

Financial Section

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Consolidated Balance Sheets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ASSETS:			
Cash and deposits (Notes 3, 4, and 7)	¥ 1,246,447	¥ 1,287,537	\$ 11,453
Call loans (Note 3)	90,000	90,000	826
Monetary claims bought (Note 4)	204,335	212,307	1,877
Money held in trust (Note 4)	15,166	21,669	139
Securities (Notes 4, 5, 6, 7, and 8)	34,023,049	33,403,624	312,625
Loans (Notes 4, 7, 9, and 10)	4,913,456	5,019,827	45,147
Tangible fixed assets (Notes 11, 12, and 13)			
Land	617,250	618,014	5,671
Buildings	274,919	280,168	2,526
Leased assets	469	711	4
Construction in progress	4,828	5,221	44
Other tangible fixed assets	7,737	7,941	71
Subtotal	905,204	912,057	8,317
Intangible fixed assets			
Software	69,106	55,131	634
Goodwill	123,595	132,965	1,135
Other intangible fixed assets	249,527	279,086	2,292
Subtotal	442,229	467,182	4,063
Due from agents	1,612	1,578	14
Reinsurance receivables	161,038	164,308	1,479
Other assets	529,429	428,437	4,864
Net defined benefit assets (Note 14)	66,029	91,988	606
Deferred tax assets (Note 15)	2,762	2,994	25
Customers' liabilities under acceptances and guarantees	19,888	22,563	182
Allowance for possible loan losses	(6,754)	(5,361)	(62)
Total assets	¥42,613,896	¥42,120,715	\$391,563
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims	¥ 723,195	¥ 738,628	\$ 6,645
Policy reserves	34,848,442	34,339,715	320,209
Policyholders' dividend reserves (Note 16)	245,988	242,957	2,260
Subtotal	35,817,626	35,321,301	329,115
Due to agents	3,707	2,937	34
Reinsurance payables	964	1,187	8
Bonds payable (Notes 4 and 17)	668,563	589,098	6,143
Other liabilities	1,584,263	1,012,377	14,557
Net defined benefit liabilities (Note 14)	8,229	6,995	75
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	833,615	816,962	7,659
Deferred tax liabilities (Note 15)	56,462	281,498	518
Deferred tax liabilities for land revaluation	79,210	79,370	727
Acceptances and guarantees	19,888	22,563	182
Total liabilities	39,072,534	38,134,293	359,023
NET ASSETS:			
Foundation funds (Note 19)	250,000	260,000	2,297
Reserve for redemption of foundation funds (Note 19)	730,000	670,000	6,707
Reserve for revaluation	452	452	4
Surplus	475,912	499,135	4,372
Total funds, reserve and surplus	1,456,365	1,429,588	13,382
Net unrealized gains on available-for-sale securities	1,993,002	2,442,225	18,312
Deferred unrealized gains on derivatives under hedge accounting	45,187	41,253	415
Land revaluation differences	118,421	117,898	1,088
Foreign currency translation adjustments	(49,497)	(44,976)	(454)
Remeasurements of defined benefit plans	(22,818)	(273)	(209)
Total accumulated other comprehensive income	2,084,295	2,556,127	19,151
Non-controlling interests	700	705	6
Total net assets	3,541,362	3,986,421	32,540
Total liabilities and net assets	¥42,613,896	¥42,120,715	\$391,563

Consolidated Statements of Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ORDINARY INCOME:			
Insurance premiums and other	¥2,911,826	¥3,081,385	\$26,755
Investment income			
Interest, dividends and other income	936,932	872,291	8,609
Gains on money held in trust	47	—	0
Gains on sales of securities	20,486	16,595	188
Gains on redemption of securities	90,742	76,949	833
Foreign exchange gains	—	8,186	—
Other investment income	2,895	2,408	26
Investment gains on separate accounts	—	3,824	—
Subtotal	1,051,103	980,255	9,658
Other ordinary income	110,454	120,860	1,014
Total ordinary income	4,073,384	4,182,501	37,428
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	694,334	725,847	6,379
Annuity payments	629,047	616,446	5,780
Benefit payments	532,584	523,719	4,893
Surrender benefits	549,892	464,349	5,052
Other refunds	109,991	94,147	1,010
Subtotal	2,515,851	2,424,510	23,117
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims	—	13,631	—
Provision for policy reserves	264,143	451,985	2,427
Provision for interest on policyholders' dividend reserves (Note 16)	89	97	0
Subtotal	264,233	465,714	2,427
Investment expenses			
Interest expenses	44,740	33,866	411
Losses on money held in trust	—	183	—
Losses on sales of securities	6,983	39,925	64
Losses on valuation of securities	104,319	17,893	958
Losses on redemption of securities	32,140	5,075	295
Losses on derivative financial instruments	133,638	130,990	1,227
Foreign exchange losses	18,187	—	167
Provision for allowance for possible loan losses	1,818	779	16
Write-down of loans	393	—	3
Depreciation of real estate for non-insurance business	10,226	10,210	93
Other investment expenses	24,624	22,675	226
Investment losses on separate accounts	19,948	—	183
Subtotal	397,021	261,599	3,648
Operating expenses (Note 21)	476,964	468,136	4,382
Other ordinary expenses	165,776	171,920	1,523
Total ordinary expenses	3,819,847	3,791,882	35,099
Ordinary profit	253,536	390,618	2,329
Extraordinary gains			
Gains on disposals of fixed assets	45	2,758	0
Reversal of reserve for contingent liabilities	0	—	0
Subtotal	46	2,758	0
Extraordinary losses			
Losses on disposals of fixed assets	1,723	1,590	15
Impairment losses (Note 13)	2,428	1,204	22
Provision for reserve for contingent liabilities	—	0	—
Provision for reserve for price fluctuation	16,658	131,553	153
Losses on reduction entry of real estate	4	1,931	0
Contributions for promotion of social welfare project	510	565	4
Other extraordinary losses	—	6	—
Subtotal	21,326	136,852	195
Surplus before income taxes and non-controlling interests	232,256	256,525	2,134
Income taxes (Note 15)			
Current	56,111	58,212	515
Deferred	(31,784)	(32,673)	(292)
Total income taxes	24,327	25,539	223
Net surplus	207,929	230,985	1,910
Net surplus attributable to non-controlling interests	80	1,406	0
Net surplus attributable to the Parent Company	¥ 207,848	¥ 229,579	\$ 1,909

Consolidated Statements of Comprehensive Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of
	2020	2019	2020
Net surplus	¥ 207,929	¥230,985	\$ 1,910
Other comprehensive income (loss) (Note 23)	(472,354)	(177,940)	(4,340)
Net unrealized gains (losses) on available-for-sale securities	(452,092)	(140,068)	(4,154)
Deferred unrealized gains (losses) on derivatives under hedge accounting	3,933	5,372	36
Foreign currency translation adjustments	(8,446)	(10,701)	(77)
Remeasurements of defined benefit plans	(22,545)	(24,130)	(207)
Share of other comprehensive income (loss) of associates accounted for under the equity method	6,795	(8,412)	62
Comprehensive income (loss)	¥(264,425)	¥ 53,045	\$(2,429)
Comprehensive income (loss) attributable to the Parent Company	(264,505)	51,623	(2,430)
Comprehensive income (loss) attributable to non-controlling interests	80	1,421	0

Consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Year ended March 31, 2019

(Millions of Yen)

	Funds, reserves and surplus					Accumulated other comprehensive income (loss)							Total net assets
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning balance	¥260,000	¥620,000	¥452	¥504,951	¥1,385,404	¥2,583,926	¥35,881	¥118,189	¥(27,485)	¥23,861	¥2,734,374	¥3,974	¥4,123,752
Changes in the fiscal year													
Issuance of foundation funds	50,000				50,000								50,000
Additions to policyholders' dividend reserves (Note 16)				(185,731)	(185,731)								(185,731)
Additions to reserve for redemption of foundation funds		50,000			50,000								50,000
Payment of interest on foundation funds				(1,171)	(1,171)								(1,171)
Net surplus attributable to the Parent Company				229,579	229,579								229,579
Redemption of foundation funds	(50,000)				(50,000)								(50,000)
Reversal of reserve for fund redemption				(50,000)	(50,000)								(50,000)
Reversal of land revaluation differences				290	290								290
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				1,216	1,216								1,216
Net changes, excluding funds, reserves and surplus						(141,701)	5,372	(290)	(17,491)	(24,134)	(178,246)	(3,268)	(181,515)
Net changes in the fiscal year	—	50,000	—	(5,816)	44,183	(141,701)	5,372	(290)	(17,491)	(24,134)	(178,246)	(3,268)	(137,331)
Ending balance	¥260,000	¥670,000	¥452	¥499,135	¥1,429,588	¥2,442,225	¥41,253	¥117,898	¥(44,976)	¥ (273)	¥2,556,127	¥ 705	¥3,986,421

Year ended March 31, 2020

(Millions of Yen)

	Funds, reserves and surplus					Accumulated other comprehensive income (loss)							Total net assets
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning balance	¥260,000	¥670,000	¥452	¥499,135	¥1,429,588	¥2,442,225	¥41,253	¥117,898	¥(44,976)	¥ (273)	¥2,556,127	¥705	¥3,986,421
Changes in the fiscal year													
Issuance of foundation funds	50,000				50,000								50,000
Additions to policyholders' dividend reserves (Note 16)				(169,630)	(169,630)								(169,630)
Additions to reserve for redemption of foundation funds		60,000			60,000								60,000
Payment of interest on foundation funds				(918)	(918)								(918)
Net surplus attributable to the Parent Company				207,848	207,848								207,848
Redemption of foundation funds	(60,000)				(60,000)								(60,000)
Reversal of reserve for fund redemption				(60,000)	(60,000)								(60,000)
Reversal of land revaluation differences				(522)	(522)								(522)
Net changes, excluding funds, reserves and surplus						(449,222)	3,933	522	(4,520)	(22,545)	(471,831)	(4)	(471,836)
Net changes in the fiscal year	(10,000)	60,000	—	(23,222)	26,777	(449,222)	3,933	522	(4,520)	(22,545)	(471,831)	(4)	(445,059)
Ending balance	¥250,000	¥730,000	¥452	¥475,912	¥1,456,365	¥1,993,002	¥45,187	¥118,421	¥(49,497)	¥(22,818)	¥2,084,295	¥700	¥3,541,362

Consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Year ended March 31, 2020

(Millions of U.S. Dollars)

	Funds, reserves and surplus					Accumulated other comprehensive income (loss)							
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	\$2,389	\$6,156	\$ 4	\$4,586	\$13,135	\$22,440	\$379	\$1,083	\$(413)	\$ (2)	\$23,487	\$6	\$36,629
Changes in the fiscal year													
Issuance of foundation funds	459				459								459
Additions to policyholders' dividend reserves (Note 16)				(1,558)	(1,558)								(1,558)
Additions to reserve for redemption of foundation funds		551			551								551
Payment of interest on foundation funds				(8)	(8)								(8)
Net surplus attributable to the Parent Company				1,909	1,909								1,909
Redemption of foundation funds	(551)				(551)								(551)
Reversal of reserve for fund redemption				(551)	(551)								(551)
Reversal of land revaluation differences				(4)	(4)								(4)
Net changes, excluding funds, reserves and surplus						(4,127)	36	4	(41)	(207)	(4,335)	0	(4,335)
Net changes in the fiscal year	(91)	551	—	(213)	246	(4,127)	36	4	(41)	(207)	(4,335)	0	(4,089)
Ending balance	\$2,297	\$6,707	\$ 4	\$4,372	\$13,382	\$18,312	\$415	\$1,088	\$(454)	\$(209)	\$19,151	\$6	\$32,540

Consolidated Statements of Cash Flows

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
I Cash flows from operating activities			2020
Surplus before income taxes and non-controlling interests	¥ 232,256	¥ 256,525	\$ 2,134
Depreciation of real estate for non-insurance business	10,226	10,210	93
Depreciation	43,525	44,147	399
Impairment losses	2,428	1,204	22
Amortization of goodwill	7,645	7,745	70
Increase (Decrease) in reserve for outstanding claims	(7,617)	13,571	(69)
Increase (Decrease) in policy reserves	361,070	552,611	3,317
Provision for interest on policyholders' dividend reserves	89	97	0
Increase (Decrease) in allowance for possible loan losses	1,392	260	12
Increase (Decrease) in net defined benefit liabilities	177	2,904	1
Increase (Decrease) in reserve for contingent liabilities	(0)	0	(0)
Increase (Decrease) in reserve for price fluctuation	16,658	131,553	153
Interest, dividends, and other income	(936,932)	(872,291)	(8,609)
Losses (Gains) on securities	177,238	(138,094)	1,628
Interest expenses	44,740	33,866	411
Foreign exchange losses (gains)	5,498	(13,715)	50
Losses (Gains) on tangible fixed assets	1,678	(994)	15
Investment losses (gains) on equity method	(4,249)	(3,638)	(39)
Decrease (Increase) in due from agents	(35)	(9)	(0)
Decrease (Increase) in reinsurance receivables	1,154	1,805	10
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(56,814)	80,572	(522)
Increase (Decrease) in due to agents	808	58	7
Increase (Decrease) in reinsurance payables	(222)	(11)	(2)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	65,339	12,012	600
Others, net	(220)	(10,290)	(2)
Subtotal	(34,161)	110,101	(313)
Interest, dividends, and other income received	983,116	911,560	9,033
Interest paid	(41,895)	(34,255)	(384)
Policyholders' dividends paid	(166,720)	(176,676)	(1,531)
Income taxes paid	(63,203)	(67,371)	(580)
Net cash provided by operating activities	677,135	743,358	6,221
II Cash flows from investing activities			
Net decrease (increase) in deposits	(9,422)	(16,421)	(86)
Purchase of monetary claims bought	(5,500)	(12,400)	(50)
Proceeds from sales and redemption of monetary claims bought	13,261	14,724	121
Purchase of money held in trust	—	(8,300)	—
Purchase of securities	(5,552,359)	(4,509,597)	(51,018)
Proceeds from sales and redemption of securities	4,243,843	3,962,251	38,995
Loans extended	(1,157,755)	(1,230,885)	(10,638)
Proceeds from collection of loans	1,246,619	1,472,996	11,454
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	535,699	159,433	4,922
Total investment activities (IIa)	(685,613)	(168,198)	(6,299)
[I + IIa]	(8,477)	575,159	(77)
Purchase of tangible fixed assets	(17,129)	(20,054)	(157)
Proceeds from sales of tangible fixed assets	47	4,278	0
Purchase of intangible fixed assets	(27,694)	(33,305)	(254)
Others, net	(1,082)	(535)	(9)
Net cash used in investing activities	(731,470)	(217,816)	(6,721)
III Cash flows from financing activities			
Proceeds from issuance of bonds payable	79,460	106,014	730
Proceeds from issuance of foundation funds	50,000	50,000	459
Redemption of foundation funds	(60,000)	(50,000)	(551)
Payment of interest on foundation funds	(918)	(1,171)	(8)
Acquisition of stock of subsidiaries without change in scope of consolidation	—	(2,498)	—
Others, net	3,498	(524)	32
Net cash provided by financing activities	72,040	101,820	661
IV Effect of foreign exchange rate changes on cash and cash equivalents	(1,496)	(72)	(13)
V Net increase (decrease) in cash and cash equivalents	16,207	627,289	148
VI Cash and cash equivalents at the beginning of the year	1,347,470	720,180	12,381
VII Increase (decrease) in cash and cash equivalents due to split with subsidiaries	(70,580)	—	(648)
VIII Cash and cash equivalents at the end of the year (Note 3)	¥1,293,097	¥1,347,470	\$11,881

Notes to the Consolidated Financial Statements

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

1. Basis of Presentation

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, “the Company”) has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese “Insurance Business Act” and its related accounting regulations in Japan, and in conformity with accounting principles generally accepted in Japan, which may differ in certain respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles in the respective countries of domicile. In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts are rounded down to the nearest million yen. As a result, the totals do not add up. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate prevailing at March 31, 2020, which was ¥108.83 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

a. Consolidated subsidiaries

The number of consolidated subsidiaries was 17 and 17 as of March 31, 2019 and 2020, respectively. The consolidated subsidiaries as of March 31, 2020 include as follows:

Meiji Yasuda General Insurance Co., Ltd. (Japan)
Meiji Yasuda Asset Management Company Ltd. (Japan)
Meiji Yasuda System Technology Company Limited (Japan)
Pacific Guardian Life Insurance Company, Limited (U.S.A.)
StanCorp Financial Group, Inc. (U.S.A.)
Meiji Yasuda America Incorporated (U.S.A.)

The subsidiaries excluded from consolidation include subsidiaries such as Meiji Yasuda Life Planning Center Company, Limited.

The respective and aggregate effects of the companies which are excluded from consolidation, based on total assets, revenues, net income and surplus for the years ended March 31, 2019 and 2020 are immaterial. This exclusion from consolidation would not prevent a reasonable understanding of the consolidated financial position of the Company and its subsidiaries and the results of their operations.

b. Affiliates

The number of affiliates accounted for by the equity method was 9 and 9 as of March 31, 2019 and 2020, respectively. The affiliates accounted for by the equity method as of March 31, 2020 include as follows:

Founder Meiji Yasuda Life Insurance Co., Ltd. (China)
PT Avrist Assurance (Indonesia)
TU Europa S.A. (Poland)
TUiR Warta S.A. (Poland)
Thai Life Insurance Public Company Limited (Thailand)

One affiliate of StanCorp Financial Group, Inc. has been excluded from the scope of the equity method as of March 31, 2019, due to the sales of its shares.

The subsidiaries not consolidated, e.g., Meiji Yasuda Life Planning Center Company, Limited and others, and certain affiliates are excluded from the scope of the equity method due to their immaterial effect, individually and in aggregate, on the consolidated net income and consolidated surplus.

c. Fiscal year-end of consolidated subsidiaries

The fiscal year-ends of consolidated overseas subsidiaries are December 31. The consolidated financial statements include the accounts of such subsidiaries as of their fiscal year-ends, with appropriate adjustments made for material transactions occurring between their respective fiscal year-ends and the date of the consolidated financial statements.

d. Valuation of assets and liabilities of consolidated subsidiaries and affiliates

The Company applies the fair value method.

e. Goodwill on consolidation

Goodwill (including goodwill relating to affiliates) is amortized on the straight-line basis over 20 years. However, immaterial amounts of goodwill are fully recognized as expenses as incurred.

f. All the significant intercompany balances and transactions are eliminated in consolidation. In addition, all the material unrealized gains/losses included in assets/liabilities resulting from intercompany transactions are also eliminated.

(2) Cash and cash equivalents

For the purpose of presenting the consolidated statements of cash flows, cash and cash equivalents are comprised of cash on hand, demand deposits and all highly liquid short-term investments with a maturity of three months or less when purchased, which are readily convertible into cash and present insignificant risk of change in value.

(3) Securities

Securities held by the Company are classified and accounted for as follows:

a. Trading securities are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.

b. Held-to-maturity debt securities are stated at amortized cost using the moving average method and the amortization is calculated using the straight-line method.

c. Policy-reserve-matching bonds are stated at amortized cost in accordance with the Industry Audit Committee Report No.21, “Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry,” issued by the Japanese Institute of Certified Public Accountants (JICPA). The cost of sales is determined by the moving average method and the amortization of discount/premium is calculated using the straight-line method.

d. Equity securities issued by subsidiaries and affiliates are stated at cost using the moving average method. The subsidiaries are prescribed under Article 2, Paragraph 12 of the “Insurance Business Act” and Article 13-5-2, Paragraph 3 of the “Order for Enforcement of the Insurance Business Act.” The affiliates are under Paragraph 4 of the order.

e. Available-for-sale securities

i) Securities of which market value is readily available

Stocks are stated at the average of the market value during the final month of the fiscal year.

