	100,992	2.3	83,669	2.0
Manufacturing				
Foods	221,540	5.0	201,907	4.9
Textiles & apparels	27,168	0.6	23,759	0.6
Pulp & paper	4,338	0.1	4,366	0.1
Chemicals	427,426	9.6	366,381	8.8
Pharmaceuticals	134,506	3.0	109,656	2.6
Oil & coal products	7,495	0.2	6,410	0.2
Rubber products	13,654	0.3	13,548	0.3
Glass & ceramics products	190,541	4.3	187,391	4.5
Iron & steel	64,712	1.4	69,821	1.7
Nonferrous metals	16,593	0.4	17,795	0.4
Metal products	21,346	0.5	21,476	0.5
Machinery	274,280	6.1	271,557	6.6
Electric appliances	584,842	13.1	494,918	11.9
Transportation equipment	493,514	11.1	463,829	11.2
Precision instruments	189,286	4.2	139,401	3.4
Other products	45,377	1.0	42,052	1.0
Electric power & gas	136,985	3.1	140,203	3.4
Transportation, information & communication				
Land transportation	211,321	4.7	202,816	4.9
Marine transportation	7,705	0.2	8,866	0.2
Air transportation	4,132	0.1	3,445	0.1
Warehouse & harbor transportation services	22,722	0.5	26,081	0.6
Information & communication	31,242	0.7	26,643	0.6
Trade				
Wholesale trade	297,482	6.7	258,171	6.2
Retail trade	42,868	1.0	40,209	1.0
Finance & insurance				
Banks	410,582	9.2	439,201	10.6
Securities & commodity futures	17,155	0.4	16,837	0.4
Insurance	174,751	3.9	176,512	4.3
Other financing business	82,420	1.8	70,656	1.7
Real estate	151,892	3.4	164,997	4.0
Services	53,580	1.2	47,897	1.2
Total	4,464,095	100.0	4,141,988	100.0

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,		2018	2017
Policy loans		249,260	260,726
Policyholder loans		235,112	245,684
Premium loans		14,148	15,042
Industrial and consumer loans		4,258,109	4,421,255
(Loans for non-residents)		173,032	67,560
Corporate loans		4,081,518	4,229,354
(To domestic corporations)		3,939,485	4,197,814
Loans to governments and supranationals		22,016	27,315
Loans to public organizations		134,768	143,792
Housing loans		798	1,201
Consumer loans		18,647	19,005
Others		361	585
Total		4,507,370	4,681,981

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
As of March 31, 2018								
Floating interest rate		111,114	5,233	26,180	24,290	3,550	49,479	219,848
Fixed interest rate		341,485	518,158	620,019	598,506	769,500	1,190,590	4,038,260
Total		452,600	523,391	646,199	622,797	773,050	1,240,070	4,258,109
As of March 31, 2017								
Floating interest rate		37,971	6,729	20,459	25,712	9,994	36,974	137,842
Fixed interest rate		370,268	643,707	554,976	590,821	853,841	1,269,797	4,283,413
Total		408,240	650,437	575,435	616,534	863,835	1,306,772	4,421,255