Others are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.

ii) Securities of which market value is extremely difficult to determine
Bonds (including foreign bonds) of which premium or discount are regarded as interest rate adjustment are stated at amortized cost using the moving average method. The amortization is calculated using the straight-line method. Other securities are stated at cost using the moving average method.

iii) Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the consolidated balance sheets.

(4) 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 Industry Audit Committee Report No.21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" issued by the JICPA.

(5) Money held in trust

Money held in trust is stated at fair value.

(6) Derivative transactions

Derivative transactions are stated at fair value.

(7) Method of hedge accounting

Methods of hedge accounting of the Company are in accordance with the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans receivable;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities, from the year ended March 31, 2010, based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry," issued by the JICPA.

Hedge effectiveness for the deferred hedge accounting to hedge against interest rate fluctuation risk related to insurance liabilities is assessed by verifying the correlation between interest rates that would be used in calculating theoretical prices of hedged items and hedging instruments.

(8) Revaluation of land

The Company revalued certain parcels of land owned for operational use as of March 31, 2000, as permitted by the "Act on Revaluation of Land".

The difference in value before and after revaluation is directly included in net assets in the consolidated balance sheets and presented as land revaluation differences, after net of income taxes which is presented as deferred tax liabilities for land revaluation in the consolidated balance sheets. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the "Order for Enforcement of the Act on Revaluation of Land") for the revaluation.

The Company also revalued certain parcels of land acquired from former Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004 as of March 31, 2001, as permitted by the act. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the former company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the order) and appraisal value (detailed in Article 2, Item 5 of the order) for the revaluation.

(9) Tangible fixed assets

Tangible fixed assets (excluding leased assets) owned by the Company are depreciated as follows:

a. Buildings

Calculated using the straight-line method.

b. Other tangible fixed assets

Calculated using the declining-balance method.

Tangible fixed assets are presented at cost, net of accumulated depreciation and impairment losses.

The estimated useful lives of major items are as follows:

Buildings	2 to 50 years
Other tangible fixed assets	2 to 20 years

Tangible fixed assets owned by the Company's overseas consolidated subsidiaries are depreciated by mainly using the straight-line method.

Leased assets related to finance leases that do not transfer ownership to the lessees are depreciated by using the straight-line method, with the lease period being considered as useful lives of assets and residual value being set at zero.

(10) Software

Capitalized software for internal use owned by the Company and subsidiaries (included in intangible fixed assets in the consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives (3 to 5 years). Intangible fixed assets owned by certain overseas consolidated subsidiaries are amortized based on each country's accounting standard, such as U.S. GAAP.

(11) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collaterals and the execution of guarantees.

For loans to borrowers that have high possibility of bankruptcy (hereafter, “borrowers with high possibility of bankruptcy”), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collaterals and by executing guarantees.

For other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company’s actual default experience for a certain period in the past.

All loans are assessed by the department concerned based on the Company’s standards for the self-assessment of asset quality and an independent department is responsible for audit of its self-assessment. The allowance for possible loan losses is provided based on the result of the assessment.

For loans with collaterals to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collaterals or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the years ended March 31, 2019 and 2020 amounted to ¥93 million and ¥183 million (U.S. \$1 million), respectively.

(12) Policy reserves

Policy reserves of the Company are provided pursuant to Article 116 of the “Insurance Business Act”.

Premium reserves, a main component of policy reserves, are calculated according to the following method:

- a. For contracts that are subject to the standard policy reserve requirements, the premium reserves are calculated pursuant to the method stipulated by the Prime Minister (Ministry of Finance Notification No. 48 in 1996).
- b. For contracts that are not subject to the standard policy reserve requirements, the premium reserves are calculated using the net level premium method.

The policy reserves of the Company which are additionally set aside pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act” include the following:

- the policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.75% for individual annuity contracts concluded on or before April 1, 1996. The accumulation of the amount was completed on schedule over a period of three years starting in the year ended March 31, 2008. Besides, an additional reserve corresponding to the period after the beginning of annuity payment shall be accumulated at the beginning of the payment of the above annuity contracts;
- the policy reserves set aside in the year ended March 31, 2015 for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995; and
- the policy reserves set aside in the year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.

Policy reserves of certain overseas consolidated subsidiaries are calculated based on each country’s accounting standard, such as U.S. GAAP.

(13) Net defined benefit liabilities and assets

Net defined benefit liabilities and assets are provided based on the estimate of retirement benefit obligations and plan assets at the balance sheet date.

(14) Reserve for price fluctuation

Reserve for price fluctuation of the Company and the domestic consolidated insurance subsidiary is calculated pursuant to Article 115 of the “Insurance Business Act”.

(15) Revenue recognition

Insurance premiums of the Company are recognized when premiums are received, and insurance premiums due but not collected are not recognized as revenue. Unearned insurance premiums are recognized as policy reserves.

Insurance premiums of certain overseas consolidated subsidiaries are recognized based on each country’s accounting standard, such as U.S. GAAP.

(16) Policy acquisition costs

Policy acquisition costs of the Company are expensed when incurred.

Policy acquisition costs of certain overseas consolidated subsidiaries are calculated based on each country’s accounting standard, such as U.S. GAAP.

(17) Accounting for consumption taxes

National and local consumption taxes of the Company are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the period, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as prepaid expenses and amortized over a five-year period on the straight-line basis pursuant to the “Corporation Tax Act”.

(18) Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for equity securities issued by unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues and expenses of the Company’s overseas consolidated subsidiaries are translated into Japanese yen at the exchange rate at the end of their fiscal year, and translation adjustments are included in “foreign currency translation adjustments” in the net assets section of the consolidated balance sheets.

3. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2019 and 2020 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash and deposits	¥1,246,447	¥1,287,537	\$11,453
Time deposits (over 3 months)	(44,926)	(35,504)	(412)
Call loans	90,000	90,000	826
Money held in trust (matured within 3 months)	1,200	5,000	11
Securities (matured within 3 months from the date of acquisition)	377	437	3
Cash and cash equivalents	1,293,097	1,347,470	11,881

4. Financial Instruments

(1) Qualitative information on financial instruments

The Company develops the asset and liability management based on surplus, and it monitors a surplus derived from the difference between the economic values of assets and liabilities as a measure of financial soundness, in order to manage its investment assets (excluding the assets of the separate account prescribed in Article 118, Paragraph 1 of the "Insurance Business Act").

Based on this risk management, the Company mainly invests in securities and loans. Securities held primarily consist of bonds, stocks and investment trusts. Loans primarily consist of loans to domestic corporate borrowers. Securities held by certain overseas consolidated subsidiaries primarily consist of bonds, and loans primarily consist of loans to overseas borrowers.

The use of derivatives is, in principle, limited to hedging activities as a primary method of hedging against invested asset risk, insurance liability risk and bonds payable risk.

Methods of hedge accounting are in accordance with the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.

Securities held by the Company and certain overseas consolidated subsidiaries are exposed to market risk (interest rate fluctuation risk,

exchange rate fluctuation risk and price fluctuation risk) and credit risk. Loans are exposed to credit risk and interest rate fluctuation risk. Derivative transactions are exposed to market risk and credit risk.

Some of the loans payable and bonds payable of the Company and certain overseas consolidated subsidiaries which are denominated in foreign currencies are exposed to exchange rate fluctuation risk.

With regard to the interest rate fluctuation risk management, the Company manages the fluctuation risk on the basis of economic values from a surplus management perspective, by purchasing super long-term bonds to keep asset duration stable and using interest rate swaps for the interest rate risk hedge against insurance liabilities.

To manage the exchange rate fluctuation risk, the Company hedges against exchange rate fluctuation using forward exchange contracts where necessary for appropriate controls of exchange rate fluctuation risk.

To manage the price fluctuation risk, the Company performs integrated management for outstanding balances and the profit and loss situation of securities and derivative transactions and also monitors loss limits to minimize unexpected losses.

In addition to the Value at Risk (VaR) method to measure the maximum expected loss, the Company performs stress tests periodically to simulate conditions that might arise in the event of sharp market fluctuations that exceed normal forecasts.

The profit and loss status and compliance with these procedures are monitored by the investment risk management department, reported regularly (or immediately in urgent cases) to the risk management verification committee and, on important matters, reported directly to the Board of Directors and Committees.

To manage credit risk, the Company carefully identifies risks in each transaction and limits investments to those that are assessed to be of high quality.

Where credit risk assessment is particularly important regarding corporate loans, the credit risk management department ensures that a rigorous screening system is in place, and monitors borrowers and internal credit rating using corporate screening methods. The Company follows careful discussions by the Investment Council to make decisions on highly important deals.

Further, the Company sets exposure limits based on counterparties' creditworthiness to ensure that risk is not concentrated among certain companies or groups, and diversifies investments.

With regard to derivative transactions, the Company limits risk by setting up policies and establishing limits by the type of transaction and by each counterparty. At the same time, 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.

The fair value of financial instruments is based on the market price or, in cases where market price is not available, based on prices calculated using reasonable methods in the Company and subsidiaries.

Since certain assumptions are adopted for the price calculations, the prices calculated may differ when different assumptions are used.

(2) Fair value of financial instruments

The amounts of the principal financial assets and liabilities reported in the consolidated balance sheets at the end of the fiscal year, and fair values and the differences between them, were as follows:

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 1,246,447	¥ 1,246,447	¥ —	¥ 1,287,537	¥ 1,287,537	¥ —	\$ 11,453	\$ 11,453	\$ —
Available-for-sale securities (CDs)	32,995	32,995	—	33,998	33,998	—	303	303	—
Monetary claims bought	204,335	217,514	13,179	212,307	225,616	13,309	1,877	1,998	121
Held-to-maturity debt securities	192,270	205,449	13,179	197,980	211,289	13,309	1,766	1,887	121
Available-for-sale securities	12,064	12,064	—	14,327	14,327	—	110	110	—
Money held in trust	15,166	15,166	—	21,669	21,669	—	139	139	—
Available-for-sale securities	15,166	15,166	—	21,669	21,669	—	139	139	—
Securities	33,792,528	36,135,945	2,343,417	32,932,586	35,411,027	2,478,440	310,507	332,040	21,532
Trading securities	1,733,941	1,733,941	—	1,601,661	1,601,661	—	15,932	15,932	—
Held-to-maturity debt securities	3,966,078	4,700,997	734,919	4,160,730	4,983,463	822,733	36,442	43,195	6,752
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	8,057,811	9,713,518	1,655,706	81,997	96,777	14,779
Available-for-sale securities	19,168,675	19,168,675	—	19,112,383	19,112,383	—	176,134	176,134	—
Loans	4,913,456	5,134,958	221,502	5,019,827	5,292,784	272,957	45,147	47,183	2,035
Policy loans	233,382	233,382	—	242,958	242,958	—	2,144	2,144	—
Industrial and consumer loans	4,680,073	4,901,575	221,502	4,776,869	5,049,826	272,957	43,003	45,038	2,035
Allowance for possible loan losses ⁽¹⁾	(5,452)	—	—	(4,033)	—	—	(50)	—	—
	4,908,003	5,134,958	226,955	5,015,794	5,292,784	276,990	45,097	47,183	2,085
Bonds payable	668,563	658,399	(10,164)	589,098	616,693	27,595	6,143	6,049	(93)
Payables under repurchase agreements	73,233	73,233	—	58,266	58,266	—	672	672	—
Payables under securities borrowing transactions	1,133,523	1,133,523	—	552,716	552,716	—	10,415	10,415	—
Derivative financial instruments ⁽²⁾	25,793	25,793	—	46,533	46,533	—	237	237	—
Hedge accounting is not applied	(25,475)	(25,475)	—	(2,131)	(2,131)	—	(234)	(234)	—
Hedge accounting is applied	51,269	51,269	—	48,664	48,664	—	471	471	—

(1) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.

(2) The amounts of receivables and payables arising from derivative transactions are shown as net amounts.

Notes:

a. Method used to determine the fair value of financial instruments

i) Assets

Cash and deposits

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts. Fair value of deposits deemed as securities transactions based on the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" is calculated in the same method shown in "Securities."

Monetary claims bought

Fair value of monetary claims bought deemed as securities transactions based on the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" is calculated using the same method shown in "Securities" and the fair value of these monetary claims bought is stated at theoretical prices calculated by discounting the future cash flows to the present value or at the fair value obtained from counterparties at the balance sheet date.

Money held in trust

Securities managed as assets in trust of which market value is readily available are stated at market value at the balance sheet date.

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of the jointly invested money held in trust with the same characteristics as deposits.

Securities

As for available-for-sale securities, domestic stocks of which market value is readily available are stated at the average of the market value during the final month of the fiscal year. Other securities are stated at market value at the balance sheet date.

Unlisted stocks and others of which market value is not readily available are not subject to fair value disclosure and are therefore not included in the table above because these are regarded as extremely difficult to determine fair value. The amounts of the unlisted stocks and others reported in the consolidated balance sheets were ¥471,037 million and ¥230,521 million (U.S. \$2,118 million) as of March 31, 2019 and 2020, respectively. Impairment losses on the unlisted stocks and others were ¥0 million and ¥287 million (U.S. \$2 million) for the years ended March 31, 2019 and 2020, respectively.

Loans

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value in light of factors such as projected repayment period and interest condition.

As for industrial and consumer loans, their fair value of these loans is primarily stated at theoretical prices calculated by discounting the future cash flows to the present value. The fair value of loans of the Company to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy is stated at the amounts arrived at by deducting estimated losses from the book value before direct write-off.

ii) Liabilities

Bonds payable

The fair value of bonds payable is mainly stated at a price based on data provided by pricing vendors.

Payables under repurchase agreements

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

Payables under securities borrowing transactions

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

iii) Derivative financial instruments

Listed transactions

The fair value of listed transactions, such as stock index futures and bond futures, is stated at the closing or settlement prices at the balance sheet date.

OTC transactions

The fair value of Over-the-Counter (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 a price based on data provided by pricing vendors.

Since OTC transactions of currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the table above.

Interest rate swap transactions

The fair value of interest rate swap transactions is stated at a price based on data provided by pricing vendors.

Since interest rate swaps subject to the special hedge accounting are treated as an integral part of the hedged loan, their fair value is included in the fair value of hedged loans in the table above.

b. Securities by holding purpose

Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥(10,376) million and ¥(32,957) million (U.S. \$(302) million) for the years ended March 31, 2019 and 2020, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2019 and 2020, respectively. The amounts reported in the consolidated balance sheets and fair values of the held-to-maturity debt securities by security type at the end of the fiscal year, and the differences between them, were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥3,416,075	¥4,070,853	¥654,778	¥3,581,847	¥4,317,920	¥736,072	\$31,389	\$37,405	\$6,016
2) Corporate bonds	438,346	512,962	74,616	467,140	547,364	80,224	4,027	4,713	685
3) Others	288,620	307,556	18,936	297,929	317,752	19,822	2,652	2,826	173
Total	4,143,041	4,891,372	748,331	4,346,917	5,183,037	836,120	38,068	44,945	6,876
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	2,800	2,798	(1)	2,800	2,798	(1)	25	25	(0)
3) Others	12,506	12,275	(231)	8,993	8,917	(75)	114	112	(2)
Total	15,306	15,074	(232)	11,793	11,716	(76)	140	138	(2)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

Policy-reserve-matching bonds

Disposition of policy-reserve-matching bonds amounted to ¥50,733 million and ¥285,843 million (U.S. \$2,626 million) resulting in total gains on sales of ¥800 million and ¥12,913 million (U.S. \$118 million) for the years ended March 31, 2019 and 2020, respectively. There were no total losses on sales for the year ended March 31, 2019. Total losses on sales were ¥25 million (U.S. \$0 million) for the year ended March 31, 2020. Disposition of policy-reserve-matching bonds due to

considerable deterioration of the issuer's credit standing amounted to ¥1,128 million (U.S. \$10 million) resulting in the losses on sales of ¥104 million (U.S. \$0 million) for the year ended March 31, 2020.

The carrying amounts in the consolidated balance sheets of policy-reserve-matching bonds by security type were shown in the following table, along with their fair values and the differences between these amounts.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥7,474,934	¥9,023,047	¥1,548,113	¥7,492,896	¥9,127,506	¥1,634,610	\$68,684	\$82,909	\$14,225
2) Corporate bonds	17,156	21,193	4,037	30,344	34,303	3,959	157	194	37
3) Others	678,166	746,731	68,565	493,842	511,581	17,739	6,231	6,861	630
Total	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309	75,073	89,965	14,892
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	643,382	634,664	(8,717)	—	—	—	5,911	5,831	(80)
2) Corporate bonds	1,853	1,829	(24)	—	—	—	17	16	(0)
3) Others	108,340	104,864	(3,476)	40,728	40,125	(603)	995	963	(31)
Total	753,576	741,358	(12,218)	40,728	40,125	(603)	6,924	6,812	(112)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥1,088,252 million and ¥383,871 million (U.S. \$3,527 million) resulting in total gains on sales of ¥15,794 million and ¥7,572 million (U.S. \$69 million) and total losses of ¥39,925 million and ¥6,854 million (U.S. \$62 million) for the

years ended March 31, 2019 and 2020, respectively. With regard to available-for-sale securities, acquisition costs, amortized costs, the amounts reported in the consolidated balance sheets and the respective differences by each type of securities were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Acquisition or amortized costs	Balance sheet amount	Difference	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									
(1) Domestic stocks	¥ 1,188,129	¥ 2,991,591	¥1,803,462	¥ 1,478,135	¥ 3,835,843	¥2,357,708	\$ 10,917	\$ 27,488	\$16,571
(2) Bonds	4,679,713	5,044,576	364,862	4,861,369	5,299,063	437,693	43,000	46,352	3,352
1) National & local government bonds	3,068,475	3,356,362	287,886	3,188,231	3,533,547	345,316	28,195	30,840	2,645
2) Corporate bonds	1,611,238	1,688,213	76,975	1,673,138	1,765,515	92,377	14,805	15,512	707
(3) Others	8,441,204	9,175,518	734,313	6,012,079	6,712,864	700,785	77,563	84,310	6,747
Total	14,309,047	17,211,685	2,902,637	12,351,583	15,847,770	3,496,187	131,480	158,152	26,671
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)	3,771	3,336	(434)
(2) Bonds	217,042	213,582	(3,460)	60,165	59,715	(450)	1,994	1,962	(31)
1) National & local government bonds	24,226	24,038	(188)	—	—	—	222	220	(1)
2) Corporate bonds	192,816	189,544	(3,271)	60,165	59,715	(450)	1,771	1,741	(30)
(3) Others	1,534,974	1,440,542	(94,432)	3,188,739	3,101,368	(87,371)	14,104	13,236	(867)
Total	2,162,427	2,017,217	(145,209)	3,444,999	3,334,608	(110,390)	19,869	18,535	(1,334)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

"Acquisition or amortized costs" in the table above refers to book values after deduction of impairment losses. Impairment losses on available-for-sale securities of which market value is readily available

amounted to ¥11,546 million and ¥87,915 million (U.S. \$807 million) for the years ended March 31, 2019 and 2020, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	2019					
	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
Deposits	¥1,287,385	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	212,307
Money held in trust	5,000	—	—	—	—	—
Loans*	472,783	656,974	679,859	594,924	751,319	1,620,634
Securities						
Held-to-maturity debt securities	166,788	371,590	398,958	552,343	521,576	2,146,673
Policy-reserve-matching bonds	—	68,957	190,309	72,345	838,067	6,888,130
Available-for-sale securities with maturities	562,525	2,121,525	1,734,143	670,326	2,312,293	6,050,737
Total	2,494,482	3,219,048	3,003,271	1,889,939	4,423,256	16,918,482

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2020						2020					
	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	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
Deposits	¥1,246,351	¥ —	¥ —	¥ —	¥ —	¥ —	\$11,452	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	204,335	—	—	—	—	—	1,877
Money held in trust	1,200	—	—	—	—	—	11	—	—	—	—	—
Loans*	403,449	743,755	646,028	629,480	801,957	1,454,718	3,707	6,834	5,936	5,784	7,368	13,366
Securities	954,351	2,644,935	1,708,658	1,602,203	4,348,451	15,815,896	8,769	24,303	15,700	14,722	39,956	145,326
Held-to-maturity debt securities	183,178	369,534	412,282	625,102	275,617	2,097,563	1,683	3,395	3,788	5,743	2,532	19,273
Policy-reserve-matching bonds	7,404	111,669	12,556	79,308	1,407,162	7,305,731	68	1,026	115	728	12,929	67,129
Available-for-sale securities with maturities	763,768	2,163,731	1,283,819	897,792	2,665,671	6,412,602	7,017	19,881	11,796	8,249	24,493	58,923
Total	2,605,352	3,388,691	2,354,686	2,231,684	5,150,408	17,474,950	23,939	31,137	21,636	20,506	47,325	160,571

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥374 million and ¥684 million (U.S. \$6 million) as of March 31, 2019 and 2020, respectively.