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,		2018		2017	
		(%)		(%)	
Large size corporations	Number of borrowers	658	58.4	683	61.1
	Loan amount	3,508,030	89.0	3,779,101	90.0
Medium size corporations	Number of borrowers	103	9.1	91	8.1
	Loan amount	19,556	0.5	20,236	0.5
Small size corporations	Number of borrowers	366	32.5	344	30.8
	Loan amount	411,897	10.5	398,476	9.5
Total	Number of borrowers	1,127	100.0	1,118	100.0
	Loan amount	3,939,485	100.0	4,197,814	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,	2018		2017	
	Amount	(%)	Amount	(%)
Domestic				
Manufacturing	726,417	17.1	769,199	17.4
Foodstuffs and beverages	34,383	0.8	55,118	1.2
Textile products	8,622	0.2	11,766	0.3
Lumber and wood products	—	—	—	—
Pulp, paper, and paper products	42,103	1.0	43,142	1.0
Printing	5,608	0.1	5,326	0.1
Chemical and allied products	116,592	2.7	110,949	2.5
Petroleum refining	84,420	2.0	84,650	1.9
Ceramic, stone, and clay products	68,167	1.6	68,688	1.6
Iron and steel	120,897	2.8	127,318	2.9
Nonferrous metals and products	12,400	0.3	13,944	0.3
Fabricated metal products	2,241	0.1	2,474	0.1
General-purpose, production, and business-oriented machinery	54,280	1.3	56,403	1.3
Electrical machinery equipment and supplies	92,743	2.2	95,125	2.2
Transportation equipment	79,913	1.9	88,974	2.0
Miscellaneous manufacturing industries	4,043	0.1	5,318	0.1
Agriculture and forestry	360	0.0	120	0.0
Fishery	—	—	—	—
Mining and quarrying of stone and gravel	26	0.0	78	0.0
Construction	16,376	0.4	16,745	0.4
Electricity, gas, heat supply, and water	742,800	17.4	658,588	14.9
Information and communications	92,604	2.2	92,505	2.1
Transport and postal activities	298,485	7.0	307,776	7.0
Wholesale trade	797,540	18.7	891,822	20.2
Retail trade	21,488	0.5	16,625	0.4
Finance and insurance	872,466	20.5	1,092,417	24.7
Real estate	355,890	8.4	338,629	7.7
Goods rental and leasing	111,362	2.6	118,666	2.7
Scientific research, and professional and technical services	20,790	0.5	20,700	0.5
Hotels	2,025	0.0	2,198	0.0
Eating and drinking services	735	0.0	612	0.0
Living-related and personal services, and amusement services	3,249	0.1	3,256	0.1
Education and learning support	461	0.0	722	0.0
Medical, health care, and welfare services	131	0.0	191	0.0
Other services	1,849	0.0	1,865	0.0
Local governments	569	0.0	764	0.0
Loans for housing funds and consumer credit (with installment repayments)	19,445	0.5	20,207	0.5
Others	—	—	—	—
Subtotal	4,085,077	95.9	4,353,695	98.5
Overseas				
Governments and others	31,000	0.7	36,020	0.8
Financial institutions	15,200	0.4	15,540	0.4
Commerce, industry and others	126,832	3.0	16,000	0.4
Subtotal	173,032	4.1	67,560	1.5
Total of industrial and consumer loans	4,258,109	100.0	4,421,255	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,	2018		2017	
	Amount	(%)	Amount	(%)
Capital expenditures	851,655	20.0	889,577	20.1
Operating capital	3,406,454	80.0	3,531,678	79.9

Breakdown of Loans by Region (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Hokkaido	40,807	1.0	39,955	0.9
Tohoku	57,188	1.4	56,615	1.3
Kanto	3,106,226	76.4	3,352,191	77.4
Chubu	364,063	9.0	359,795	8.3
Kinki	249,169	6.1	275,572	6.4
Chugoku	53,785	1.3	52,769	1.2
Shikoku	48,372	1.2	52,864	1.2
Kyushu	146,017	3.6	143,724	3.3
Total	4,065,631	100.0	4,333,488	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,	2018		2017	
	Amount	(%)	Amount	(%)
Collateral loans	15,046	0.4	16,051	0.4
Loans secured by securities	4,607	0.1	4,629	0.1
Loans secured by real estate, movable assets or aggregated foundation collateral	9,221	0.2	10,231	0.2
Loans secured by nominative claims	1,217	0.0	1,190	0.0
Guaranteed loans	68,559	1.6	81,070	1.8
Fiduciary loans	4,155,057	97.6	4,303,925	97.3
Others	19,445	0.5	20,207	0.5
Total of industrial and consumer loans	4,258,109	100.0	4,421,255	100.0
Subordinated loans	388,450	9.1	503,800	11.4

Tangible and Intangible Fixed Assets (General Account)

(Millions of Yen)

	Beginning balance	Increase	Decrease		Ending balance	Accumulated depreciation	Accumulated depreciation ratio (%)
			Impairment losses	Depreciation			
Year ended March 31, 2018							
Land	602,976	1	2,170	324	600,808	—	—
Buildings	273,269	8,652	1,139	430	264,156	404,475	60.5
Construction in progress	2,252	8,248	6,565	—	3,934	—	—
Other tangible fixed assets	3,916	1,828	33	—	4,125	15,496	79.0
Total of tangible fixed assets	882,414	18,731	9,908	755	873,024	419,972	—
Real estate for rent	551,571	29,038	10,736	755	560,368	241,448	—
Software	51,577	19,769	—	—	52,269	48,653	48.2
Other intangible fixed assets	25,400	27,808	24,727	—	28,465	176	—
Total of intangible fixed assets	76,978	47,578	24,727	—	80,734	48,830	—
Year ended March 31, 2017							
Land	602,923	9,724	9,671	714	602,976	—	—
Buildings	284,975	11,470	6,835	2,319	273,269	394,212	59.1
Construction in progress	1,516	20,049	19,313	—	2,252	—	—
Other tangible fixed assets	3,330	1,930	59	—	3,916	15,241	79.6
Total of tangible fixed assets	892,746	43,175	35,879	3,033	882,414	409,454	—
Real estate for rent	555,366	45,284	39,915	3,033	551,571	229,012	—
Software	41,631	26,140	—	—	51,577	37,770	42.3
Other intangible fixed assets	31,169	26,565	32,317	—	25,400	175	—
Total of intangible fixed assets	72,801	52,706	32,317	—	76,978	37,945	—

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,	2018	2017
Real estate	868,899	878,498
For operational use	308,914	331,252
For rent	559,985	547,245
The number of buildings for rent	154 buildings	154 buildings

Gains on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Tangible fixed assets	1,529	1,766
Land	1,444	1,468
Buildings	85	297
Others	—	—
Intangible fixed assets	—	—
Others	—	—
Total	1,529	1,766
Real estate for rent	1,529	1,608

Losses on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Tangible fixed assets	1,676	3,571
Land	—	753
Buildings	1,646	2,758
Others	30	59
Intangible fixed assets	0	485
Others	113	204
Total	1,791	4,261
Real estate for rent	1,761	3,285

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

(Millions of Yen)

	Acquisition cost	Depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2018					
Tangible fixed assets	397,631	9,640	242,694	154,936	61.0
Buildings	395,600	9,504	240,978	154,622	60.9
Others	2,030	136	1,716	314	84.5
Intangible fixed assets	90	4	61	28	68.0
Others	513	42	442	70	86.2
Total	398,234	9,687	243,198	155,035	61.1
Year ended March 31, 2017					
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

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,	2018		2017	
	Amount	(%)	Amount	(%)
Bonds	6,793,498	72.0	6,420,171	72.3
Stocks and others	1,615,405	17.1	1,548,076	17.4
Cash, deposits and others	115,449	1.2	39,563	0.4
Subtotal	8,524,354	90.4	8,007,810	90.1

(2) Assets with value fixed in yen

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Loans	131,049	1.4	119,856	1.3
Others	103	0.0	89	0.0
Subtotal	131,152	1.4	119,945	1.4

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,	2018		2017	
	Amount	(%)	Amount	(%)
Loans for non-residents	167,200	1.8	67,560	0.8
Domestic bonds (foreign bonds issued in yen)	212,602	2.3	240,001	2.7
Others	397,576	4.2	448,166	5.0
Subtotal	777,378	8.2	755,728	8.5

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

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Foreign securities investment and overseas loans	9,432,885	100.0	8,883,484	100.0
Overseas real estate	—	—	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	(%)
As of March 31, 2018								
North America	6,231,095	70.5	5,593,665	81.9	637,429	31.7	19,913	11.5
Europe	862,074	9.8	709,035	10.4	153,039	7.6	29,500	17.0
Oceania	270,377	3.1	270,377	4.0	—	—	1,919	1.1
Asia	156,385	1.8	42,685	0.6	113,699	5.6	1,700	1.0
Latin America	1,180,624	13.4	71,811	1.1	1,108,813	55.1	110,000	63.6
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	141,188	1.6	141,188	2.1	—	—	10,000	5.8
Total	8,841,746	100.0	6,828,764	100.0	2,012,982	100.0	173,032	100.0
As of March 31, 2017								
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
Total	8,578,000	100.0	6,581,757	100.0	1,996,242	100.0	67,560	100.0

Breakdown of Foreign Currency-Denominated Assets by Currency

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
(U.S. dollar)	7,457,063	87.5	6,944,640	86.4
(Euro)	509,478	6.0	472,323	5.9
(Others)	557,812	6.5	624,504	7.8
Total	8,524,354	100.0	8,041,467	100.0

Investments and Loans for Public Entities (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Bonds		
Government bonds	—	—
Municipal bonds	—	—
Other public entity bonds	1,343	797
Subtotal	1,343	797
Loans		
Loans for government-related agencies	1,016	1,295
Loans for other public entities	4,000	—
Subtotal	5,016	1,295
Total	6,359	2,092

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
Year ended March 31, 2018					
Deferred assets	4,415	739	110	1,396	3,647
Others	—	625	989	—	5,929
Total	4,415	1,364	1,100	1,396	9,576
Year ended March 31, 2017					
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