* Policy loans are not included because they have no defined maturity dates.

d. Maturity analysis of payable under securities borrowing transactions, bonds and loans payable and payables under repurchase agreements

As of March 31,	Millions of Yen					
	2019					
	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
Bonds payable	¥ —	¥ —	¥28,363	¥ —	¥ —	¥560,735
Payables under repurchase agreements	58,266	—	—	—	—	—
Payable under securities borrowing transactions	552,716	—	—	—	—	—
Total	610,983	—	28,363	—	—	560,735

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2020						2020					
	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	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
Bonds payable	¥ —	¥27,828	¥ —	¥ —	¥ —	¥640,735	\$ —	\$255	\$ —	\$ —	\$ —	\$5,887
Payables under repurchase agreements	73,233	—	—	—	—	—	672	—	—	—	—	—
Payable under securities borrowing transactions	1,133,523	—	—	—	—	—	10,415	—	—	—	—	—
Total	1,206,757	27,828	—	—	—	640,735	11,088	255	—	—	—	5,887

e. Fair value of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps				
Receipts fixed, payments floating	¥12,810	¥11,145	¥ 4	¥ 4
Receipts floating, payments fixed	6,049	6,049	—	—
Total				4

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps								
Receipts fixed, payments floating	¥20,576	¥17,783	¥ 0	¥ 0	\$189	\$163	\$ 0	\$ 0
Receipts floating, payments fixed	17,206	17,206	—	—	158	158	—	—
Total				0				0

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

ii) Currency-related

As of March 31,	Millions of Yen			
	2019			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts				
Sold	¥194,632	¥ —	¥ 199	¥ 199
(U.S. dollar)	160,265	—	(23)	(23)
(Euro)	14,252	—	122	122
(Australian dollar)	20,073	—	100	100
(British pound)	40	—	0	0
(Others)	1	—	(0)	(0)
Bought	11,875	—	(24)	(24)
(U.S. dollar)	6,577	—	3	3
(Euro)	3,864	—	(28)	(28)
(Australian dollar)	1,378	—	1	1
(Others)	55	—	(0)	(0)
Currency options				
Sold	198,628	—		
Call	[476]		1	474
(U.S. dollar)	[476]		1	474
Bought	178,500	—		
Put	[476]		32	(443)
(U.S. dollar)	[476]		32	(443)
Cross currency swaps				
Yen payments / Australian dollar receipts	154,546	154,546	(3,143)	(3,143)
Yen payments / U.S. dollar receipts	11,740	11,740	300	300
Total				(2,637)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts								
Sold	¥773,127	¥ —	¥ (596)	¥ (596)	\$7,103	\$ —	\$ (5)	\$ (5)
(U.S. dollar)	687,556	—	(4,401)	(4,401)	6,317	—	(40)	(40)
(Euro)	31,838	—	331	331	292	—	3	3
(Australian dollar)	53,582	—	3,472	3,472	492	—	31	31
(British pound)	62	—	(0)	(0)	0	—	(0)	(0)
(Others)	87	—	0	0	0	—	0	0
Bought	33,772	—	23	23	310	—	0	0
(U.S. dollar)	16,746	—	68	68	153	—	0	0
(Euro)	11,451	—	(83)	(83)	105	—	(0)	(0)
(Australian dollar)	5,523	—	38	38	50	—	0	0
(Others)	50	—	0	0	0	—	0	0
Currency options								
Sold								
Call	157,097	—			1,443	—		
[U.S. dollar]	[41]	—	41	0	[0]	—	0	0
Bought	157,097	—			1,443	—		
[U.S. dollar]	[41]	—	41	0	[0]	—	0	0
Put	166,178	—			1,526	—		
[U.S. dollar]	[63]	—	198	135	[0]	—	1	1
Bought	166,178	—			1,526	—		
[U.S. dollar]	[63]	—	198	135	[0]	—	1	1
Cross currency swaps								
Yen payments / Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	1,609	1,609	(181)	(181)
Yen payments / U.S. dollar receipts	7,080	7,080	881	881	65	65	8	8
Total				(19,275)				(177)

Notes: 1. Net gains (losses) on foreign currency forward contracts and cross currency swaps 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 [].

iii) Stock-related

As of March 31,	Millions of Yen			
	2019			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Yen Stock index futures				
Sold	¥ 2,672	¥ —	¥ (18)	¥ (18)
Bought	4,154	—	0	0
Foreign currency-denominated stock index futures				
Sold	327	—	(9)	(9)
Bought	5,444	—	72	72
Exchange-traded transactions				
Foreign currency-denominated stock index options				
Bought				
Call	60,773	382		
[Others]	[1,464]	[20]	453	(1,010)
Total				(965)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Sold	¥148,066	¥ —	¥(8,969)	¥(8,969)	\$1,360	\$—	\$(82)	\$(82)
Bought	8,943	—	231	231	82	—	2	2
Foreign currency-denominated stock index futures								
Sold	346	—	(35)	(35)	3	—	(0)	(0)
Bought	6,304	—	174	174	57	—	1	1
Exchange-traded transactions								
Foreign currency-denominated stock index options								
Bought								
Call	63,441	529			582	4		
	[1,627]	[28]	2,367	740	[14]	[0]	21	6
Total				(7,858)				(72)

Notes: 1. Net gains (losses) represent the fair values for futures trading, and the difference between the option fees and the fair values for option transactions.
2. Option fees are shown in [].

iv) Bond-related

As of March 31,	Millions of Yen			
	2019			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Foreign currency-denominated bond index futures				
Bought	¥123	¥—	¥2	¥2
Total				2

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Foreign currency-denominated bond index futures								
Bought	¥513	¥—	¥9	¥9	\$4	\$—	\$0	\$0
Total				9				0

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

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019			
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Insurance liabilities	¥230,700	¥230,700	¥57,446
Fair value hedge accounting				
Interest rate swaps				
Receipts floating, payments fixed	Securities (Bonds)	57,657	54,558	—
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	3,369	3,324	185
Total				57,632

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2020			2020		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Insurance liabilities	¥227,300	¥227,300	¥61,477	\$2,088	\$2,088	\$564
Fair value hedge accounting							
Interest rate swaps							
Receipts floating, payments fixed	Securities (Bonds)	35,437	30,266	—	325	278	—
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,222	3,222	159	29	29	1
Total				61,637			566

ii) Currency-related

As of March 31,	Millions of Yen			
		2019		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting				
Foreign currency forward contracts				
Sold	Foreign-currency- denominated bonds	¥3,887,217	¥ —	¥ (8,600)
(U.S. dollar)		3,529,862	—	(10,393)
(Euro)		199,793	—	700
(Australian dollar)		142,408	—	980
(Others)		15,152	—	112
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(381)
(Australian dollar)		4,305	4,305	199
Total				(8,782)

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2020			2020		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency- denominated bonds	¥4,679,142	¥ —	¥(11,456)	\$42,994	\$ —	\$(105)
(U.S. dollar)		4,169,798	—	(34,142)	38,314	—	(313)
(Euro)		253,887	—	1,063	2,332	—	9
(Australian dollar)		240,977	—	20,754	2,214	—	190
(Others)		14,479	—	867	133	—	7
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	538	326	326	4
(Australian dollar)		4,305	4,305	709	39	39	6
Total				(10,208)			(93)

Note: The table does not include foreign currency derivative transactions regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen.

iii) Stock-related

No ending balance as of March 31, 2019 and 2020.

iv) Bond-related

No ending balance as of March 31, 2019 and 2020.

5. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥2,322,166 million and ¥2,762,898 million (U.S. \$25,387 million) as of March 31, 2019 and 2020, respectively.

6. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥58,278 million and ¥75,520 million (U.S. \$693 million) as of March 31, 2019 and 2020, respectively.

7. Pledged Assets

Assets pledged as collateral were cash and deposits in the amount of ¥8 million (U.S. \$0 million) and nil, securities in the amount of ¥4,823 million and ¥30,957 million (U.S. \$284 million), and loans in the amount of ¥104,745 million and ¥113,200 million (U.S. \$1,040 million) as of March 31, 2019 and 2020, respectively.

8. Equity Securities issued by Unconsolidated Subsidiaries and Affiliates

The total amounts of equity securities issued by unconsolidated subsidiaries and affiliates were ¥174,468 million and ¥185,278 million (U.S. \$1,702 million) as of March 31, 2019 and 2020, respectively.

9. Loans

The amounts of risk-monitored loans, which comprised of (1) loans to bankrupt borrowers, (2) loans in arrears, (3) loans in arrears for three months or longer, and (4) restructured loans, were ¥25,934 million and ¥24,182 million (U.S. \$222 million) as of March 31, 2019 and 2020, respectively.

There were no loans to bankrupt borrowers as of March 31, 2019. The amounts of loans to bankrupt borrowers were ¥26 million (U.S. \$0 million) as of March 31, 2020. The amounts of loans in arrears were ¥4,265 million and ¥5,574 million (U.S. \$51 million) as of March 31, 2019 and 2020, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheets as of March 31, 2019 and 2020 were ¥91 million and ¥161 million (U.S. \$1 million), respectively, for loans to bankrupt borrowers, and ¥1 million and ¥22 million (U.S. \$0 million), respectively, for loans in arrears.

Loans to bankrupt borrowers represent the loans on which interest is not accrued due to unlikelihood of repayment of principal or interest resulting from delinquent principal or interest for a certain period or for other reasons (hereafter, "non-accrual loans") and also meet the conditions stipulated in Article 96, Paragraph 1, Items 3 and 4 of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 in 1965). Loans in arrears represent non-accrual loans excluding the loans to bankrupt borrowers (defined in the above) and loans of which interest payments are postponed in order to support these borrowers recovering from financial difficulties.

There were no loans in arrears for three months or longer as of March 31, 2019 and 2020, respectively.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date.

Loans in arrears for three months or longer do not include loans classified as loans to bankrupt borrowers or loans in arrears.

The amounts of restructured loans were ¥21,668 million and ¥18,581 million (U.S. \$170 million) as of March 31, 2019 and 2020, respectively.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include loans classified as loans in arrears for three months or longer, loans in arrears or loans to bankrupt borrowers.

The certain overseas consolidated subsidiaries directly deducted allowance for possible loan losses from the assets in the consolidated balance sheets as of March 31, 2019 and 2020, respectively. The amount is as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Loans	¥701	¥614	\$6

10. Loan Commitments

The amounts of loan commitments outstanding were ¥87,902 million and ¥107,007 million (U.S. \$983 million) as of March 31, 2019 and 2020, respectively.

11. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥581,588 million and ¥577,696 million (U.S. \$5,308 million), and their fair values were ¥782,819 million and ¥837,523 million (U.S. \$7,695 million) as of March 31, 2019 and 2020, respectively. The Company and certain subsidiaries own office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers.

12. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥447,080 million and ¥465,710 million (U.S. \$4,279 million) as of March 31, 2019 and 2020, respectively.

13. Impairment of Fixed Assets

The details of the impairment losses on fixed assets are as follows:

(1) Method for grouping the assets

The Company and certain consolidated subsidiaries group all the fixed assets held and utilized mainly for the insurance business as one asset group for the impairment test.

For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the years ended March 31, 2019 and 2020, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the consolidated statements of income.

(3) Details of fixed assets resulting in impairment losses

For the year ended March 31, 2019

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ —	¥231	¥ 231
Idle assets	6	692	280	972
Total	7	692	511	1,204

For the year ended March 31, 2020

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥565	¥ 906	¥1,471
Idle assets	9	98	858	957
Total	10	663	1,764	2,428

For the year ended March 31, 2020

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$5	\$ 8	\$13
Idle assets	0	7	8
Total	6	16	22

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.90% and 1.89% for the years ended March 31, 2019 and 2020, respectively. Net realizable value is calculated based on the appraisal value with reference to "Real Estate Appraisal Standards" or the publicly announced appraisal value.

14. Retirement Benefit Plans

The following items provide detailed information for the retirement benefit plans.

(1) Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance plans, which distribute a lump sum payment on retirement, as defined benefit plans. The Company also has defined contribution pension plans as defined contribution plans.

Certain overseas consolidated subsidiaries have defined benefit plans and defined contribution plans.

As for accrued retirement benefits of certain consolidated subsidiaries, the simplified method is applied.

(2) Defined benefit plans

a. Assumptions of the Company used in accounting for the defined benefit plans for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
Method of attributing benefit to period of service	Benefit formula basis	Benefit formula basis
Amortization period for actuarial differences	10 years	10 years
Amortization period for past service cost	10 years	10 years

b. Changes in the retirement benefit obligations for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥337,440	¥352,805	\$3,100
Service costs	9,679	10,356	88
Interest cost on retirement benefit obligations	4,955	4,875	45
Actuarial losses (gains) recognized	11,106	(4,266)	102
Benefits paid	(20,570)	(25,177)	(189)
Past service costs	(9,764)	(47)	(89)
Others	(771)	(1,106)	(7)
Balance at the end of the fiscal year	332,076	337,440	3,051

c. Changes in the plan assets for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥422,433	¥460,011	\$3,881
Expected return on plan assets	7,455	7,824	68
Actuarial gains (losses) recognized	(31,759)	(36,605)	(291)
Contributions by employer	2,344	3,714	21
Benefits paid	(9,849)	(11,469)	(90)
Others	(747)	(1,042)	(6)
Balance at the end of the fiscal year	389,876	422,433	3,582

d. The amount of the retirement benefit obligations and the plan assets, and the amount of the defined benefit liabilities and the defined benefit assets recognized in the consolidated balance sheets as of March 31, 2019 and 2020 were determined as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
As of March 31,			
Present value of funded retirement benefit obligations	¥323,182	¥329,650	\$2,969
Plan assets at fair value	(389,876)	(422,433)	(3,582)
Net present value of funded retirement benefit obligations	(66,693)	(92,782)	(612)
Present value of non-funded retirement benefit obligations	8,893	7,790	81
Net balance on the consolidated balance sheet	(57,799)	(84,992)	(531)
Consists of:			
Defined benefit liabilities	8,229	6,995	75
Defined benefit assets	(66,029)	(91,988)	(606)

e. The amounts recognized in retirement benefit expenses in the consolidated statements of income for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Years ended March 31,			
Service costs	¥9,679	¥10,356	\$88
Interest cost on retirement benefit obligations	4,955	4,875	45
Expected return on plan assets	(7,455)	(7,824)	(68)
Amortization of net actuarial losses (gains)	4,134	(571)	37
Amortization of net past service costs	(1,806)	(865)	(16)
Others	110	91	1
Retirement benefit expenses	9,617	6,062	88

f. Major components of other comprehensive income and total accumulated other comprehensive income

Major components of other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Years ended March 31,			
Actuarial gains (losses)	¥(38,724)	¥(32,873)	\$(355)
Past service costs	7,957	(817)	73
Total	(30,767)	(33,691)	(282)

Major components of total accumulated other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Years ended March 31,			
Unrecognized actuarial gains (losses)	¥(41,676)	¥(2,952)	\$(382)
Unrecognized past service costs	10,551	2,593	96
Total	(31,125)	(358)	(285)

g. Plan assets

Plan assets as of March 31, 2019 and 2020 were comprised as follows:

	% of total fair value of plan assets	
	2020	2019
As of March 31,		
Debt securities	7.2%	7.3%
Stocks	25.6%	32.3%
General account of life insurance companies	32.9%	31.0%
Jointly invested assets	24.8%	22.5%
Investment trusts	2.1%	3.1%
Cash and deposits	1.7%	0.9%
Others	5.7%	2.9%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 45.2% and 40.8% of total plan assets as of March 31, 2019 and 2020, respectively.

h. The expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is calculated by aggregating the weighted rate of return derived from each asset category. The expected long-term rate of return for each asset category is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

i. Assumptions used in calculation

Assumptions of the Company and certain overseas consolidated subsidiaries used in accounting for the defined benefit plans for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
Discount rate		
Domestic	0.9%	0.9%
Overseas	3.3 to 3.4%	4.3 to 4.4%
Expected long-term rate of return on plan assets		
Domestic		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%
Overseas	3.7 to 7.3%	3.9 to 7.3%

(3) Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥3,953 million and ¥3,954 million (U.S. \$36 million) for the years ended March 31, 2019 and 2020, respectively.

15. Deferred Taxes

(1) Deferred tax assets/liabilities were recognized as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
As of March 31,			
Deferred tax assets	¥815,988	¥ 764,906	\$7,497
Valuation allowance for deferred tax assets	(9,576)	(8,396)	(87)
Subtotal	806,412	756,510	7,409
Deferred tax liabilities	(860,113)	(1,035,013)	(7,903)
Net deferred tax assets (liabilities)	(53,701)	(278,503)	(493)

Major components of deferred tax assets/liabilities were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
As of March 31,			
Deferred tax assets			
Policy reserves and other reserves	¥451,356	¥436,003	\$4,147
Reserve for price fluctuation	232,952	228,319	2,140
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	745,115	916,966	6,846

(2) The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2019 and 2020, respectively. Main factors in the differences between the statutory tax rates and the actual effective tax rates after considering deferred taxes were as follows:

Years ended March 31,	2020	2019
Policyholders' dividend reserves	(16.98)%	(17.82)%

16. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Years ended March 31,			
Balance at the beginning of the fiscal year	¥242,957	¥233,768	\$2,232
Transfer from surplus in the previous fiscal year	169,630	185,731	1,558
Dividend payments to policyholders during the fiscal year	(166,720)	(176,676)	(1,531)
Interest accrued during the fiscal year	121	134	1
Balance at the end of the fiscal year	245,988	242,957	2,260

17. Subordinated Bonds

As of March 31, 2019 and 2020, bonds payable in liabilities included subordinated bonds and foreign currency-denominated subordinated bonds of ¥560,735 million and ¥640,735 million (U.S. \$5,887 million), respectively, and the repayments of which are subordinated to other obligations.

18. Reserve for Contingent Liabilities

Reserve for contingent liabilities of the Company is provided for the amount of estimated possible losses in the future with respect to the loan commitments outstanding pursuant to Article 24-4 of the "Ordinance for Enforcement of the Insurance Business Act".

19. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest of foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption.

The Company offered foundation funds in the amount of ¥50,000 million and ¥50,000 million (U.S. \$459 million) pursuant to Article 60 of the "Insurance Business Act" in the years ended March 31, 2019 and 2020, respectively.

The Company redeemed foundation funds and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥50,000 million and ¥60,000 million (U.S. \$551 million) as of March 31, 2019 and 2020, respectively.

20. Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the "Insurance Business Act" were ¥825,371 million and ¥810,928 million (U.S. \$7,451 million) as of March 31, 2019 and 2020, respectively. The amounts of separate account liabilities were the same as these figures.

21. Contributions to the Life Insurance Policyholders Protection Corporation

The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥47,718 million and ¥47,627 million (U.S. \$437 million) as of March 31, 2019 and 2020, respectively, pursuant to Article 259 of the "Insurance Business Act".

These contributions are recognized as operating expenses when contributed.

22. Income Taxes

The provision for income taxes is calculated based on the pretax surplus included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the effective income tax rates that are based on the enacted statutory rates to the temporary differences.

23. Other Comprehensive Income

The components of other comprehensive income (reclassification adjustments and income tax effects relating to other comprehensive income) for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net unrealized gains on available-for-sale securities:			
Amount arising during the fiscal year	¥(680,854)	¥(184,383)	\$(6,256)
Reclassification adjustments	47,436	(6,840)	435
Before income tax effect adjustments	(633,417)	(191,223)	(5,820)
Income tax effects	181,325	51,154	1,666
Net unrealized gains on available-for-sale securities	(452,092)	(140,068)	(4,154)
Deferred unrealized gains (losses) on derivatives under hedge accounting:			
Amount arising during the fiscal year	¥ 9,576	¥ 11,354	\$ 87
Reclassification adjustments	(4,115)	(3,897)	(37)
Before income tax effect adjustments	5,460	7,457	50
Income tax effects	(1,526)	(2,085)	(14)
Deferred unrealized gains (losses) on derivatives under hedge accounting	3,933	5,372	36
Foreign currency translation adjustments:			
Amount arising during the fiscal year	¥ (8,446)	¥ (10,701)	\$ (77)
Reclassification adjustments	—	—	—
Before income tax effect adjustments	(8,446)	(10,701)	(77)
Income tax effects	—	—	—
Foreign currency translation adjustments	(8,446)	(10,701)	(77)
Remeasurements of defined benefit plans:			
Amount arising during the fiscal year	¥ (30,316)	¥ (28,867)	\$ (278)
Reclassification adjustments	(450)	(4,823)	(4)
Before income tax effect adjustments	(30,767)	(33,691)	(282)
Income tax effects	8,222	9,560	75
Remeasurements of defined benefit plans	(22,545)	(24,130)	(207)
Share of other comprehensive income of affiliates accounted for by the equity method:			
Amount arising during the year	¥ 7,400	¥ (8,191)	\$ 67
Reclassification adjustments	(604)	(220)	(5)
Share of other comprehensive income of affiliates accounted for by the equity method	6,795	(8,412)	62
Total other comprehensive income	(472,354)	(177,940)	(4,340)

24. Subsequent Events

Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2020 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2020.



Independent Auditor's Report

To the Board of Directors of Meiji Yasuda Life Insurance Company:

Opinion

We have audited the accompanying consolidated financial statements of Meiji Yasuda Life Insurance Company ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2019 and 2020, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in net assets and the consolidated statements of cash flows for the years then ended, and notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 2020, and its consolidated financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Insurance Business Act and its related regulations thereunder and in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise

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professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.



Subsidiaries

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Takuji Kanai 

Takuji Kanai
Designated Engagement Partner
Certified Public Accountant

Yukio Kumaki 

Yukio Kumaki
Designated Engagement Partner
Certified Public Accountant

Koki Minowa 

Koki Minowa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 5, 2020

Non-consolidated Balance Sheets

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ASSETS:			
Cash and deposits (Note 3)			
Cash	¥ 94	¥ 149	\$ 0
Deposits	1,205,392	1,147,565	11,075
Subtotal	1,205,486	1,147,715	11,076
Call loans	90,000	90,000	826
Monetary claims bought (Note 3)	204,335	212,307	1,877
Money held in trust	13,966	16,669	128
Securities (Notes 2, 3, 4, 5, 6, and 7)			
National government bonds	14,745,920	14,346,841	135,494
Local government bonds	307,445	372,091	2,825
Corporate bonds	2,381,604	2,373,171	21,883
Domestic stocks	3,526,761	4,243,360	32,406
Foreign securities	10,359,492	9,702,141	95,189
Other securities	1,119,976	1,144,574	10,291
Subtotal	32,441,200	32,182,181	298,090
Loans (Notes 2, 3, 8, and 9)			
Policy loans	229,759	239,335	2,111
Industrial and consumer loans	3,875,676	3,984,470	35,612
Subtotal	4,105,435	4,223,805	37,723
Tangible fixed assets (Notes 2, 11, and 12)			
Land	603,348	603,904	5,543
Buildings	253,361	258,110	2,328
Construction in progress	4,249	4,329	39
Other tangible fixed assets	3,680	4,012	33
Subtotal	864,639	870,356	7,944
Intangible fixed assets			
Software	63,215	47,640	580
Other intangible fixed assets	25,701	40,848	236
Subtotal	88,916	88,489	817
Due from agents	0	0	0
Reinsurance receivables	1,368	1,189	12
Other assets			
Accounts receivable	113,266	95,809	1,040
Prepaid expenses	7,460	5,906	68
Accrued income	104,675	105,150	961
Money on deposit	11,895	10,079	109
Deposits for futures transactions	3,538	2,355	32
Margins on futures transactions	7,973	26	73
Derivative financial instruments (Note 3)	104,904	73,754	963
Cash collaterals pledged for financial instruments	46,024	17,391	422
Suspense	3,698	3,256	33
Other assets	10,040	10,254	92
Subtotal	413,476	323,984	3,799
Prepaid pension cost (Note 14)	88,906	86,903	816
Customers' liabilities under acceptances and guarantees	19,888	22,563	182
Allowance for possible loan losses	(6,754)	(5,361)	(62)
Total assets	¥39,530,866	¥39,260,805	\$363,235

Non-consolidated Balance Sheets (continued)

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims (Notes 15 and 25)	¥ 124,477	¥ 130,411	\$ 1,143
Policy reserves (Notes 15 and 25)	32,510,255	32,248,774	298,725
Policyholders' dividend reserves (Note 16)	245,988	242,957	2,260
Subtotal	32,880,721	32,622,143	302,129
Reinsurance payables	842	1,065	7
Bonds payable (Notes 2, 3 and 17)	640,735	560,735	5,887
Other liabilities			
Payables under repurchase agreements (Notes 3 and 5)	73,233	58,266	672
Payables under securities borrowing transactions (Notes 3 and 4)	1,133,523	552,716	10,415
Income taxes payable	5,479	13,615	50
Accounts payable	59,299	52,073	544
Accrued expenses	30,960	30,149	284
Deferred income	2,662	2,681	24
Deposits received	27,984	26,073	257
Guarantee deposits received	36,014	35,589	330
Margins on futures transactions	374	—	3
Derivative financial instruments (Note 3)	81,478	27,674	748
Cash collaterals received for financial instruments	48,971	82,313	449
Asset retirement obligations	3,354	3,288	30
Suspense receipts	4,362	3,710	40
Subtotal	1,507,699	888,152	13,853
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	832,480	815,975	7,649
Deferred tax liabilities (Note 19)	13,636	239,296	125
Deferred tax liabilities for land revaluation	79,210	79,370	727
Acceptances and guarantees	19,888	22,563	182
Total liabilities	35,975,215	35,229,303	330,563
NET ASSETS:			
Foundation funds (Note 20)	250,000	260,000	2,297
Reserve for redemption of foundation funds (Note 20)	730,000	670,000	6,707
Reserve for revaluation	452	452	4
Surplus			
Reserve for future losses	11,975	11,463	110
Other surplus			
Reserve for fund redemption	90,000	98,000	826
Fund for price fluctuation allowance	29,764	29,764	273
Reserve for promotion of social welfare project	89	35	0
Reserve for business infrastructure	100,000	100,000	918
Reserve for reduction entry of real estate	26,702	26,940	245
Special reserves	2,000	2,000	18
Other reserves	85	85	0
Unappropriated surplus	200,146	223,386	1,839
Total funds, reserve and surplus	1,441,216	1,422,128	13,242
Net unrealized gains on available-for-sale securities	1,950,825	2,450,220	17,925
Deferred unrealized gains on derivatives under hedge accounting	45,187	41,253	415
Land revaluation differences	118,421	117,898	1,088
Total unrealized gains, revaluation reserves and adjustments	2,114,434	2,609,372	19,428
Total net assets	3,555,650	4,031,501	32,671
Total liabilities and net assets	¥39,530,866	¥39,260,805	\$363,235

Non-consolidated Statements of Income

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ORDINARY INCOME:			
Insurance premiums and other			
Insurance premiums	¥2,588,757	¥2,769,643	\$23,787
Reinsurance revenue	4,598	1,236	42
Subtotal	2,593,355	2,770,879	23,829
Investment income (Note 24)			
Interest, dividends and other income	871,621	807,260	8,009
Interest on deposits	1,893	999	17
Interest and dividends on securities	746,415	677,845	6,858
Interest on loans	67,105	74,234	616
Rent revenue from real estate	38,805	37,991	356
Other interest and dividends	17,399	16,190	159
Gains on money held in trust	46	—	0
Gains on sales of securities	19,233	15,762	176
Gains on redemption of securities	89,915	76,650	826
Foreign exchange gains	—	8,185	—
Other investment income	255	125	2
Investment gains on separate accounts	—	3,824	—
Subtotal	981,072	911,810	9,014
Other ordinary income			
Income from annuity riders	13,797	16,217	126
Income from deferred benefits	43,653	52,178	401
Reversal of reserve for outstanding claims (Note 25)	5,933	—	54
Reversal of accrued retirement benefits	2,002	9,455	18
Other ordinary income	8,008	7,670	73
Subtotal	73,396	85,522	674
Total ordinary income	3,647,824	3,768,212	33,518
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	604,727	637,897	5,556
Annuity payments	627,305	614,555	5,764
Benefit payments	402,708	395,524	3,700
Surrender benefits	548,700	463,306	5,041
Other refunds	105,969	89,249	973
Reinsurance premiums	4,021	4,897	36
Subtotal	2,293,433	2,205,432	21,073
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (Note 25)	—	15,301	—
Provision for policy reserves (Note 25)	261,480	450,211	2,402
Provision for interest on policyholders' dividend reserves (Note 16)	89	97	0
Subtotal	261,570	465,609	2,403
Investment expenses (Note 24)			
Interest expenses	14,262	12,572	131
Losses on money held in trust	—	184	—
Losses on sales of securities	6,295	37,527	57
Losses on valuation of securities	104,134	17,708	956
Losses on redemption of securities	32,134	4,983	295
Losses on derivative financial instruments	135,662	130,169	1,246
Foreign exchange losses	18,188	—	167
Provision for allowance for possible loan losses	1,503	341	13
Write-down of loans	393	—	3
Depreciation of real estate for non-insurance business	9,609	9,516	88
Other investment expenses	16,292	14,132	149
Investment losses on separate accounts	19,948	—	183
Subtotal	358,424	227,135	3,293

Non-consolidated Statements of Income (continued)

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
Operating expenses (Note 26)	362,017	357,421	3,326
Other ordinary expenses			
Deferred benefit payments	71,474	78,698	656
Taxes	29,327	27,606	269
Depreciation	29,492	28,125	270
Other ordinary expenses	6,620	4,660	60
Subtotal	136,914	139,090	1,258
Total ordinary expenses	3,412,360	3,394,689	31,354
Ordinary profit	235,464	373,522	2,163
Extraordinary gains			
Gains on disposals of fixed assets	—	2,409	—
Reversal of reserve for contingent liabilities	0	—	0
Subtotal	0	2,409	0
Extraordinary losses			
Losses on disposals of fixed assets	1,679	1,547	15
Impairment losses (Note 13)	2,245	1,204	20
Provision for reserve for contingent liabilities	—	0	—
Provision for reserve for price fluctuation	16,504	131,380	151
Losses on reduction entry of real estate	4	1,931	0
Contributions for promotion of social welfare project	510	565	4
Subtotal	20,944	136,629	192
Surplus before income taxes	214,520	239,302	1,971
Income taxes (Note 28)			
Current	47,883	52,912	439
Deferred	(33,522)	(36,140)	(308)
Total income taxes	14,361	16,771	131
Net surplus	¥ 200,159	¥ 222,530	\$ 1,839

Non-consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company

Year ended March 31, 2019

(Millions of Yen)

	Funds, reserves and surplus												Unrealized gains (losses), revaluation reserve and adjustments						
	Surplus											Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves							Unappropriated surplus	Total surplus
Beginning balance	¥260,000	¥620,000	¥452	¥10,902	¥96,000	¥29,764	¥47	¥100,000	¥27,380	¥2,000	¥85	¥239,577	¥505,757	¥1,386,210	¥2,564,070	¥35,881	¥118,189	¥2,718,141	¥4,104,352
Changes in the fiscal year																			
Issuance of foundation funds	50,000													50,000					50,000
Additions to policyholders' dividend reserves (Notes 16 and 19)												(185,731)	(185,731)	(185,731)					(185,731)
Additions to reserve for future losses				561								(561)							
Additions to reserve for redemption of foundation funds		50,000												50,000					50,000
Payment of interest on foundation funds												(1,171)	(1,171)	(1,171)					(1,171)
Net surplus												222,530	222,530	222,530					222,530
Redemption of foundation funds	(50,000)													(50,000)					(50,000)
Additions to reserve for fund redemption					52,000							(52,000)							
Reversal of reserve for fund redemption					(500,000)									(50,000)					(50,000)
Additions to reserve for promotion of social welfare project							553					(553)							
Reversal of reserve for promotion of social welfare project							(565)					565							
Additions to reserve for reduction entry of real estate									105			(105)							
Reversal of reserve for reduction entry of real estate									(544)			544							
Reversal of land revaluation differences												290	290	290					290
Net changes, excluding funds, reserves and surplus															(113,850)	5,372	(290)	(108,768)	(108,768)
Net changes in the fiscal year	—	50,000	—	561	2,000	—	(11)	—	(439)	—	—	(16,190)	(14,081)	35,918	(113,850)	5,372	(290)	(108,768)	(72,850)
Ending balance	¥260,000	¥670,000	¥452	¥11,463	¥98,000	¥29,764	¥35	¥100,000	¥26,940	¥2,000	¥85	¥223,386	¥491,675	¥1,422,128	¥2,450,220	¥41,253	¥117,898	¥2,609,372	¥4,031,501

Year ended March 31, 2020

(Millions of Yen)

	Funds, reserves and surplus												Unrealized gains (losses), revaluation reserve and adjustments						
	Surplus											Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves							Unappropriated surplus	Total surplus
Beginning balance	¥260,000	¥670,000	¥452	¥11,463	¥98,000	¥29,764	¥35	¥100,000	¥26,940	¥2,000	¥85	¥223,386	¥491,675	¥1,422,128	¥2,450,220	¥41,253	¥117,898	¥2,609,372	¥4,031,501
Changes in the fiscal year																			
Issuance of foundation funds	50,000													50,000					50,000
Additions to policyholders' dividend reserves (Notes 16 and 19)												(169,630)	(169,630)	(169,630)					(169,630)
Additions to reserve for future losses				512								(512)							
Additions to reserve for redemption of foundation funds		60,000												60,000					60,000
Payment of interest on foundation funds												(918)	(918)	(918)					(918)
Net surplus												200,159	200,159	200,159					200,159
Redemption of foundation funds	(60,000)													(60,000)					(60,000)
Additions to reserve for fund redemption					52,000							(52,000)							
Reversal of reserve for fund redemption					(60,000)									(60,000)					(60,000)
Additions to reserve for promotion of social welfare project							564					(564)							
Reversal of reserve for promotion of social welfare project							(510)					510							
Additions to reserve for reduction entry of real estate									306			(306)							
Reversal of reserve for reduction entry of real estate									(544)			544							
Reversal of land revaluation differences												(522)	(522)	(522)					(522)
Net changes, excluding funds, reserves and surplus															(499,394)	3,933	522	(494,938)	(494,938)
Net changes in the fiscal year	(10,000)	60,000	—	512	(6,000)	—	53	—	(238)	—	—	(23,239)	(30,912)	19,087	(499,394)	3,933	522	(494,938)	(475,850)
Ending balance	¥250,000	¥730,000	¥452	¥11,975	¥90,000	¥29,764	¥89	¥100,000	¥26,702	¥2,000	¥85	¥200,146	¥460,763	¥1,441,216	¥1,950,825	¥45,187	¥118,421	¥2,114,434	¥3,555,650

Non-consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company

Year ended March 31, 2020

(Millions of U.S. Dollars)

	Funds, reserves and surplus												Unrealized gains (losses), revaluation reserve and adjustments					Total net assets	
	Surplus												Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments		
	Other surplus																		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves	Unappropriated surplus							Total surplus
Beginning balance	\$2,389	\$6,156	\$ 4	\$105	\$900	\$273	\$0	\$918	\$247	\$ 18	\$ 0	\$2,052	\$4,517	\$13,067	\$22,514	\$379	\$1,083	\$23,976	\$37,044
Changes in the fiscal year																			
Issuance of foundation funds	459																		459
Additions to policyholders' dividend reserves (Notes 16 and 19)												(1,558)	(1,558)	(1,558)					(1,558)
Additions to reserve for future losses				4								(4)							
Additions to reserve for redemption of foundation funds		551																	551
Payment of interest on foundation funds												(8)	(8)	(8)					(8)
Net surplus												1,839	1,839	1,839					1,839
Redemption of foundation funds	(551)																		(551)
Additions to reserve for fund redemption					477							(477)							
Reversal of reserve for fund redemption					(551)								(551)	(551)					(551)
Additions to reserve for promotion of social welfare project							5					(5)							
Reversal of reserve for promotion of social welfare project							(4)					4							
Additions to reserve for reduction entry of real estate								2				(2)							
Reversal of reserve for reduction entry of real estate								(5)				5							
Reversal of land revaluation differences												(4)	(4)	(4)					(4)
Net changes, excluding funds, reserves and surplus															(4,588)	36	4	(4,547)	(4,547)
Net changes in the fiscal year	(91)	551	—	4	(73)	—	0	—	(2)	—	—	(213)	(284)	175	(4,588)	36	4	(4,547)	(4,372)
Ending balance	\$2,297	\$6,707	\$ 4	\$110	\$826	\$273	\$0	\$918	\$245	\$ 18	\$ 0	\$1,839	\$4,233	\$13,242	\$17,925	\$415	\$1,088	\$19,428	\$32,671

Non-consolidated Proposed Appropriation of Surplus

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Unappropriated surplus	¥200,146	¥223,386	\$1,839
Reversal of voluntary surplus reserves:	544	544	5
Reversal of reserve for reduction entry of real estate	544	544	5
Total	200,691	223,931	1,844
Appropriation of surplus	200,691	223,931	1,844
Provision for policyholders' dividend reserves	148,874	169,630	1,367
Net surplus	51,816	54,300	476
Reserve for future losses	449	512	4
Interest on foundation funds	757	918	6
Voluntary surplus reserves:	50,610	52,870	465
Reserve for fund redemption	50,000	52,000	459
Reserve for promotion of social welfare project	610	564	5
Reserve for reduction entry of real estate	—	306	—

1. Basis of Presentation

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, “the Company”) has prepared the accompanying non-consolidated financial statements in accordance with the provisions set forth in the Japanese “Insurance Business Act” and its related accounting regulations in Japan, and in conformity with accounting principles generally accepted in Japan, which may differ in certain respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. In preparing the accompanying non-consolidated financial statements, certain reclassifications have been made to the non-consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts are rounded down to the nearest million yen. As a result, the totals do not add up. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate prevailing at March 31, 2020, which was ¥108.83 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Securities

Securities held by the Company are classified and accounted for as follows:

- a. Trading securities are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.
- b. Held-to-maturity debt securities are stated at amortized cost using the moving average method and the amortization is calculated using the straight-line method.
- c. Policy-reserve-matching bonds are stated at amortized cost in accordance with the Industry Audit Committee Report No.21, “Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry,” issued by the Japanese Institute of Certified Public Accountants (JICPA). The cost of sales is determined by the moving average method and the amortization of discount/premium is calculated using the straight-line method.
- d. Equity securities issued by subsidiaries and affiliates are stated at cost using the moving average method. The subsidiaries are prescribed under Article 2, Paragraph 12 of the “Insurance Business Act” and Article 13-5-2, Paragraph 3 of the “Order for Enforcement of the Insurance Business Act.” The affiliates are under Paragraph 4 of the order.
- e. Available-for-sale securities
 - i) Securities of which market value is readily available
Stocks are stated at the average of the market value during the final month of the fiscal year. Others are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.
 - ii) Securities of which market value is extremely difficult to determine
Bonds (including foreign bonds) of which premium or discount are regarded as interest rate adjustment are stated at amortized cost using the moving average method. The amortization is calculated using the straight-line method. Other securities are stated at cost using the moving average method.
 - iii) Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the non-consolidated balance sheets.