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,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,540,301	5,348,839	808,537	809,196	(658)	4,715,320	5,537,852	822,531	823,812	(1,281)
Policy-reserve-matching bonds	7,549,821	8,971,785	1,421,963	1,425,365	(3,401)	7,250,615	8,578,042	1,327,426	1,327,428	(1)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	14,317,705	17,875,899	3,558,193	3,729,394	(171,200)	13,550,699	17,067,658	3,516,959	3,602,161	(85,202)
Domestic bonds	4,974,782	5,400,878	426,096	432,444	(6,347)	4,867,245	5,322,149	454,903	456,657	(1,753)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,018,010	7,425,040	407,029	556,602	(149,572)	6,580,194	7,247,738	667,544	745,092	(77,548)
Foreign bonds	6,282,089	6,553,962	271,872	407,224	(135,351)	5,934,260	6,461,472	527,211	597,262	(70,050)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	15,626	16,816	1,190	1,190	—	21,567	22,968	1,400	1,400	—
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—
Total	26,407,828	32,196,523	5,788,694	5,963,956	(175,261)	25,516,636	31,183,553	5,666,917	5,753,402	(86,485)
Domestic bonds	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,292,812	7,703,477	410,664	563,639	(152,974)	6,700,479	7,374,594	674,114	751,679	(77,565)
Foreign bonds	6,556,891	6,832,399	275,507	414,261	(138,753)	6,054,545	6,588,327	533,781	603,849	(70,067)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	213,540	225,501	11,960	12,606	(645)	218,717	230,634	11,917	13,162	(1,245)
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—

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,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,482,952	5,292,148	809,196	4,664,197	5,488,010	823,812
Domestic bonds	4,220,155	5,011,203	791,048	4,395,085	5,200,549	805,464
Foreign bonds	119,183	125,914	6,731	108,062	114,649	6,587
Monetary claims bought	143,614	155,030	11,416	161,050	172,811	11,761
Securities whose fair value does not exceed the balance sheet amount	57,349	56,690	(658)	51,123	49,841	(1,281)
Domestic bonds	2,800	2,786	(13)	2,800	2,780	(19)
Foreign bonds	249	248	(0)	12,223	12,206	(17)
Monetary claims bought	54,300	53,654	(645)	36,100	34,854	(1,245)

(2) Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	7,427,523	8,852,888	1,425,365	7,249,715	8,577,144	1,327,428
Domestic bonds	7,394,452	8,819,512	1,425,060	7,249,715	8,577,144	1,327,428
Foreign bonds	33,070	33,376	305	—	—	—
Securities whose fair value does not exceed the balance sheet amount	122,298	118,896	(3,401)	900	898	(1)
Domestic bonds	—	—	—	900	898	(1)
Foreign bonds	122,298	118,896	(3,401)	—	—	—

(3) Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2018			2017		
	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	10,087,737	13,817,132	3,729,394	10,622,245	14,224,406	3,602,161
Domestic bonds	4,762,611	5,195,056	432,444	4,662,842	5,119,499	456,657
Domestic stocks	1,548,692	4,227,017	2,678,324	1,573,628	3,927,005	2,353,377
Foreign securities	3,346,851	3,903,453	556,602	4,023,370	4,768,463	745,092
Other securities	399,140	459,711	60,570	334,836	380,470	45,633
Monetary claims bought	15,626	16,816	1,190	21,567	22,968	1,400
Negotiable deposits	5,000	5,000	0	6,000	6,000	0
Money held in trust	9,814	10,076	262	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	4,229,967	4,058,766	(171,200)	2,928,453	2,843,251	(85,202)
Domestic bonds	212,170	205,822	(6,347)	204,402	202,649	(1,753)
Domestic stocks	123,241	112,743	(10,498)	96,754	91,605	(5,149)
Foreign securities	3,671,159	3,521,586	(149,572)	2,556,823	2,479,275	(77,548)
Other securities	192,396	187,615	(4,780)	26,473	25,724	(748)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	31,000	30,999	(0)	44,000	43,996	(3)
Money held in trust	—	—	—	—	—	—

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

(Millions of Yen)

As of March 31,	2018	2017
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	875,118	891,559
Available-for-sale securities	415,356	466,167
Unlisted domestic stocks	27,776	28,456
Unlisted foreign stocks	377,126	427,126
Other foreign securities	458	1,168
Others	9,994	9,416
Total	1,290,474	1,357,727

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

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Domestic bonds	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	8,060,746	8,405,155	344,408	585,960	(241,551)	7,487,203	8,116,945	629,741	765,590	(135,848)
Foreign bonds	6,556,891	6,832,399	275,507	414,261	(138,753)	6,054,545	6,588,327	533,781	603,849	(70,067)
Foreign stocks and others	1,503,855	1,572,755	68,900	171,698	(102,798)	1,432,657	1,528,617	95,960	161,740	(65,780)
Other securities	593,351	649,209	55,858	60,639	(4,780)	362,367	407,324	44,956	45,726	(770)
Others	259,355	271,577	12,222	12,868	(646)	268,717	280,631	11,914	13,162	(1,248)
Total	27,177,577	32,900,083	5,722,506	5,986,344	(263,838)	26,304,417	31,927,033	5,622,615	5,767,406	(144,790)

Notes: 1. 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.
2. Figures presented above exclude ¥520,726 million comprising unlisted domestic securities totaling ¥147,726 million and unlisted foreign securities totaling ¥373,000 million, both of which were posted at book value as of March 31, 2018.
3. After these exclusions, the above figures account for 97.8% and 98.1% of total securities, respectively, as of March 31, 2017 and March 31, 2018.
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)

(Millions of Yen)

As of March 31,	2018					2017				
	Balance sheet amount	Fair value	Net gains/losses			Balance sheet amount	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	10,076	10,076	—	—	—	—	—	—	—	—

Money Held in Trust for Investment

Not applicable.