(2) 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 Industry Audit Committee Report No.21, “Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry” issued by the JICPA.

(3) Derivative transactions

Derivative transactions are stated at fair value.

(4) Method of hedge accounting

Methods of hedge accounting are in accordance with the ASBJ Statement No. 10, “Accounting Standard for Financial Instruments”. These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans receivable;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities, from the year ended March 31, 2010, based on the Industry Audit Committee Report No. 26, “Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry,” issued by the JICPA.

Hedge effectiveness for the deferred hedge accounting to hedge against interest rate fluctuation risk related to insurance liabilities is assessed by verifying the correlation between interest rates that would be used in calculating theoretical prices of hedged items and hedging instruments.

(5) Revaluation of land

The Company revalued certain parcels of land owned for operational use as of March 31, 2000, as permitted by the “Act on Revaluation of Land”.

The difference in value before and after revaluation is directly included in net assets in the non-consolidated balance sheets and presented as

land revaluation differences, after net of income taxes which is presented as deferred tax liabilities for land revaluation in the non-consolidated balance sheets. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the "Order for Enforcement of the Act on Revaluation of Land") for the revaluation.

The Company also revalued certain parcels of land acquired from former Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004 as of March 31, 2001, as permitted by the act. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the former company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the order) and appraisal value (detailed in Article 2, Item 5 of the order) for the revaluation.

(6) Tangible fixed assets

Tangible fixed assets owned by the Company are depreciated as follows:

a. Buildings

Calculated using the straight-line method.

b. Other tangible fixed assets

Calculated using the declining-balance method.

Tangible fixed assets are presented at cost, net of accumulated depreciation and impairment losses.

The estimated useful lives of major items are as follows:

Buildings	2 to 50 years
Other tangible fixed assets	2 to 20 years

(7) Software

Capitalized software for internal use owned by the Company (included in intangible fixed assets in the non-consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives (3 to 5 years).

(8) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collaterals and the execution of guarantees.

For loans to borrowers that have high possibility of bankruptcy (hereafter, "borrowers with high possibility of bankruptcy"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collaterals and by executing guarantees.

For other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past.

All loans are assessed by the department concerned based on the Company's standards for the self-assessment of asset quality and an independent department is responsible for audit of its self-assessment. The allowance for possible loan losses is provided based on the result of the assessment.

For loans with collaterals to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of

estimated recovery through disposal of collaterals or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the years ended March 31, 2019 and 2020 amounted to ¥93 million and ¥183 million (U.S. \$1 million), respectively.

(9) Policy reserves

Policy reserves of the Company are provided pursuant to Article 116 of the "Insurance Business Act".

Premium reserves, a main component of policy reserves, are calculated according to the following method:

a. For contracts that are subject to the standard policy reserve requirements, the premium reserves are calculated pursuant to the method stipulated by the Prime Minister (Ministry of Finance Notification No. 48 in 1996).

b. For contracts that are not subject to the standard policy reserve requirements, the premium reserves are calculated using the net level premium method.

The policy reserves of the Company which are additionally set aside pursuant to Article 69, Paragraph 5 of the "Ordinance for Enforcement of the Insurance Business Act" include the following:

-the policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.75% for individual annuity contracts concluded on or before April 1, 1996. The accumulation of the amount was completed on schedule over a period of three years starting in the year ended March 31, 2008. Besides, an additional reserve corresponding to the period after the beginning of annuity payment shall be accumulated at the beginning of the payment of the above annuity contracts;

-the policy reserves set aside in the year ended March 31, 2015 for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995; and

-the policy reserves set aside in the year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.

(10) Accrued retirement benefits

Accrued retirement benefits of the Company are provided based on the estimate of retirement benefit obligations and plan assets at the balance sheet date.

No accrued retirement benefits were recognized on the liabilities due to the plan assets in excess of the retirement benefit obligations as of March 31, 2019 and 2020, respectively.

(11) Reserve for price fluctuation

Reserve for price fluctuation of the Company is calculated pursuant to Article 115 of the "Insurance Business Act".

(12) Revenue recognition

Insurance premiums are recognized when premiums are received, and insurance premiums due but not collected are not recognized as revenue. Unearned insurance premiums are recognized as policy reserves.

(13) Policy acquisition costs

Policy acquisition costs are expensed when incurred.

(14) Accounting for consumption taxes

National and local consumption taxes of the Company are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the period, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as prepaid expenses and amortized over a five-year period on the straight-line basis pursuant to the "Corporation Tax Act".

(15) Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for equity securities issued by subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.

3. Financial Instruments

(1) Qualitative information on financial instruments

The Company develops the asset and liability management based on surplus, and it monitors a surplus derived from the difference between the economic values of assets and liabilities as a measure of financial soundness, in order to manage its investment assets (excluding the assets of the separate account prescribed in Article 118, Paragraph 1 of the "Insurance Business Act").

Based on this risk management, the Company mainly invests in securities and loans. Securities held primarily consist of bonds, stocks and investment trusts. Loans primarily consist of loans to domestic corporate borrowers.

The use of derivatives is, in principle, limited to hedging activities as a primary method of hedging against invested asset risk, insurance liability risk and bonds payable risk.

Methods of hedge accounting are in accordance with the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.

Securities are exposed to market risk (interest rate fluctuation risk, exchange rate fluctuation risk and price fluctuation risk) and credit risk. Loans are exposed to credit risk and interest rate fluctuation risk. Derivative transactions are exposed to market risk and credit risk.

Loans payable are exposed to interest rate fluctuation risk arising from floating interest rate borrowings. Foreign currency denominated bonds payable are exposed to exchange rate fluctuation risk.

With regard to the interest rate fluctuation risk management, the Company manages the fluctuation risk on the basis of economic values from a surplus management perspective, by purchasing super long-term bonds to keep asset duration stable and using interest rate swaps for the interest rate risk hedge against insurance liabilities.

To manage the exchange rate fluctuation risk, the Company hedges against exchange rate fluctuation using forward exchange contracts where necessary for appropriate controls of exchange rate fluctuation risk.

To manage the price fluctuation risk, the Company performs integrated management for outstanding balances and the profit and loss situation of securities and derivative transactions and also monitors loss limits to minimize unexpected losses.

In addition to the Value at Risk (VaR) method to measure the maximum expected loss, the Company performs stress tests periodically to simulate conditions that might arise in the event of sharp market fluctuations that exceed normal forecasts.

The profit and loss status and compliance with these procedures are monitored by the investment risk management department, reported regularly (or immediately in urgent cases) to the risk management verification committee and, on important matters reported directly to the Board of Directors and Committees.

To manage credit risk, the Company carefully identifies risks in each transaction and limits investments to those that are assessed to be of high quality.

Where credit risk assessment is particularly important regarding corporate loans, the credit risk management department ensures that a rigorous screening system is in place, and monitors borrowers and internal credit rating using corporate screening methods. The Company follows careful discussions by the Investment Council to make decisions on highly important deals.

Further, the Company sets exposure limits based on counterparties' creditworthiness to ensure that risk is not concentrated among certain companies or groups, and diversifies investments.

With regard to derivative transactions, the Company limits risk by setting up policies and establishing limits by the type of transaction and by each counterparty. At the same time, 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.

The fair value of financial instruments is based on the market price or, in cases where market price is not available, based on prices calculated using reasonable methods.

Since certain assumptions are adopted for the price calculations, the prices calculated may differ when different assumptions are used.

(2) Fair value of financial instruments

The amounts of the principal financial assets and liabilities reported in the non-consolidated balance sheets at the end of the fiscal year, and

fair values and the differences between them, were as follows:

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 1,205,486	¥ 1,205,486	¥ —	¥ 1,147,715	¥ 1,147,715	¥ —	\$ 11,076	\$ 11,076	\$ —
Available-for-sale securities (CDs)	32,995	32,995	—	33,998	33,998	—	303	303	—
Monetary claims bought	204,335	217,514	13,179	212,307	225,616	13,309	1,877	1,998	121
Held-to-maturity debt securities	192,270	205,449	13,179	197,980	211,289	13,309	1,766	1,887	121
Available-for-sale securities	12,064	12,064	—	14,327	14,327	—	110	110	—
Money held in trust	13,966	13,966	—	16,669	16,669	—	128	128	—
Available-for-sale securities	13,966	13,966	—	16,669	16,669	—	128	128	—
Securities	31,548,038	33,890,160	2,342,122	31,003,951	33,480,771	2,476,819	289,883	311,404	21,520
Trading securities	743,989	743,989	—	775,564	775,564	—	6,836	6,836	—
Held-to-maturity debt securities	3,943,062	4,676,686	733,623	4,138,098	4,959,211	821,112	36,231	42,972	6,741
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	8,057,811	9,713,518	1,655,706	81,997	96,777	14,779
Available-for-sale securities	17,937,152	17,937,152	—	18,032,477	18,032,477	—	164,818	164,818	—
Loans	4,105,435	4,303,647	198,212	4,223,805	4,498,906	275,100	37,723	39,544	1,821
Policy loans	229,759	229,759	—	239,335	239,335	—	2,111	2,111	—
Industrial and consumer loans	3,875,676	4,073,888	198,212	3,984,470	4,259,571	275,100	35,612	37,433	1,821
Allowance for possible loan losses ^(*)	(5,452)	—	—	(4,033)	—	—	(50)	—	—
	4,099,982	4,303,647	203,665	4,219,772	4,498,906	279,133	37,673	39,544	1,871
Bonds payable	640,735	629,271	(11,463)	560,735	587,971	27,236	5,887	5,782	(105)
Payables under repurchase agreements	73,233	73,233	—	58,266	58,266	—	672	672	—
Payables under securities borrowing transactions	1,133,523	1,133,523	—	552,716	552,716	—	10,415	10,415	—
Derivative financial instruments ^(*)	23,425	23,425	—	46,079	46,079	—	215	215	—
Hedge accounting is not applied	(27,843)	(27,843)	—	(2,585)	(2,585)	—	(255)	(255)	—
Hedge accounting is applied	51,269	51,269	—	48,664	48,664	—	471	471	—

(*) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.

(*) The amounts of receivables and payables arising from derivative transactions are shown as net amounts.

Notes:

a. Method used to determine the fair value of financial instruments

i) Assets

Cash and deposits

The Company regards book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts. Fair value of deposits deemed as securities transactions based on the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" is calculated in the same method shown in "Securities."

Monetary claims bought

Fair value of monetary claims bought deemed as securities transactions based on the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" is calculated using the same method shown in "Securities" and the fair value of these monetary claims bought is stated at theoretical prices calculated by discounting the future cash flows to the present value or at the fair value obtained from counterparties at the balance sheet date.

Money held in trust

Securities managed as assets in trust of which market value is readily available are stated at market value at the balance sheet date.

Securities

As for available-for-sale securities, domestic stocks of which market value is readily available are stated at the average of the market value during the final month of the fiscal year. Other securities are stated at market value at the balance sheet date.

Unlisted stocks and others of which market value is not readily available are not subject to fair value disclosure and are therefore not included in the table above because these are regarded as extremely difficult to determine fair value. The amounts of the unlisted stocks and others reported in the non-consolidated balance sheets as of March 31, 2019 and 2020 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Unlisted stocks and others	¥893,162	¥1,178,229	\$8,206
Equity securities issued by subsidiaries and affiliates	847,921	881,663	7,791

Impairment losses on the unlisted stocks and others except for equity securities issued by subsidiaries and affiliates were ¥0 million and ¥287 million (U.S. \$2 million) for the years ended March 31, 2019 and 2020, respectively.

Loans

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company regards book value as fair value with the assumption that fair value approximates book value in light of factors such as projected repayment period and interest condition.

As for industrial and consumer loans, their fair value of these loans is primarily stated at theoretical prices calculated by discounting the future cash flows to the present value. The fair value of loans to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy is stated at the amounts arrived at by deducting estimated losses from the book value before direct write-off.

ii) Liabilities

Bonds payable

The fair value of bonds payable is stated at a price based on data provided by pricing vendors at the balance sheet date.

Payables under repurchase agreements

The Company regards book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

Payables under securities borrowing transactions

The Company regards book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

iii) Derivative financial instruments

Listed transactions

The fair value of listed transactions, such as stock index futures and bond futures, is stated at the closing or settlement prices at the balance sheet date.

OTC transactions

The fair value of Over-the-Counter (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 a price based on data provided by pricing vendors.

Since OTC transactions of currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the table above.

Interest rate swap transactions

The fair value of interest rate swap transactions is stated at a price based on data provided by pricing vendors at the balance sheet date.

Since interest rate swaps subject to the special hedge accounting are treated as an integral part of the hedged loan, their fair value is included in the fair value of hedged loans in the table above.

b. Securities by holding purpose

Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥(10,376) million and ¥(32,957) million (U.S. \$(302) million) for the years ended March 31, 2019 and 2020, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2019 and 2020, respectively. The amounts reported in the non-consolidated balance sheets and fair values of the held-to-maturity debt securities by security type at the end of the fiscal year, and the differences between them, were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥3,397,566	¥4,051,049	¥653,483	¥3,563,208	¥4,297,660	¥734,452	\$31,219	\$37,223	\$6,004
2) Corporate bonds	438,346	512,962	74,616	467,140	547,364	80,224	4,027	4,713	685
3) Others	288,620	307,556	18,936	297,929	317,752	19,822	2,652	2,826	173
Total	4,124,533	4,871,569	747,035	4,328,278	5,162,778	834,499	37,898	44,763	6,864
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	2,800	2,798	(1)	2,800	2,798	(1)	25	25	(0)
3) Others	8,000	7,768	(231)	5,000	4,924	(75)	73	71	(2)
Total	10,800	10,567	(232)	7,800	7,723	(76)	99	97	(2)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

Policy-reserve-matching bonds

Disposition of policy-reserve-matching bonds amounted to ¥50,733 million and ¥285,843 million (U.S. \$2,626 million) resulting in total gains on sales of ¥800 million and ¥12,913 million (U.S. \$118 million) for the years ended March 31, 2019 and 2020, respectively. There were no total losses on sales for the year ended March 31, 2019. Total losses on sales were ¥25 million (U.S. \$0 million) for the year ended March 31, 2020. Disposition of policy-reserve-matching bonds due to

considerable deterioration of the issuer's credit standing amounted to ¥1,128 million (U.S. \$10 million) resulting in the losses on sales of ¥104 million (U.S. \$0 million) for the year ended March 31, 2020.

The carrying amounts in the non-consolidated balance sheets of policy-reserve-matching bonds by security type were shown in the following table, along with their fair values and the differences between these amounts.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥7,474,934	¥9,023,047	¥1,548,113	¥7,492,896	¥9,127,506	¥1,634,610	\$68,684	\$82,909	\$14,225
2) Corporate bonds	17,156	21,193	4,037	30,344	34,303	3,959	157	194	37
3) Others	678,166	746,731	68,565	493,842	511,581	17,739	6,231	6,861	630
Total	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309	75,073	89,965	14,892
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	643,382	634,664	(8,717)	—	—	—	5,911	5,831	(80)
2) Corporate bonds	1,853	1,829	(24)	—	—	—	17	16	(0)
3) Others	108,340	104,864	(3,476)	40,728	40,125	(603)	995	963	(31)
Total	753,576	741,358	(12,218)	40,728	40,125	(603)	6,924	6,812	(112)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥891,891 million and ¥286,600 million (U.S. \$2,633 million) resulting in total gains on sales of ¥14,962 million and ¥6,320 million (U.S. \$58 million) and total losses of ¥37,527 million and ¥6,166 million (U.S. \$56 million) for the years ended March 31, 2019 and 2020, respectively. With regard

to available-for-sale securities, acquisition costs, amortized costs, the amounts reported in the non-consolidated balance sheets and the respective differences by each type of securities were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2020			2019			2020		
	Acquisition or amortized costs	Balance sheet amount	Difference	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									
(1) Domestic stocks	¥ 1,188,129	¥ 2,991,591	¥1,803,462	¥ 1,478,135	¥ 3,835,843	¥2,357,708	\$ 10,917	\$ 27,488	\$16,571
(2) Bonds	4,655,016	5,019,411	364,394	4,839,378	5,276,532	437,153	42,773	46,121	3,348
1) National & local government bonds	3,057,771	3,345,513	287,741	3,167,226	3,512,009	344,783	28,096	30,740	2,643
2) Corporate bonds	1,597,245	1,673,898	76,652	1,672,152	1,764,522	92,370	14,676	15,380	704
(3) Others	7,448,981	8,131,550	682,568	5,759,780	6,451,371	691,590	68,446	74,717	6,271
Total	13,292,127	16,142,552	2,850,425	12,077,294	15,563,746	3,486,452	122,136	148,328	26,191
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)	3,771	3,336	(434)
(2) Bonds	217,042	213,582	(3,460)	49,321	49,065	(255)	1,994	1,962	(31)
1) National & local government bonds	24,226	24,038	(188)	—	—	—	222	220	(1)
2) Corporate bonds	192,816	189,544	(3,271)	49,321	49,065	(255)	1,771	1,741	(30)
(3) Others	1,368,766	1,276,951	(91,814)	2,374,142	2,311,136	(63,005)	12,577	11,733	(843)
Total	1,996,218	1,853,626	(142,591)	2,619,557	2,533,726	(85,830)	18,342	17,032	(1,310)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

"Acquisition or amortized costs" in the table above refers to book values after deduction of impairment losses. Impairment losses on available-for-sale securities of which market value is readily available

amounted to ¥11,361 million and ¥87,730 million (U.S. \$806 million) for the years ended March 31, 2019 and 2020, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	2019					
	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
Deposits	¥1,147,565	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	212,307
Loans*	443,009	604,622	648,901	574,134	710,617	1,002,811
Securities	677,302	2,389,931	2,092,797	1,118,538	3,442,754	14,853,441
Held-to-maturity debt securities	166,788	369,907	395,511	548,735	515,916	2,138,438
Policy-reserve-matching bonds	—	68,957	190,309	72,345	838,067	6,888,130
Available-for-sale securities with maturities	510,513	1,951,066	1,506,976	497,457	2,088,770	5,826,872
Total	2,267,877	2,994,553	2,741,699	1,692,673	4,153,371	16,068,560

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2020						2020					
	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	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
Deposits	¥1,205,392	¥ —	¥ —	¥ —	¥ —	¥ —	\$11,075	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	204,335	—	—	—	—	—	1,877
Loans*	376,133	693,967	607,674	610,688	766,712	819,816	3,456	6,376	5,583	5,611	7,045	7,532
Securities	891,693	2,430,711	1,527,391	1,358,427	4,124,543	15,499,407	8,193	22,334	14,034	12,482	37,898	142,418
Held-to-maturity debt securities	183,178	366,145	408,820	621,364	269,849	2,090,904	1,683	3,364	3,756	5,709	2,479	19,212
Policy-reserve-matching bonds	7,404	111,669	12,556	79,308	1,407,162	7,305,731	68	1,026	115	728	12,929	67,129
Available-for-sale securities with maturities	701,110	1,952,896	1,106,015	657,753	2,447,531	6,102,771	6,442	17,944	10,162	6,043	22,489	56,076
Total	2,473,219	3,124,678	2,135,065	1,969,115	4,891,255	16,523,558	22,725	28,711	19,618	18,093	44,943	151,829

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥374 million and ¥684 million (U.S. \$6 million) as of March 31, 2019 and 2020, respectively.