Money Held in Trust for Maturity, for Policy Reserve Matching and for Other Purposes

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity	—	—	—	—	—	—	—	—	—	—
Policy reserve matching	—	—	—	—	—	—	—	—	—	—
Other purposes	9,814	10,076	262	262	—	—	—	—	—	—

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,	2018						2017					
	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	51,453	78,337	—	—	—	129,790	51,422	(28,235)	—	—	—	23,186
Hedge accounting not applied	4	(2,701)	—	—	—	(2,697)	(5)	638	—	—	—	633
Total	51,457	75,636	—	—	—	127,093	51,416	(27,597)	—	—	—	23,819

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017 and gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018. 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,	2018				2017			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year	Over 3 years			Over 1 year	Over 3 years		
OTC								
Interest rate swaps								
Receipts fixed, payments floating	1,200	1,200	4	4	200	200	(5)	(5)
Total				4				(5)

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,	2018							2017							
	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	—	—	—	—	—	1,200	1,200	—	—	—	—	—	—	200	200
Average interest rate in receipt (%)	—	—	—	—	—	0.68	0.68	—	—	—	—	—	—	0.46	0.46
Average interest rate in payment (%)	—	—	—	—	—	0.01	0.01	—	—	—	—	—	—	0.02	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,	2018				2017			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year	Over 3 years			Over 1 year	Over 3 years		
OTC								
Foreign currency forward contracts								
Sold	47,797	—	1,688	1,688	117,654	—	591	591
(U.S. dollar)	45,857	—	1,697	1,697	106,317	—	575	575
(British pound)	—	—	—	—	6,973	—	(23)	(23)
(Australian dollar)	1,939	—	(9)	(9)	4,363	—	38	38
Bought	—	—	—	—	11,171	—	46	46
(U.S. dollar)	—	—	—	—	11,171	—	46	46
Currency options								
Sold								
Call	—	—	—	—	105,400	—	—	—
(U.S. dollar)	[—]	—	—	—	[499]	—	—	499
Bought								
Put	—	—	—	—	89,250	—	0	(499)
(U.S. dollar)	[—]	—	—	—	[499]	—	0	(499)
Currency swaps								
Yen payments/Australian dollar receipts	88,870	88,870	(4,389)	(4,389)	—	—	—	—
Total				(2,701)				638

Notes: 1. Net gains (losses) on foreign exchange contracts and swap transactions 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,			2018			2017		
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	231,400	231,400	51,256	232,600	232,600	51,026
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	8,562	3,562	197	16,755	8,755	395
Total			51,453			51,422		

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

(Millions of Yen)

As of March 31,		2018							2017						
		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	5,000	3,636	7,100	8,926	14,500	200,800	239,962	8,000	5,227	7,500	7,500	16,028	205,100	249,355
	Average interest rate in receipt (%)	2.15	1.51	1.69	1.73	1.90	1.88	1.87	1.90	2.12	1.56	1.75	1.79	1.89	1.87
	Average interest rate in payment (%)	0.21	0.01	(0.00)	0.11	0.06	0.01	0.02	0.21	0.20	0.02	0.03	0.12	0.02	0.04

◆ Currency-Related

(Millions of Yen)

As of March 31,			2018			2017		
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		79,785	2,852,379		(29,786)
			(U.S. dollar)	3,058,604	76,837	2,560,560		(23,153)
			(Euro)	183,159	319	168,759		(173)
			(Australian dollar)	134,867	2,628	123,059		(6,459)
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds	(Euro)	35,575	(1,641)	35,575		1,472
			(Australian dollar)	4,305	192	4,305		78
			Total	78,337			(28,235)	

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, 2018	410,367	197,711	212,655	825,599
As of March 31, 2017	365,593	196,936	168,657	783,927

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,	2018	2017
Securities	5,722,506	5,622,615
Valuation differences	3,559,231	3,517,282
Unrealized gains in off-balance-sheet transactions	2,163,274	2,105,332
Land	410,367	365,593
Revaluation differences	197,711	196,936
Unrealized gains in off-balance-sheet transactions	212,655	168,657
Others	49,791	52,724
Total	6,182,665	6,040,933

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 loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017 and gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018. 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,	2018	2017
Variable individual life insurance	65,206	63,967
Variable individual annuities	315,556	327,786
Group pensions	495,730	418,087
Total	876,492	809,841