* Policy loans are not included because they have no defined maturity dates.

d. Maturity analysis of payable under securities borrowing transactions, bonds and loans payable and payables under repurchase agreements

As of March 31,	Millions of Yen					
	2019					
	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥560,735
Payables under repurchase agreements	58,266	—	—	—	—	—
Payable under securities borrowing transactions	552,716	—	—	—	—	—
Total	610,983	—	—	—	—	560,735

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2020						2020					
	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	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥640,735	\$ —	\$ —	\$ —	\$ —	\$ —	\$5,887
Payables under repurchase agreements	73,233	—	—	—	—	—	672	—	—	—	—	—
Payable under securities borrowing transactions	1,133,523	—	—	—	—	—	10,415	—	—	—	—	—
Total	1,206,757	—	—	—	—	640,735	11,088	—	—	—	—	5,887

e. Fair value of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019		Fair value	Net gains (losses)
	Notional amount/ contract value (A)	Over 1 year included in (A)		
Interest rate swaps				
Receipts fixed, payments floating	¥700	¥700	¥4	¥4
Total				4

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020		Fair value	Net gains (losses)	2020		Fair value	Net gains (losses)
	Notional amount/ contract value (A)	Over 1 year included in (A)			Notional amount/ contract value (A)	Over 1 year included in (A)		
Interest rate swaps								
Receipts fixed, payments floating	¥900	¥900	¥0	¥0	\$8	\$8	\$0	\$0
Total				0			0	0

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

ii) Currency-related

As of March 31,	Millions of Yen			
	2019		Fair value	Net gains (losses)
	Notional amount/ contract value (A)	Over 1 year included in (A)		
Foreign currency forward contracts				
Sold	¥194,632	¥ —	¥ 199	¥ 199
(U.S. dollar)	160,265	—	(23)	(23)
(Euro)	14,252	—	122	122
(Australian dollar)	20,073	—	100	100
(British pound)	40	—	0	0
(Others)	1	—	(0)	(0)
Bought	11,875	—	(24)	(24)
(U.S. dollar)	6,577	—	3	3
(Euro)	3,864	—	(28)	(28)
(Australian dollar)	1,378	—	1	1
(Others)	55	—	(0)	(0)
Currency options				
Sold				
Call	198,628	—		
[476]			1	474
(U.S. dollar)	198,628	—	1	474
[476]				
Bought				
Put	178,500	—		
[476]			32	(443)
(U.S. dollar)	178,500	—	32	(443)
[476]				
Cross currency swaps				
Yen payments / Australian dollar receipts	154,546	154,546	(3,143)	(3,143)
Yen payments / U.S. dollar receipts	11,740	11,740	300	300
Total				(2,637)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts								
Sold	¥773,127	¥ —	¥ (596)	¥ (596)	\$7,103	\$ —	\$ (5)	\$ (5)
(U.S. dollar)	687,556	—	(4,401)	(4,401)	6,317	—	(40)	(40)
(Euro)	31,838	—	331	331	292	—	3	3
(Australian dollar)	53,582	—	3,472	3,472	492	—	31	31
(British pound)	62	—	(0)	(0)	0	—	(0)	(0)
(Others)	87	—	0	0	0	—	0	0
Bought	33,772	—	23	23	310	—	0	0
(U.S. dollar)	16,746	—	68	68	153	—	0	0
(Euro)	11,451	—	(83)	(83)	105	—	(0)	(0)
(Australian dollar)	5,523	—	38	38	50	—	0	0
(Others)	50	—	0	0	0	—	0	0
Currency options								
Sold								
Call	157,097	—			1,443	—		
(U.S. dollar)	[41]	—	41	0	[0]	—	0	0
Bought								
Put	166,178	—			1,526	—		
(U.S. dollar)	[63]	—	198	135	[0]	—	1	1
Total	166,178	—	198	135	1,526	—	1	1
(U.S. dollar)	[63]	—	198	135	[0]	—	1	1
Cross currency swaps								
Yen payments / Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	1,609	1,609	(181)	(181)
Yen payments / U.S. dollar receipts	7,080	7,080	881	881	65	65	8	8
Total				(19,275)				(177)

Notes: 1. Net gains (losses) on foreign currency forward contracts and cross currency swaps 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 [].

iii) Stock-related

As of March 31,	Millions of Yen			
	2019			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Yen Stock index futures				
Sold	¥2,672	¥—	¥(18)	¥(18)
Bought	4,154	—	0	0
Foreign currency-denominated stock index futures				
Sold	327	—	(9)	(9)
Bought	5,444	—	72	72
Total				45

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Sold	¥148,066	¥—	¥(8,969)	¥(8,969)	\$1,360	\$—	\$(82)	\$(82)
Bought	8,943	—	231	231	82	—	2	2
Foreign currency-denominated stock index futures								
Sold	346	—	(35)	(35)	3	—	(0)	(0)
Bought	6,304	—	174	174	57	—	1	1
Total				(8,598)				(79)

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

iv) Bond-related

As of March 31,	Millions of Yen			
	2019			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Foreign currency-denominated bond index futures				
Bought	¥123	¥—	¥2	¥2
Total				2

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Foreign currency-denominated bond index futures								
Bought	¥513	¥—	¥9	¥9	\$4	\$—	\$0	\$0
Total				9				0

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

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019			
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Insurance liabilities	¥230,700	¥230,700	¥57,446
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	3,369	3,324	185
Total				57,632

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	2020				2020		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Insurance liabilities	¥227,300	¥227,300	¥61,477	\$2,088	\$2,088	\$564
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,222	3,222	159	29	29	1
Total				61,637			566

ii) Currency-related

As of March 31,	Millions of Yen			
		2019		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting				
Foreign currency forward contracts				
Sold	Foreign-currency- denominated bonds	¥3,887,217	¥ —	¥ (8,600)
(U.S. dollar)		3,529,862	—	(10,393)
(Euro)		199,793	—	700
(Australian dollar)		142,408	—	980
(Others)		15,152	—	112
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(381)
(Australian dollar)		4,305	4,305	199
Total				(8,782)

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2020			2020		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency- denominated bonds	¥4,679,142	¥ —	¥(11,456)	\$42,994	\$ —	\$(105)
(U.S. dollar)		4,169,798	—	(34,142)	38,314	—	(313)
(Euro)		253,887	—	1,063	2,332	—	9
(Australian dollar)		240,977	—	20,754	2,214	—	190
(Others)		14,479	—	867	133	—	7
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	538	326	326	4
(Australian dollar)		4,305	4,305	709	39	39	6
Total				(10,208)			(93)

Note: The table does not include foreign currency derivative transactions regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen.

iii) Stock-related

No ending balance as of March 31, 2019 and 2020.

iv) Bond-related

No ending balance as of March 31, 2019 and 2020.

4. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥2,322,166 million and ¥2,762,898 million (U.S. \$25,387 million) as of March 31, 2019 and 2020, respectively.

5. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥58,278 million and ¥75,520 (U.S. \$693 million) as of March 31, 2019 and 2020, respectively.

6. Pledged Assets

Assets pledged as collateral were securities in the amount of ¥3,187 million and ¥29,285 million (U.S. \$269 million) as of March 31, 2019 and 2020, respectively.

7. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥881,663 million and ¥847,921 million (U.S. \$7,791 million) as of March 31, 2019 and 2020, respectively.

8. Loans

The amounts of risk-monitored loans, which comprised of (1) loans to bankrupt borrowers, (2) loans in arrears, (3) loans in arrears for three months or longer, and (4) restructured loans, were ¥18,955 million and ¥18,048 million (U.S. \$165 million) as of March 31, 2019 and 2020, respectively.

There were no loans to bankrupt borrowers as of March 31, 2019. The amounts of loans to bankrupt borrowers were ¥26 million (U.S. \$0 million) as of March 31, 2020. The amounts of loans in arrears were ¥3,943 million and ¥5,091 million (U.S. \$46 million) as of March 31, 2019 and 2020, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheets as of March 31, 2019 and 2020 were ¥91 million and ¥161 million (U.S. \$1 million), respectively, for loans to bankrupt borrowers, and ¥1 million and ¥22 million (U.S. \$0 million), respectively, for loans in arrears.

Loans to bankrupt borrowers represent the loans on which interest is not accrued due to unlikelihood of repayment of principal or interest resulting from delinquent principal or interest for a certain period or for other reasons (hereafter, "non-accrual loans") and also meet the conditions stipulated in Article 96, Paragraph 1, Items 3 and 4 of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 in 1965). Loans in arrears represent non-accrual loans excluding the loans to bankrupt borrowers (defined in the above) and loans of which interest payments are postponed in order to support these borrowers recovering from financial difficulties.

There were no loans in arrears for three months or longer as of March 31, 2019 and 2020, respectively.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date. Loans in arrears for three months or longer do not include loans classified as loans to bankrupt borrowers or loans in arrears.

The amounts of restructured loans were ¥15,012 million and ¥12,930 million (U.S. \$118 million) as of March 31, 2019 and 2020, respectively.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include loans classified as loans in arrears for three months or longer, loans in arrears or loans to bankrupt borrowers.

9. Loan Commitments

The amounts of loan commitments outstanding were ¥65,181 million and ¥74,610 million (U.S. \$685 million) as of March 31, 2019 and 2020, respectively.

10. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥568,568 million and ¥565,200 million (U.S. \$5,193 million), and their fair values were ¥759,655 million and ¥812,735 million (U.S. \$7,467 million) as of March 31, 2019 and 2020, respectively. The Company owns office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers.

11. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥436,021 million and ¥453,045 million (U.S. \$4,162 million) as of March 31, 2019 and 2020, respectively.

12. Leased Assets

The Company holds some leased assets, such as computers and other equipment, in addition to the tangible and intangible fixed assets in the non-consolidated balance sheets.

13. Impairment of Fixed Assets

The details of the impairment losses on fixed assets are as follows:

(1) Method for grouping the assets

The Company groups all the fixed assets held and utilized for the Company's insurance business as one asset group for the impairment test.

For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the years ended March 31, 2019 and 2020, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the non-consolidated statements of income.

(3) Details of fixed assets resulting in impairment losses

For the year ended March 31, 2019

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ —	¥231	¥ 231
Idle assets	6	692	280	972
Total	7	692	511	1,204

For the year ended March 31, 2020

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥565	¥ 906	¥1,471
Idle assets	7	98	674	773
Total	8	663	1,581	2,245

For the year ended March 31, 2020

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$5	\$ 8	\$13
Idle assets	0	6	7
Total	6	14	20

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.90% and 1.89% for the years ended March 31, 2019 and 2020, respectively. Net realizable value is calculated based on the appraisal value with reference to "Real Estate Appraisal Standards" or the publicly announced appraisal value.

14. Retirement Benefit Plans

The following items provide detailed information for the retirement benefit plans.

(1) Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance plans, which distribute a lump sum payment on retirement, as defined benefit plans. The Company also has defined contribution pension plans as defined contribution plans.

(2) Defined benefit plans

a. Assumptions of the Company used in accounting for the defined benefit plans for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
Method of attributing benefit to period of service	Benefit formula basis	Benefit formula basis
Amortization period for actuarial differences	10 years	10 years
Amortization period for past service cost	10 years	10 years

b. Changes in the retirement benefit obligations for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Balance at the beginning of the fiscal year	¥273,446	¥281,135	\$2,512
Service costs	9,461	10,148	86
Interest cost on retirement benefit obligations	2,461	2,530	22
Actuarial losses (gains) recognized	1,022	2,552	9
Benefits paid	(18,158)	(22,920)	(166)
Past service costs	(9,764)	—	(89)
Balance at the end of the fiscal year	258,468	273,446	2,374

c. Changes in the plan assets for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Balance at the beginning of the fiscal year	¥360,723	¥394,232	\$3,314
Expected return on plan assets	3,398	3,487	31
Actuarial gains (losses) recognized	(36,429)	(31,217)	(334)
Contributions by employer	2,183	3,588	20
Benefits paid	(7,586)	(9,367)	(69)
Balance at the end of the fiscal year	322,289	360,723	2,961

d. The amount of the retirement benefit obligations and the plan assets, and the amount of the accrued retirement benefits and the prepaid pension cost recognized in the non-consolidated balance sheets as of March 31, 2019 and 2020 were determined as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31,	2020	2019	2020
Present value of funded retirement benefit obligations	¥257,471	¥272,480	\$2,365
Plan assets at fair value	(322,289)	(360,723)	(2,961)
Net present value of funded retirement benefit obligations	(64,817)	(88,243)	(595)
Present value of non-funded retirement benefit obligations	997	965	9
Unrecognized actuarial losses (gains)	(35,633)	(2,214)	(327)
Unrecognized past service costs	10,547	2,588	96
Accrued retirement benefits (Prepaid pension cost)	(88,906)	(86,903)	(816)

e. The amounts recognized in retirement benefit expenses in the non-consolidated statements of income for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Service costs	¥ 9,461	¥10,148	\$86
Interest cost on retirement benefit obligations	2,461	2,530	22
Expected return on plan assets	(3,398)	(3,487)	(31)
Amortization of net actuarial losses (gains)	4,034	(639)	37
Amortization of net past service costs	(1,805)	(866)	(16)
Retirement benefit expenses	10,752	7,685	98

f. Plan assets

Plan assets as of March 31, 2019 and 2020 were comprised as follows:

	% of total fair value of plan assets	
As of March 31,	2020	2019
Debt securities	7.5%	7.7%
Stocks	30.7%	37.5%
General account of life insurance companies	30.4%	27.8%
Jointly invested assets	20.1%	19.3%
Investment trusts	2.6%	3.6%
Cash and deposits	2.0%	0.9%
Others	6.6%	3.2%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 52.9% and 49.4% of total plan assets as of March 31, 2019 and 2020, respectively.

g. The expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is calculated by aggregating the weighted rate of return derived from each asset category.

The expected long-term rate of return for each asset category is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

h. Assumptions used in calculation

Assumptions used in accounting for the defined benefit plans for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
Discount rate	0.9%	0.9%
Expected long-term rate of return on plan assets		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%

(3) Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥1,018 million and ¥992 million (U.S. \$9 million) for the years ended March 31, 2019 and 2020, respectively.

15. Reinsurance

As of March 31, 2019 and 2020, the amounts of reinsurance recoverable on reserve for outstanding claims, which is applied mutatis mutandis to Article 71, Paragraph 1 of the "Ordinance for Enforcement of the Insurance Business Act" pursuant to Article 73, Paragraph 3 of the ordinance (hereafter, "reinsurance recoverable on reserve for outstanding claims"), were ¥318 million and ¥17 million (U.S. \$0 million), respectively.

As of March 31, 2019 and 2020, the amounts of reinsurance recoverable on policy reserves pursuant to Article 71, Paragraph 1 of the "Ordinance for Enforcement of the Insurance Business Act" (hereafter, "reinsurance recoverable on policy reserves") were ¥28,250 million and ¥28,660 million (U.S. \$263 million), respectively.

16. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥242,957	¥233,768	\$2,232
Transfer from surplus in the previous fiscal year	169,630	185,731	1,558
Dividend payments to policyholders during the fiscal year	(166,720)	(176,676)	(1,531)
Interest accrued during the fiscal year	121	134	1
Balance at the end of the fiscal year	245,988	242,957	2,260

17. Subordinated Bonds

As of March 31, 2019 and 2020, bonds payable in liabilities are subordinated bonds and foreign currency-denominated subordinated bonds, respectively, and the repayments of which are subordinated to other obligations.

18. Reserve for Contingent Liabilities

Reserve for contingent liabilities of the Company is provided for the amount of estimated possible losses in the future with respect to the loan commitments outstanding pursuant to Article 24-4 of the "Ordinance for Enforcement of the Insurance Business Act."

19. Deferred Taxes

(1) Deferred tax assets/liabilities were recognized as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Deferred tax assets	¥775,829	¥730,103	\$7,128
Valuation allowance for deferred tax assets	(4,447)	(4,139)	(40)
Subtotal	771,382	725,964	7,087
Deferred tax liabilities	(785,018)	(965,260)	(7,213)
Net deferred tax assets (liabilities)	(13,636)	(239,296)	(125)

Major components of deferred tax assets/liabilities were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Deferred tax assets			
Policy reserves and other reserves	¥428,745	¥413,482	\$3,939
Reserve for price fluctuation	232,761	228,146	2,138
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	735,416	916,612	6,757

(2) The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2019 and 2020, respectively. Main factors in the differences between the statutory tax rates and the actual effective tax rates after considering deferred taxes were as follows:

Years ended March 31,	2020	2019
Policyholders' dividend reserves	(18.38)%	(19.10)%

20. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest of foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption.

The Company offered foundation funds in the amount of ¥50,000 million and ¥50,000 million (U.S. \$459 million) pursuant to Article 60 of the "Insurance Business Act" in the years ended March 31, 2019 and 2020, respectively.

The Company redeemed foundation funds and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥50,000 million and ¥60,000 million (U.S. \$551 million) as of March 31, 2019 and 2020, respectively.

21. Net Assets stipulated by the "Ordinance for Enforcement of the Insurance Business Act"

The amounts of net assets pursuant to Article 30, Paragraph 2 of the "Ordinance for Enforcement of the Insurance Business Act" were ¥2,609,825 million and ¥2,114,887 million (U.S. \$19,432 million) as of March 31, 2019 and 2020, respectively.

22. Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the "Insurance Business Act" were ¥825,371 million and ¥810,928 million (U.S. \$7,451 million) as of March 31, 2019 and 2020, respectively. The amounts of separate account liabilities were the same as these figures.

23. Monetary Receivable from and Payable to Subsidiaries and Affiliates

The total amounts of monetary receivable from and payable to subsidiaries and affiliates as of March 31, 2019 and 2020 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Monetary receivable	¥2,310	¥2,530	\$21
Monetary payable	3,686	4,460	33

24. Investment Income and Expenses

Major components of gains on sales of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic bonds including national government bonds	¥9,928	¥ 1,705	\$91
Domestic stocks	4,388	3,287	40
Foreign securities	4,916	10,769	45

Major components of losses on sales of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic bonds including national government bonds	¥ 553	¥ 78	\$ 5
Domestic stocks	205	488	1
Foreign securities	5,536	36,960	50

Major components of losses on valuation of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Domestic stocks	¥72,590	¥11,361	\$667
Foreign securities	30,432	6,142	279

Loss on derivative financial instruments included net valuation gain of ¥23,151 million for the year ended March 31, 2019 and net valuation loss of ¥156,021 million (U.S. \$1,433 million) for the year ended March 31, 2020.

25. Policy Reserves for Ceded Reinsurance

The amounts of provision for (reversal of) reinsurance recoverable on reserve for outstanding claims and reinsurance recoverable on policy reserves, which are deducted (added) in calculating provision for (reversal of) reserve for outstanding claims and policy reserves, for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥(300)	¥ 262	\$(2)
Provision for (reversal of) reinsurance recoverable on policy reserves	410	5,014	3

26. Contributions to the Life Insurance Policyholders Protection Corporation

The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥47,718 million and ¥47,627 million (U.S. \$437 million) as of March 31, 2019 and 2020, respectively, pursuant to Article 259 of the "Insurance Business Act".

These contributions are recognized as operating expenses when contributed.

27. Transactions with Subsidiaries and Affiliates

The total amounts of income and expenses resulting from transactions with subsidiaries and affiliates for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Total income	¥26,314	¥18,957	\$241
Total expenses	36,918	38,849	339

28. Income Taxes

The provision for income taxes is calculated based on the pretax surplus included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the effective income tax rates that are based on the enacted statutory rates to the temporary differences.

29. Subsequent Events

Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2020 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2020.