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

In the domestic bond market, long-term yields rose in June 2017 with news coverage speculating on the Bank of Japan's (BOJ) intended strategies for exiting its accommodative monetary policies, as well as rising European interest rates on the back of growing anticipation that the European Central Bank (ECB) would reduce its easing measures. In early September, however, long-term yields fell to negative levels due to U.S. political discord, triggered by incidents of racial discrimination, as well as North Korea's hydrogen bomb test. Anxiety over the Korean peninsula tensions subsequently eased, while interest rates rose in Europe and the United States. These favorable developments supported a partial recovery in long-term yields. Consequently, the yield on ten-year JGBs fell to 0.045% as of March 31, 2018, down 0.020 of a percentage point compared with the end of the previous fiscal year.

In the domestic stock market, prices rose in early May 2017 thanks to the depreciation of the yen. Furthermore, the result of the French presidential election also provided a boost as the victory of Mr. Macron, a pro-European Union candidate, had been anticipated by the market. Although stock prices remained virtually flat afterward, in November prices hit a record high since the collapse of the bubble economy. This was mainly thanks to growing expectations for robust corporate performance backed by worldwide economic growth and the landslide victory of Japan's ruling Liberal Democratic Party in the most recent House of Representative election, which, in turn, helped create a prevailing sense of confidence in the long-term stability of the current administration. Due mainly to growing anxiety over the rising U.S. inflation rate, prices declined sporadically from February 2018 onward. Still, the Nikkei average as of March 31, 2018 was ¥21,454, up ¥2,545 from March 31, 2017.

In the U.S. bond market, long-term interest rates declined in August 2017 on the back of rising tensions in the Korean peninsula as well as anxiety about possible delays in U.S. tax reform due to domestic political disorder. However, long-term interest rates recovered as public concerns over these factors faded and, until the end of December 2017, remained largely stable. From January 2018 onward, long-term interest rates grew thanks to expectations of a global wind down in monetary easing policies undertaken by central banks and the early February announcement of U.S. employment statistics which, in turn, fueled a sense of anxiety about rising inflation rates. As a result, the yield on ten-year U.S. Treasuries was 2.740% as of March 31, 2018, up 0.352 of a percentage point from a year earlier.

In the U.S. stock market, prices stabilized, hovering at a record high until January 2018, thanks to such factors as robust corporate performance. Although stock prices fell in February due to U.S. long-term interest rate hikes and growing market volatility, prices somewhat rebounded afterward as volatility decreased. Although prices fell again in March on the back of growing risk avoidance due mainly to anxiety over U.S.—China trade tension, the Dow Jones Industrial Average stood at US\$24,103 on March 31, 2018, up US\$3,440 year on year.

As for foreign currency exchange rates, the yen appreciated due mainly to growing expectations for a reduction in the BOJ's monetary easing policies, triggered by the January 2018 remarks of Governor Haruhiko Kuroda at the World Economic Forum in Davos, as well as growing risk avoidance in the wake of February's worldwide stock price plunge. As of March 31, 2018, the exchange rate stood at ¥106.24 to the U.S. dollar, up ¥5.95 year on year. Against the euro, the exchange rate stood at ¥130.52, down ¥10.73 year on year due to expectations for reduction in the ECB's monetary easing policies.

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, 2018, the Company flexibly adjusted its asset portfolio on the back of ongoing volatility in the stock market by, for example, increasing stock allocations when corporate performance was likely to be robust due to a global trend toward economic recovery and by reducing them when geopolitical risk was growing.

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,	(Millions of Yen)			
	2018		2017	
	Number of policies	Amount	Number of policies	Amount
Variable life insurance (term type)	—	—	—	—
Variable life insurance (whole-life type)	51,878	481,863	53,023	498,163
Total	51,878	481,863	53,023	498,163

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

Breakdown of Assets

As of March 31,	(Millions of Yen)			
	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	925	1.4	1,888	3.0
Securities	57,986	88.9	57,871	90.5
Domestic bonds	14,689	22.5	13,438	21.0
Domestic stocks	21,913	33.6	23,877	37.3
Foreign securities	21,383	32.8	20,554	32.1
Foreign bonds	6,013	9.2	4,634	7.2
Foreign stocks and others	15,369	23.6	15,920	24.9
Other securities	—	—	—	—
Loans	—	—	—	—
Others	6,293	9.7	4,206	6.6
Allowance for possible loan losses	—	—	—	—
Total	65,206	100.0	63,967	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2018	2017
Interest, dividends and other income	1,272	1,266
Gains on sales of securities	5,671	3,809
Gains on redemption of securities	—	—
Gains on valuation of securities	7,034	9,552
Foreign exchange gains	28	39
Gains on derivative financial instruments	329	480
Other income	3	3
Losses on sales of securities	1,145	3,249
Losses on redemption of securities	1	—
Losses on valuation of securities	7,903	6,556
Foreign exchange losses	29	57
Losses on derivative financial instruments	269	638
Other expenses	1	1
Net gains (losses)	4,989	4,649

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2018		2017	
	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	57,986	(869)	57,871	2,995

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,	2018						2017					
	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	—	1	—	—	—	1	—	0	—	—	—	0
Total	—	1	—	—	—	1	—	0	—	—	—	0

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,	2018			2017			
	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value	
	Over 1 year	Net gains (losses)		Over 1 year	Net gains (losses)		
OTC							
Foreign currency forward contracts							
Sold	1,216	—	(0)	(0)	34	—	(0)
(U.S. dollar)	813	—	(1)	(1)	—	—	—
(Euro)	336	—	1	1	25	—	(0)
(Polish zloty)	—	—	—	—	9	—	(0)
(Others)	66	—	0	0	—	—	—
Bought	1,656	—	1	1	35	—	0
(U.S. dollar)	1,027	—	4	4	25	—	0
(Euro)	550	—	(2)	(2)	—	—	—
(Australian dollar)	11	—	0	0	9	—	0
(Others)	67	—	(0)	(0)	—	—	—
Total				1			0

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

◆ Stock-Related

Not applicable.

◆ 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,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
Variable individual annuities	94,021	316,510	96,035	330,072

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,	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	323	0.1	307	0.1
Securities	312,669	99.1	324,825	99.1
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and others	—	—	—	—
Other securities	312,669	99.1	324,825	99.1
Loans	—	—	—	—
Others	2,563	0.8	2,653	0.8
Allowance for possible loan losses	—	—	—	—
Total	315,556	100.0	327,786	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2018	2017
Interest, dividends and other income	3,045	1,719
Gains on sales of securities	0	0
Gains on redemption of securities	—	—
Gains on valuation of securities	47,220	38,759
Foreign exchange gains	—	—
Gains on derivative financial instruments	—	—
Other income	—	—
Losses on sales of securities	444	202
Losses on redemption of securities	—	—
Losses on valuation of securities	44,740	48,266
Foreign exchange losses	—	—
Losses on derivative financial instruments	—	—
Other expenses	—	—
Net gains (losses)	5,081	(7,990)

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2018		2017	
	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	312,669	2,479	324,825	(9,507)

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,	2018		2017	
	Number of groups	Fair value	Number of groups	Fair value
First treaty separate account	817	468,265	769	404,571
Comprehensive account	459	190,317	517	204,612
Accounts established for each investee	289	210,309	296	199,958
Dedicated accounts for each investee	134	67,638	—	—
Total	817	468,265	769	404,571

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, 2018

In line with its annual investment plan, the Company generally maintained a greater allocation of stocks, both domestic and overseas, and of foreign bonds 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, 2018 was 8.32%. This was attributable to positive returns recorded in all asset categories.

(%)

	Planned figures for year ended March 31, 2018	Asset Allocations				As of March 31, 2018
		As of March 31, 2017	As of June 30, 2017	As of September 30, 2017	As of December 31, 2017	
Domestic bonds	29.0	20.9	21.0	19.4	20.2	24.3
Domestic stocks	36.0	37.6	37.7	36.4	40.5	36.6
Foreign bonds	8.0	10.1	10.1	8.9	8.5	9.8
Foreign stocks	24.0	26.2	27.4	27.5	29.7	26.2
Short-term funds and others	3.0	5.2	3.7	7.8	1.1	3.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: Asset allocations are based on fair value.

(2) Balance in Fair Value by Asset Type

(Millions of Yen)

As of March 31,	2018		2017	
	Fair value	(%)	Fair value	(%)
Domestic bonds	46,301	24.3	42,758	20.9
Domestic stocks	69,742	36.6	76,925	37.6
Foreign bonds	18,701	9.8	20,658	10.1
Foreign stocks	49,846	26.2	53,689	26.2
Short-term funds and others	5,725	3.0	10,581	5.2
Total	190,317	100.0	204,612	100.0

(3) Investment Performance

(%)

Years ended March 31,	2018	2017
Time-weighted return rate	8.32	7.25

First Treaty Separate Account (Accounts Established for Each Investee)