Independent Auditor's Report

To the Board of Directors of Meiji Yasuda Life Insurance Company:

Opinion

We have audited the accompanying non-consolidated financial statements of Meiji Yasuda Life Insurance Company ("the Company"), which comprise the non-consolidated balance sheets as at March 31, 2019 and 2020, the non-consolidated statements of income, the non-consolidated statements of changes in net assets and the non-consolidated proposed appropriation of surplus for the years then ended, and notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2020, and its financial performance for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with the provisions of the Insurance Business Act and its related regulations thereunder and in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.



Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Takuji Kanai 

Takuji Kanai
Designated Engagement Partner
Certified Public Accountant

Yukio Kumaki 

Yukio Kumaki
Designated Engagement Partner
Certified Public Accountant

Koki Minowa 

Koki Minowa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 5, 2020

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Non-consolidated Information

Assets

Loans Categorized by Internal Classification of Borrowers

(Millions of Yen)

As of March 31,	2020	2019
Loans to legally bankrupt and substantially bankrupt borrowers	409	438
Loans to borrowers with high possibility of bankruptcy	4,709	3,504
Loans with collection risk	13,109	15,225
Subtotal	18,227	19,168
Proportion of total loans (%)	0.26	0.29
Normal loans	6,960,483	6,623,904
Total	6,978,710	6,643,073

- 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,	2020	2019
Loans to bankrupt borrowers	26	—
Loans in arrears	5,091	3,943
Loans in arrears for three months or longer	—	—
Restructured loans	12,930	15,012
Total	18,048	18,955
Non-performing loans/total loans (%)	0.44	0.45

- 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 ¥91 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2019; and ¥161 million for loans to bankrupt borrowers and ¥22 million for loans in arrears as of March 31, 2020.
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)			
	2020		2019	
	Amount	% of total value of loans	Amount	% of total value of loans
Not Classified	6,957,460	99.7	6,627,868	99.8
Class II	20,936	0.3	15,031	0.2
Class III	312	0.0	172	0.0
Class IV	—	—	—	—
Subtotal of II-IV	21,249	0.3	15,204	0.2
Total	6,978,710	100.0	6,643,073	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)	
	2020	2019
(A) Total solvency margin	7,431,277	7,813,804
① Foundation funds	1,287,358	1,247,299
② Reserve for price fluctuation	832,480	815,975
③ Contingency reserves	787,642	710,714
④ General allowance for possible loan losses	1,483	1,089
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)	2,438,301	3,060,911
⑥ Unrealized gains on land × 85% (100% in case of losses)	461,418	400,514
⑦ Excess of continued Zillmerized reserve	870,776	909,388
⑧ Qualifying subordinated debt	640,735	560,735
⑨ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑩ Deductions	—	—
⑪ Other (tax effect adjustment)	111,080	107,176
(B) Total amount of risk $\sqrt{(\text{⑫}+\text{⑬})^2+(\text{⑭}+\text{⑮}+\text{⑯})^2}+\text{⑰}$	1,389,912	1,589,199
⑫ Insurance risk	121,334	120,996
⑬ Third-sector insurance risk	74,178	69,193
⑭ Assumed interest rate risk	141,076	146,472
⑮ Minimum guarantee risk	7,345	11,035
⑯ Investment risk	1,196,544	1,385,352
⑰ Business management risk	30,809	34,660
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	1,069.3	983.3

- 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,	2020	2019
Real net assets	9,496,691	10,193,061
Ratio of real net assets to general account assets (%)	24.5	26.5

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,	2020	2019
Real net assets after deducting unrealized gains and losses on held-to-maturity debt securities and policy-reserve-matching bonds	7,141,389	7,702,931

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 (Total of General and Separate Accounts)

(Millions of Yen)

As of March 31,	2020		2019	
	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	743,989	(32,957)	775,564	(10,376)
General account	—	—	—	—
Separate account	743,989	(32,957)	775,564	(10,376)

Fair Value of Securities (Total of General and Separate Accounts)

• Securities with Fair Value (excluding trading securities)

(Millions of Yen)

As of March 31,	2020					2019				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,135,333	4,882,136	746,803	747,035	(232)	4,336,078	5,170,501	834,422	834,499	(76)
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	1,620,716	(12,218)	8,057,811	9,713,518	1,655,706	1,656,309	(603)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	15,288,346	17,996,179	2,707,833	2,850,425	(142,591)	14,696,852	18,097,473	3,400,621	3,486,452	(85,830)
Domestic bonds	4,872,059	5,232,993	360,934	364,394	(3,460)	4,888,700	5,325,598	436,897	437,153	(255)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	7,920,182	8,505,333	585,150	646,961	(61,810)	7,293,609	7,870,746	577,137	628,368	(51,231)
Foreign bonds	7,083,149	7,622,208	539,058	567,541	(28,483)	6,502,084	6,928,152	426,067	470,907	(44,840)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	11,184	12,064	880	880	—	13,236	14,327	1,090	1,090	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)
Total	28,347,512	33,410,647	5,063,135	5,218,177	(155,042)	27,090,742	32,981,493	5,890,750	5,977,261	(86,510)
Domestic bonds	16,848,098	19,480,539	2,632,441	2,644,645	(12,203)	16,450,708	19,341,072	2,890,364	2,890,621	(256)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	8,811,040	9,466,805	655,765	721,284	(65,518)	7,927,511	8,528,002	600,490	652,400	(51,910)
Foreign bonds	7,974,006	8,583,680	609,673	641,864	(32,190)	7,135,987	7,585,407	449,420	494,939	(45,518)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	203,455	217,514	14,059	14,059	—	211,216	225,616	14,400	14,400	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

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,	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,124,533	4,871,569	747,035	4,328,278	5,162,778	834,499
Domestic bonds	3,835,912	4,564,012	728,099	4,030,348	4,845,025	814,676
Foreign bonds	96,349	102,106	5,756	99,949	106,462	6,512
Monetary claims bought	192,270	205,449	13,179	197,980	211,289	13,309
Securities whose fair value does not exceed the balance sheet amount	10,800	10,567	(232)	7,800	7,723	(76)
Domestic bonds	2,800	2,798	(1)	2,800	2,798	(1)
Foreign bonds	8,000	7,768	(231)	5,000	4,924	(75)
Monetary claims bought	—	—	—	—	—	—

• Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309
Domestic bonds	7,492,090	9,044,241	1,552,150	7,528,858	9,167,649	1,638,791
Foreign bonds	678,166	746,731	68,565	488,223	505,742	17,518
Securities whose fair value does not exceed the balance sheet amount	753,576	741,358	(12,218)	40,728	40,125	(603)
Domestic bonds	645,235	636,493	(8,741)	—	—	—
Foreign bonds	108,340	104,864	(3,476)	40,728	40,125	(603)

• Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2020			2019		
	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	13,292,127	16,142,552	2,850,425	12,077,294	15,563,746	3,486,452
Domestic bonds	4,655,016	5,019,411	364,394	4,839,378	5,276,532	437,153
Domestic stocks	1,188,129	2,991,591	1,803,462	1,478,135	3,835,843	2,357,708
Foreign securities	6,857,142	7,504,104	646,961	5,222,294	5,850,663	628,368
Other securities	577,654	612,381	34,726	509,250	571,381	62,130
Monetary claims bought	11,184	12,064	880	13,236	14,327	1,090
Negotiable deposits	3,000	3,000	0	15,000	15,000	0
Money held in trust	—	—	—	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	1,996,218	1,853,626	(142,591)	2,619,557	2,533,726	(85,830)
Domestic bonds	217,042	213,582	(3,460)	49,321	49,065	(255)
Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)
Foreign securities	1,063,040	1,001,229	(61,810)	2,071,315	2,020,083	(51,231)
Other securities	257,866	231,759	(26,106)	265,962	255,384	(10,578)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	30,000	29,995	(4)	19,000	18,998	(1)
Money held in trust	17,859	13,966	(3,892)	17,864	16,669	(1,194)

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

(Millions of Yen)

As of March 31,	2020	2019
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	847,921	881,663
Available-for-sale securities	45,098	295,993
Unlisted domestic stocks	27,725	27,452
Unlisted foreign stocks	4,126	257,126
Other foreign securities	531	596
Others	12,714	10,818
Total	893,020	1,177,656

Fair Value of Money Held in Trust (Total of General and Separate Accounts)

(Millions of Yen)

As of March 31,	2020					2019				
	Balance sheet		Net gains/losses			Balance sheet		Net gains/losses		
	amount	Fair value	Gains	Losses	amount	Fair value	Gains	Losses		
Money held in trust	13,966	13,966	—	—	—	16,669	16,669	—	—	—

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,	2020					2019				
	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	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

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 (Total of General and Separate Accounts)

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 risk accompanying these transactions is mitigated and limited.

In addition, transactions are executed through market exchange or OTC transactions. In general, the latter employ a type of contract that mandates the mutual provision of collateral by transactional participants based on market conditions and risks (e.g. Credit Support Annex), while giving due consideration to assessing the soundness of counterparties. Therefore, the Company believes these transactions pose limited risk that might emerge from counterparty default.

(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 value at fiscal year-end based on data provided by pricing vendors.

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,	2020						2019					
	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	61,637	(10,208)	—	—	—	51,428	57,632	(8,782)	—	—	—	48,850
Hedge accounting not applied	0	(19,275)	(8,598)	9	—	(27,864)	4	(2,637)	45	2	—	(2,585)
Total	61,637	(29,483)	(8,598)	9	—	23,564	57,637	(11,419)	45	2	—	46,264

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019 and loss attributable to currency-related transactions totaling ¥11,456 million as of March 31, 2020. 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,	2020				2019			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
OTC								
Interest rate swaps								
Receipts fixed, payments floating	900	900	0	0	700	700	4	4
Total				0				4

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,	2020							2019						
	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	—	—	—	—	—	900	900	—	—	—	—	—	700	700
Average interest rate in receipt (%)	—	—	—	—	—	0.15	0.15	—	—	—	—	—	0.41	0.41
Average interest rate in payment (%)	—	—	—	—	—	(0.04)	(0.04)	—	—	—	—	—	0.01	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,	2020				2019			
	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	773,127	—	(596)	(596)	194,632	—	199	199
(U.S. dollar)	687,556	—	(4,401)	(4,401)	160,265	—	(23)	(23)
(Australian dollar)	53,582	—	3,472	3,472	20,073	—	100	100
(Euro)	31,838	—	331	331	14,252	—	122	122
(Others)	149	—	0	0	41	—	0	0
Bought	33,772	—	23	23	11,875	—	(24)	(24)
(U.S. dollar)	16,746	—	68	68	6,577	—	3	3
(Euro)	11,451	—	(83)	(83)	3,864	—	(28)	(28)
(Australian dollar)	5,523	—	38	38	1,378	—	1	1
(Others)	50	—	0	0	55	—	(0)	(0)
Currency options								
Sold								
Call	157,097	—			198,628	—		
[U.S. dollar]	[41]	—	41	0	[476]	—	1	474
(U.S. dollar)	157,097	—			198,628	—		
[U.S. dollar]	[41]	—	41	0	[476]	—	1	474
Bought								
Put	166,178	—			178,500	—		
[U.S. dollar]	[63]	—	198	135	[476]	—	32	(443)
(U.S. dollar)	166,178	—			178,500	—		
[U.S. dollar]	[63]	—	198	135	[476]	—	32	(443)
Currency swaps								
Yen payments/Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	154,546	154,546	(3,143)	(3,143)
Yen payments/U.S. dollar receipts	7,080	7,080	881	881	11,740	11,740	300	300
Total				(19,275)				(2,637)

Notes: 1. Net gains (losses) on foreign exchange contracts and currency swaps represent the fair values. 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,	2020				2019			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
Exchange-traded transactions								
Yen stock index futures								
Sold	148,066	—	(8,969)	(8,969)	2,672	—	(18)	(18)
Bought	8,943	—	231	231	4,154	—	0	0
Foreign currency-denominated stock index futures								
Sold	346	—	(35)	(35)	327	—	(9)	(9)
Bought	6,304	—	174	174	5,444	—	72	72
Total				(8,598)				45

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

◆ Bond-Related

(Millions of Yen)

As of March 31,	2020				2019			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
Exchange-traded transactions								
Foreign bond index futures								
Bought	513	—	9	9	123	—	2	2
Total				9				2

Note: Net gains (losses) on foreign bond index futures represent the fair values.

(3) Transactions Where Hedge Accounting is Applied

◆ Interest-rate Related

(Millions of Yen)

As of March 31,	Hedge accounting method	Type	Main hedged items	2020			2019		
				Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
				Over 1 year			Over 1 year		
Deferred hedge accounting	Interest rate swaps	Insurance liabilities							
	Receipts fixed, payments floating		227,300	227,300	61,477	230,700	230,700	57,446	
Special hedge accounting	Interest rate swaps	Loans							
	Receipts fixed, payments floating		3,222	3,222	159	3,369	3,324	185	
Total					61,637			57,632	

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

(Millions of Yen)

As of March 31,	2020								2019							
	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		
		3 years	5 years	7 years	10 years	10 years			3 years	5 years	7 years	10 years	10 years			
Receipts fixed, payments floating swap																
Notional amount	—	6,500	8,122	10,100	12,400	193,400	230,522	45	6,300	6,800	11,124	12,300	197,500	234,069		
Average interest rate in receipt (%)	—	1.68	1.74	1.83	2.13	1.86	1.86	1.60	1.56	1.75	1.73	2.05	1.87	1.86		
Average interest rate in payment (%)	—	(0.01)	0.10	0.01	(0.01)	(0.02)	(0.02)	0.07	0.01	(0.00)	0.14	0.00	0.00	0.01		

◆ Currency-Related

(Millions of Yen)

As of March 31,			2020			2019			
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	4,679,142	—	(11,456)	3,887,217	—	(8,600)
			(U.S. dollar)	4,169,798	—	(34,142)	3,529,862	—	(10,393)
			(Euro)	253,887	—	1,063	199,793	—	700
			(Australian dollar)	240,977	—	20,754	142,408	—	980
	(Others)	14,479	—	867	15,152	—	112		
Deferred hedge accounting	Cross currency swaps	Foreign-currency- denominated bonds							
			(Euro)	35,575	35,575	538	35,575	35,575	(381)
			(Australian dollar)	4,305	4,305	709	4,305	4,305	199
Total									

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. Classification of Investment Securities and Fundamental Concept for Stock Investment

From the stance of a long-term perspective, the Company recognizes that securing investment profits while controlling risk is essential to fulfill its obligation to its customers. Therefore, the Company's fundamental concept for stock investment is to yield stable returns over the long term in step with growth in each investee's corporate value.

In addition to its stockholdings based on the aforementioned concept, the Company may engage in strategic stockholding by investing in other companies with the aim of strengthening partnerships through business alliance and collaboration. The strategically held stocks are managed as "Investment Securities not Held Solely for the Purpose of Investment" and managed distinctly from other stocks, which are held in line with the aforementioned fundamental concept for stock investment.

With regard to stocks that are strategically held by the Company, Meiji Yasuda Life periodically verifies each holding individually to confirm the appropriateness of the purpose of such holding and its economic rationality. Should a stockholding fail this verification, the Company then considers divestment if there is no justification for maintaining the holding solely for the purpose of investment.

2. Investment Securities not Held Solely for the Purpose of Investment

(1) Investment policies, methods for verifying rationality of the holding and verification results for individual stocks

All listed stocks that are strategically held by the Company undergo verification performed by the Board of Directors and other bodies employing the medium- to long-term perspective regarding the appropriateness of the purposes of the holding in light of the execution of joint business or the enhancement of transactional relationships. This also entails a close examination of the economic rationale for such holdings. In addition, the Company confirmed via verification conducted in June 2020 the appropriateness of all such stockholdings in light of their purposes and economic rationality.

(2) Number of Stocks and Their Balance Sheet Value

(Millions of Yen)

	Number of stocks	Total balance sheet value
Unlisted stocks	11	6,499
Other stocks	1	46,241

Increase in Number of Shares of Specific Stocks

(Millions of Yen)

	Number of stocks	Total acquisition price associated with the increase in the number of shares	Reasons for the increase
Unlisted stocks	1	78	Enhancement of a structure for health improvement services and the development of new services

Decrease in Number of Shares of Specific Stocks
None

3. Breakdown of Investment Securities not Held Solely for the Purpose of Investment (excluding unlisted stocks)

As of March 31, 2020

(Thousand Shares, Millions of Yen)			
Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	46,241	Ongoing stockholding to maintain a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets, with the aim of collecting information and nurturing human resources associated with supporting global expansion

As of March 31, 2019

(Thousand Shares, Millions of Yen)			
Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	53,470	Ongoing stockholding to maintain a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets, with the aim of collecting information and nurturing human resources associated with supporting global expansion

4. Investment Securities Held Solely for Investment

(Millions of Yen)										
As of and years ended March 31,	2020					2019				
	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	25,678	942	817	326	(83)	27,536	1,653	760	783	(0)
Others	3,371,852	107,815	3,557	1,759,950	(82,649)	4,038,079	106,509	2,052	2,341,850	(11,361)

Components of Ordinary Profit (Base Profit)

(Millions of Yen)		
Years ended March 31,	2020	2019
Base income ①	3,670,182	3,748,005
Insurance premiums and other	2,593,355	2,770,879
Insurance premiums	2,588,757	2,769,643
Investment income (Note 1)	961,792	888,082
Interest, dividends and other income	871,621	807,260
Other ordinary income (Note 1)	73,396	85,522
Other base income	41,638	3,520
Base expenses ②	3,078,527	3,158,348
Benefits and other payments	2,293,433	2,205,432
Claims paid	604,727	637,897
Annuity payments	627,305	614,555
Benefit payments	402,708	395,524
Surrender benefits	548,700	463,306
Other refunds	105,969	89,249
Provision for policy reserves and other reserves (Note 1)	155,730	415,198
Investment expenses (Note 1)	92,641	41,205
Operating expenses	362,017	357,421
Other ordinary expenses	136,914	139,090
Other base expenses	37,789	—
Base profit	A (①-②)	591,655

(Millions of Yen)

Years ended March 31,		2020	2019
Capital income ③		57,023	23,948
Gains on money held in trust		—	—
Gains on trading securities		—	—
Gains on sales of securities		19,233	15,762
Gains on derivative financial instruments		—	—
Foreign exchange gains		—	8,185
Other capital income		37,789	—
Capital expenses ④		305,871	189,109
Losses on money held in trust		254	397
Losses on trading securities		—	—
Losses on sales of securities		6,295	37,527
Losses on valuation of securities		104,134	17,708
Losses on derivative financial instruments		135,662	130,169
Foreign exchange losses		18,188	—
Other capital expenses		41,337	3,307
Capital gains/losses	B (③-④)	(248,848)	(165,160)
Total of base profit and capital gains/losses	A+B	342,806	424,497
Temporary income ⑤		—	—
Reversal of contingency reserves		—	—
Reversal of specific allowance for possible loan losses		—	—
Other temporary income		—	—
Temporary expenses ⑥		107,342	50,974
Provision for contingency reserves		76,927	18,926
Provision for specific allowance for possible loan losses		1,109	562
Provision for specific allowance for possible overseas loan losses		—	—
Write-off of doubtful accounts		393	—
Other temporary expenses (Note 2)		28,911	31,484
Temporary gains/losses	C (⑤-⑥)	(107,342)	(50,974)
Ordinary profit	A+B+C	235,464	373,522

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

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

Components of Base Profit (Three Surplus Factors)

(Billions of Yen)

Years ended March 31,		2020	2019
Base profit	A	591.6	589.6
Interest surplus		318.6	273.2
Mortality profit		252.6	275.4
Expense profit		20.4	40.8
Capital gains/losses	B	(248.8)	(165.1)
Temporary gains/losses	C	(107.3)	(50.9)
Ordinary profit	D (=A+B+C)	235.4	373.5
Extraordinary gains/losses, income taxes	E	(35.3)	(150.1)
Unappropriated surplus	F (=D+E)	200.1	223.3