(1) Investment Status in the Year Ended March 31, 2018

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 industrial 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 strove to adjust weights allocated to each stock by striking an optimal balance between emphasis placed on various factors. In this way, the Company executed enhanced index investing. The Company maintains a neutral sector allocation policy while focusing on value indices and stability.
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 has been adjusted based on monetary policies undertaken by and political developments taking place in the United States and the European Union. The Company was also flexible in adjusting bond duration, with due consideration given to the prevailing interest rates, expected inflation and demand/supply outlooks for JGBs.
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 upturns in profitability. In addition, the Company continuously invested in stocks issued by companies in emerging Asian nations.
Foreign currency denominated stock account—B	The Company strove to adjust weights allocated to each stock by striking an optimal balance between emphasis placed on various factors. In this way, the Company executed enhanced index investing. While remaining neutral on region- and sector-based allocation, the Company selected U.S. stocks by establishing a fixed set of individual sector criteria to define the weighting allocated to each factor. At the same time, the Company focused on value indices for European stocks.
Short-term fund account	The Company engaged in investment focusing on maintaining liquidity and stability.

- Notes: 1. The Company stopped administrating yen currency denominated bond account—A and foreign currency denominated bond account—A at the end of the fiscal year ended March 31, 2018
2. The Company's "factor model" used to select U.S. stocks in the course of administration of foreign currency denominated stock account—B, was improved in September 2017.

(2) Fair Value and Investment Performance

(Millions of Yen)

As of and years ended March 31,	2018		2017	
	Fair value	Time-weighted return rate (%)	Fair value	Time-weighted return rate (%)
Yen currency denominated bond account	107,097	1.13	77,942	(1.24)
Yen currency denominated bond account—A	20,313	1.42	20,354	(0.98)
Yen currency denominated stock account	15,152	12.73	15,536	15.03
Yen currency denominated stock account—B	23,349	13.68	25,312	15.68
Foreign currency denominated bond account	9,372	4.52	9,029	(5.60)
Foreign currency denominated bond account—A	6,514	2.96	6,679	(5.57)
Foreign currency denominated stock account	10,454	11.01	10,235	14.11
Foreign currency denominated stock account—B	9,785	9.11	9,383	14.25
Short-term fund account	8,270	0.00	25,484	0.00
Total	210,309		199,958	

Consolidated Information

Non-performing Loans

	(Millions of Yen)	
As of March 31,	2018	2017
Loans to bankrupt borrowers	—	—
Loans in arrears	3,633	4,362
Loans in arrears for three months or longer	—	—
Restructured loans	24,812	27,036
Total	28,445	31,398
Non-performing loans/total loans (%)	0.54	0.58

- 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, 2017; and ¥368 million for loans to bankrupt borrowers and ¥2 million for loans in arrears as of March 31, 2018.
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,	2018	2017
(A) Total solvency margin	7,135,780	6,801,090
① Foundation funds	807,879	739,676
② Reserve for price fluctuation	685,414	578,227
③ Contingency reserves	691,814	681,563
④ Catastrophe reserves	10,137	9,586
⑤ General allowance for possible loan losses	1,311	1,389
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)	3,222,738	3,177,007
⑦ Unrealized gains on land × 85% (100% in case of losses)	354,394	316,220
⑧ Total of unrecognized actuarial differences and unrecognized past service costs	33,199	21,998
⑨ Excess of continued Zillmerized reserve	936,352	953,588
⑩ Qualifying subordinated debt	453,310	379,632
⑪ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑫ Deductions	(161,429)	(147,646)
⑬ Other (tax effect adjustment)	100,655	89,844
(B) Total amount of risk $\sqrt{(\sqrt{14^2+15^2}+17+18)^2+(19+20+21)^2+16+22}$	1,441,247	1,361,632
⑭ Insurance risk	161,955	158,532
⑮ General underwriting risk	1,788	1,785
⑯ Major disaster risk	473	471
⑰ Third-sector insurance risk	61,986	58,241
⑱ Insurance risk of small-amount short-term insurer	—	—
⑲ Assumed interest rate risk	145,083	146,789
⑳ Minimum guarantee risk	8,829	12,011
㉑ Investment risk	1,236,606	1,153,945
㉒ Business management risk	32,334	30,635
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	990.2	998.9

- 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,	2018	2017
(A) Total solvency margin	70,981	70,276
① Capital and others	57,979	57,700
② Reserve for price fluctuation	465	370
③ Contingency reserves	26	29
④ Catastrophe reserves	10,137	9,586
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)	813	1,165
⑦ Unrealized gains on land × 85% (100% in case of losses)	977	883
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	580	540
(B) Total amount of risk $\sqrt{((13+14)^2+(15+16)^2+(17)+18)}$	2,813	2,731
⑬ General underwriting risk	1,788	1,785
⑭ Third-sector insurance risk	—	—
⑮ Assumed interest rate risk	6	7
⑯ Investment risk	1,385	1,259
⑰ Business management risk	73	70
⑱ Major disaster risk	473	471
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	5,045.9	5,146.2

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, 2017 and March 31, 2018, 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.