Performance Indicators

Performance Indicators for Main Business Annualized Premiums and Number of Policies

(1) Policies in Force

• Annualized Premiums

As of March 31,	2020		2019	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	1,606,212	99.4	1,616,274	102.2
Individual annuities	620,574	95.6	649,391	97.0
Total	2,226,786	98.3	2,265,666	100.6
Medical insurance, living benefits and others	445,274	103.1	432,067	107.5

(Millions of Yen)

• Number of Policies

As of March 31,	2020		2019	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	9,925,024	101.8	9,751,539	102.8
Individual annuities	2,438,892	96.3	2,533,037	96.9
Total	12,363,916	100.6	12,284,576	101.6

(2) New Policies

• Annualized Premiums

Years ended March 31,	2020		2019	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	102,976	74.6	138,101	113.0
Individual annuities	2,174	67.4	3,226	56.2
Total	105,150	74.4	141,328	110.4
Medical insurance, living benefits and others	39,945	73.5	54,350	126.9

(Millions of Yen)

• Number of Policies

Years ended March 31,	2020		2019	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	1,154,044	101.3	1,138,770	102.4
Individual annuities	12,670	65.7	19,278	61.0
Total	1,166,714	100.7	1,158,048	101.3

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

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	58,213,980	94.9	61,358,372	95.0
Individual annuities	12,853,671	95.9	13,406,522	96.0
Subtotal	71,067,652	95.1	74,764,894	95.2
Group life insurance	116,334,881	100.4	115,815,673	101.6
Total	187,402,533	98.3	190,580,568	99.0
Group pensions	7,786,493	101.2	7,691,335	101.1

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

(Millions of Yen)

Years ended March 31,	2020				2019			
	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	1,871,832	(807,094)	1,064,738	79.8	2,195,058	(861,564)	1,333,494	92.8
Individual annuities	62,092	(119)	61,973	66.1	93,942	(255)	93,686	57.4
Subtotal	1,933,925	(807,213)	1,126,711	78.9	2,289,001	(861,820)	1,427,180	89.2
Group life insurance	464,141	—	464,141	65.4	709,377	—	709,377	31.2
Total	2,398,067	(807,213)	1,590,853	74.5	2,998,378	(861,820)	2,136,558	55.1
Group pensions	9	—	9	71.9	13	—	13	81.0

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, 2020)				New policies (year ended March 31, 2020)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Mortality insurance	8,296,065	83.6	55,488,302	95.3	[855,362]	[74.1]	[5,707,561]	[94.9]
					538,750	46.7	1,567,929	26.1
Whole life insurance	1,060,710	10.7	6,047,639	10.4	[1,510]	[0.1]	[9,980]	[0.2]
Whole life insurance with living benefits	78,786	0.8	116,341	0.2	1,510	0.1	9,980	0.2
Whole life insurance whose period of premium payments has finished	31,622	0.3	103,052	0.2	[2,309]	[0.2]	[292]	[0.0]
Single premium special whole life insurance	829,971	8.4	5,358,025	9.2	2,309	0.2	292	0.0
Whole life insurance (denominated by designated currencies)	212,287	2.1	468,566	0.8	—	—	—	—
Lump-sum whole-life insurance with periodic benefits	4,509	0.0	35,045	0.1	—	—	—	—
Increasing whole life insurance	291,097	2.9	2,085,994	3.6	—	—	—	—
Whole life insurance with term rider	454,209	4.6	3,517,232	6.0	—	—	—	—
Wealth accumulation whole life insurance with floating interest	645,604	6.5	8,310,413	14.3	—	—	—	—
Comprehensive protection insurance with combined policies	1,995,621	20.1	22,069,807	37.9	[925]	[0.1]	[17,474]	[0.3]
Term life insurance	509,162	5.1	2,523,928	4.3	—	—	—	—
Increasing term life insurance	22,124	0.2	743,613	1.3	[474,227]	[41.1]	[5,134,718]	[85.4]
Term life insurance with coverage for specified diseases	1,592,492	16.0	2,308,152	4.0	158,607	13.7	1,012,804	16.8
Variable insurance (whole-life type)	49,710	0.5	458,423	0.8	[34,914]	[3.0]	[99,305]	[1.7]
Whole life insurance for surviving spouses with term rider	29,465	0.3	255,994	0.4	34,914	3.0	99,305	1.7
Whole life hospitalization insurance	84,769	0.9	490,891	0.8	[1,158]	[0.1]	[15,611]	[0.3]
Medical and nursing care insurance	403,927	4.1	187,487	0.3	1,158	0.1	15,611	0.3
Term rider	[95,981]	—	400,580	0.7	[150,849]	[13.1]	[211,303]	[3.5]
Others	[3,356]	—	7,111	0.0	150,849	13.1	211,303	3.5
					—	—	—	—
					—	—	—	—
					—	—	—	—
					—	—	—	—
					—	—	—	—
					[67]	[0.0]	[244]	[0.0]
					—	—	—	—
					—	—	—	—
					[60,818]	[5.3]	[3,039]	[0.1]
					60,818	5.3	3,039	0.1
					[2]	—	[16]	[0.0]
					[2]	—	16	0.0
					—	—	—	—
					—	—	—	—

	Policies in force (as of March 31, 2020)				New policies (year ended March 31, 2020)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Hybrid insurance	363,707	3.7	1,577,571	2.7	[34,838]	[3.0]	[145,835]	[2.4]
					34,838	3.0	145,835	2.4
Endowment insurance	109,438	1.1	590,444	1.0	[8,403]	[0.7]	[55,043]	[0.9]
					8,403	0.7	55,043	0.9
Endowment insurance (denominated by designated currencies)	124,117	1.3	370,600	0.6	[26,425]	[2.3]	[90,724]	[1.5]
					26,425	2.3	90,724	1.5
Endowment insurance with term rider	71,544	0.7	206,241	0.4	—	—	—	—
					—	—	—	—
Endowment insurance with term rider with living benefits	25,579	0.3	217,736	0.4	[10]	[0.0]	[68]	[0.0]
					10	0.0	68	0.0
Term life insurance with living benefits	6,803	0.1	64,318	0.1	—	—	—	—
					—	—	—	—
Child insurance with annuity for child	26,226	0.3	98,643	0.2	—	—	—	—
					—	—	—	—
Term rider with living benefits	[17,533]	—	29,587	0.1	—	—	—	—
					—	—	—	—
Pure endowment insurance	1,265,252	12.7	1,148,106	2.0	[263,844]	[22.9]	[158,068]	[2.6]
					263,844	22.9	158,068	2.6
Wealth accumulation insurance with death/accident benefits for women	926,935	9.3	441,602	0.8	[243,971]	[21.1]	[111,511]	[1.9]
					243,971	21.1	111,511	1.9
Child insurance	308,392	3.1	682,695	1.2	[19,873]	[1.7]	[46,556]	[0.8]
					19,873	1.7	46,556	0.8
Child insurance with educational endowment	29,925	0.3	17,445	0.0	—	—	—	—
					—	—	—	—
Policy aggregation rider	[608,048]	—	6,363	0.0	—	—	—	—
					—	—	—	—
Total	9,925,024	100.0	58,213,980	100.0	[1,154,044]	[100.0]	[6,011,465]	[100.0]
					837,432	72.6	1,871,832	31.1

Notes: 1. Figures presented in [] of each line item for new policies in the year ended March 31, 2020 include policies subject to conversion, coverage revision and rider changes.
2. Total number of policies does not include the number of riders presented in [].

Individual Annuities

(Millions of Yen)

	Policies in force (as of March 31, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Whole life annuities with term life insurance	3,388	4,388	—	—
Individual annuities	2,345,032	12,540,067	12,617	61,748
Variable individual annuities	274	798	—	—
Variable individual annuities (that assure planned annuity value)	84,621	263,049	—	—
Annuity type payment rider attached to life insurance policies	2,860	10,242	53	344
Income protection rider	1,262	7,286	—	—
Whole life or fixed-term annuity rider with disability income benefit	622	8,158	—	—
Whole life annuity rider with disability income benefit	783	15,820	—	—
Whole life nursing care annuity rider	50	437	—	—
Others	(790)	3,421	—	—
Total	2,438,892	12,853,671	12,670	62,092

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

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

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

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

Group Life Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Group term life insurance	12,656,708	54,973,933	109,015	276,173
Comprehensive group term life insurance for employees	4,927,294	14,604,627	46,540	77,130
Group credit life insurance	11,746,300	46,617,006	5,287	110,837
Consumer group credit life insurance	4,225	2,084	—	—
Group whole life insurance	952	3,296	—	—
Life insurance for disability support	(41,011)	25,638	—	—
Annuity type payment rider attached to group term life insurance	18,559	108,293	—	—
Total	29,354,038	116,334,881	160,842	464,141

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, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Corporate pensions	648	456	—	—
New corporate pensions	8,277,916	451,664	—	—
Corporate pensions with individual contribution	3,173,823	3,599,547	—	—
National pension fund insurance	—	—	—	—
Employees' pension fund insurance	243,168	134,683	—	—
Group pure endowment insurance	—	131,409	—	—
Defined contribution pension plans (corporate)	—	111,960	—	8
Defined contribution pension plans (individual)	—	10,121	—	—
Defined benefit corporate pension plans (contract-type)	—	1,815,880	—	0
Defined benefit corporate pension plans (fund-type)	—	1,530,768	—	—
Total	11,695,555	7,786,493	—	9

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, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Asset formation insurance and asset formation annuities				
Asset formation saving insurance	43,847	139,729	414	64
Asset formation for home acquisition insurance	3,737	12,372	59	4
Asset formation benefit saving insurance	8,683	1,305	1,087	47
Asset formation annuities	753	1,549	—	—
Asset formation wealth accumulation annuities	26,175	56,039	360	11
Subtotal	83,195	210,996	1,920	127
Medical life insurance	1,064,286	3,122	21,341	19
Disability income insurance	111,513	7,193	15,971	841
Reinsurance underwritten	—	—	—	—

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,	2020	2019
Death coverage		
Death protection due to illness/accidents		
Individual life insurance	57,065,874	60,307,303
Individual annuities	3,472	3,894
Group life insurance	116,226,587	115,703,429
Group pensions	—	—
Total (including others)	173,295,933	176,046,584
Death protection due to accidents		
Individual life insurance	[9,868,881]	[10,661,157]
Individual annuities	[116,659]	[123,177]
Group life insurance	[5,971,895]	[6,069,637]
Group pensions	[—]	[—]
Total (including others)	[15,957,437]	[16,882,079]
Death protection due to other causes		
Individual life insurance	—	—
Individual annuities	[—]	[—]
Group life insurance	[41,405]	[42,527]
Group pensions	[—]	[—]
Total (including others)	—	—
Pure endowment		
Maturity and living benefits		
Individual life insurance	1,148,106	1,051,068
Individual annuities	10,928,275	11,499,744
Group life insurance	5,652	5,531
Group pensions	—	—
Total (including others)	12,119,067	12,594,948
Annuities		
Individual life insurance	[47,223]	[49,862]
Individual annuities	[1,483,430]	[1,542,168]
Group life insurance	[15,319]	[15,841]
Group pensions	[—]	[—]
Total (including others)	[1,549,664]	[1,611,704]
Others		
Individual life insurance	—	—
Individual annuities	1,921,923	1,902,883
Group life insurance	102,641	106,712
Group pensions	7,786,493	7,691,335
Total (including others)	9,985,022	9,875,577
Hospitalization coverage		
Hospitalization due to accidents		
Individual life insurance	[36,327]	[33,823]
Individual annuities	[536]	[583]
Group life insurance	[3,930]	[3,996]
Group pensions	[—]	[—]
Total (including others)	[43,918]	[41,519]
Hospitalization due to illness		
Individual life insurance	[36,094]	[33,540]
Individual annuities	[531]	[578]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[39,748]	[37,235]

			(Millions of Yen)	
As of March 31,	2020	2019		
Hospitalization due to other causes				
Individual life insurance	[24,276]	[28,744]		
Individual annuities	[998]	[1,074]		
Group life insurance	[29]	[30]		
Group pensions	[—]	[—]		
Total (including others)	[25,304]	[29,849]		

Notes: 1. Figures in [] 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,	2020	2019		
Disability coverage				
Individual life insurance	[3,423,018]	[3,690,645]		
Individual annuities	[20,128]	[21,591]		
Group life insurance	[3,247,146]	[3,268,788]		
Group pensions	[—]	[—]		
Total (including others)	[6,690,292]	[6,981,024]		
Surgery coverage				
Individual life insurance	[8,227,174]	[8,078,872]		
Individual annuities	[101,965]	[109,978]		
Group life insurance	[—]	[—]		
Group pensions	[—]	[—]		
Total (including others)	[8,329,139]	[8,188,850]		

Note: Figures in [] 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,	2020	2019		
Mortality insurance				
Whole life insurance	14,203,530	14,422,640		
Whole life insurance with term rider	3,517,232	4,117,467		
Wealth accumulation whole life insurance with floating interest	8,328,228	11,543,590		
Comprehensive protection insurance with combined policies	22,069,807	20,721,039		
Whole life hospitalization insurance	490,891	759,248		
Term insurance	5,575,694	5,573,032		
Total (including others)	55,488,302	58,572,986		
Hybrid insurance				
Endowment insurance	961,045	946,905		
Endowment insurance with term rider	423,977	544,883		
Term life insurance with living benefits	64,318	73,689		
Total (including others)	1,577,571	1,734,317		
Pure endowment insurance				
Wealth accumulation insurance with death/accident benefits for women	441,602	366,885		
Child insurance	682,695	649,333		
Total (including others)	1,148,106	1,051,068		

(Millions of Yen)

As of March 31,	2020	2019
Annuities		
Individual annuities	12,853,671	13,406,522
Rider coverage for accidents and illness		
Accidental death benefit rider	1,030,622	1,223,468
Rider for injuries	7,116,219	7,455,172
Hospitalization rider due to accidents	1,391	1,647
Hospitalization rider due to illness	34,145	31,768
Hospitalization rider due to lifestyle-related diseases	1,054	1,281
Hospitalization rider due to cancer	690	860
Hospitalization rider for female-specific critical illness	4,382	5,033
Home care rider (post-hospitalization)	11,588	14,294
Rider for specific injuries	73,218	73,700
		(Number of Policies)
Surgery rider	2,674,139	2,618,165
Rider for protection against cancer	3,242,852	3,586,704
Advanced medical care rider	2,426,068	2,349,704
Serious disease rider with ongoing coverage	1,583,107	2,020,484
New nursing care rider	797,242	759,118

- 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.

Annualized Premiums in Force by Type of Policy (Individual Life Insurance and Individual Annuities)

(Millions of Yen)

As of March 31,	2020	2019
Mortality insurance		
Whole life insurance	623,989	643,435
Whole life insurance with term rider	50,402	57,914
Wealth accumulation whole life insurance with floating interest	119,426	141,023
Comprehensive protection insurance with combined policies	391,122	349,935
Whole life hospitalization insurance	19,811	25,042
Term insurance	187,244	194,334
Total (including others)	1,446,873	1,464,850
Hybrid insurance		
Endowment insurance	62,940	57,794
Endowment insurance with term rider	6,841	8,549
Term life insurance with living benefits	913	1,042
Total (including others)	75,134	72,926
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	44,476	37,940
Child insurance	33,536	32,047
Total (including others)	84,204	78,497
Annuities		
Individual annuities	620,574	649,391

Performance Indicators for Insurance Policies

Rate of Change of Policies in Force

	(%)	
Years ended March 31,	2020	2019
Individual life insurance	(5.1)	(5.0)
Individual annuities	(4.1)	(4.0)
Group life insurance	0.4	1.6
Group pensions	1.2	1.1

Average Insured Amount per New Policy and Policy in Force (Individual Life Insurance)

	(Thousands of Yen)	
Years ended March 31,	2020	2019
New policy	2,235	2,495
Policy in force	5,865	6,292

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,	2020	2019
Individual life insurance	3.1	3.4
Individual annuities	0.5	0.7
Group life insurance	0.4	0.6

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

Surrender and Lapse Rates (Comparison Between the Beginning and End of the Year)

	(%)	
Years ended March 31,	2020	2019
Individual life insurance	4.7	4.5
Individual annuities	2.1	2.3
Group life insurance	0.0	0.1

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

Average Premiums for New Policies (Individual Life Insurance Policies with Monthly Payments)

	(Yen)	
Year ended March 31, 2020	Year ended March 31, 2019	
93,476	92,701	

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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
6.41	6.28	5.52	5.24

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,	2020		2019	
	By the number of policies with paid rider	By amount of claims paid	By the number of policies with paid rider	By amount of claims paid
Accidental death	0.15	0.14	0.18	0.17
Disability	0.24	0.09	0.27	0.10
Hospitalization due to accidents	4.91	156.54	5.07	168.18
Hospitalization due to illness	52.66	1,353.00	52.02	1,419.50
Hospitalization due to lifestyle-related diseases	54.12	1,577.58	53.17	1,575.50
Surgery for illness and injuries	104.10		96.11	
Surgery for lifestyle-related diseases	46.28		44.45	

- 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, 2020	Year ended March 31, 2019
14.0	12.9

The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Year ended March 31, 2020	Year ended March 31, 2019
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, 2020	Year ended March 31, 2019
96.4	95.6

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,	2020	2019
A or higher	98.9	99.0
BBB or higher	1.1	1.0
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

Year ended March 31, 2020	Year ended March 31, 2019
972	542

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,	2020	2019
Ratio of benefits paid under third-sector insurance	31.5	31.8
Medical coverage (for illness)	41.0	39.9
Cancer coverage	46.8	46.5
Nursing care coverage	13.6	15.3
Others	16.1	17.4

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

Performance Indicators for Accounting Reserve for Outstanding Claims

As of March 31,	2020	2019
Insurance claims	80,723	82,383
Death insurance claims	65,303	66,690
Insurance claims for accidents	705	795
Insurance claims for disabilities	14,185	13,619
Insurance claims upon maturity	415	711
Others	113	567
Annuity payments	1,736	2,690
Benefit payments	26,221	24,394
Surrender benefits	15,044	20,024
Other refunds	275	327
Deferred benefit payments	476	590
Total	124,477	130,411

Policy Reserves

As of March 31,	2020	2019
Policy reserves (excluding contingency reserves)		
Individual life insurance	15,945,919	15,892,839
General account	15,899,562	15,837,491
Separate account	46,357	55,348
Individual annuities	7,647,670	7,604,718
General account	7,400,191	7,312,316
Separate account	247,479	292,402
Group life insurance	130,196	134,493
General account	130,196	134,493
Separate account	—	—
Group pensions	7,786,493	7,691,335
General account	7,296,034	7,223,695
Separate account	490,458	467,640
Others	212,332	214,672
General account	212,332	214,672
Separate account	—	—
Subtotal	31,722,612	31,538,060
General account	30,938,317	30,722,668
Separate account	784,295	815,391
Contingency reserves	787,642	710,714
Total	32,510,255	32,248,774
General account	31,725,959	31,433,383
Separate account	784,295	815,391

Breakdown of Policy Reserves

(Millions of Yen)

	Premium reserves	Unearned premiums	Refund reserves	Contingency reserves	Total
As of March 31, 2020	30,952,671	769,941	—	787,642	32,510,255
As of March 31, 2019	30,748,259	789,800	—	710,714	32,248,774

Policy Reserves for Individual Life Insurance and Individual Annuities

Policy Reserve Accumulation Method and Ratio

As of March 31,		2020	2019
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 premium 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	226,199	2.75 – 5.00
Years ended March 31, 1982 to 1986	690,880	2.75 – 6.00
Years ended March 31, 1987 to 1991	2,572,189	2.75 – 6.00
Years ended March 31, 1992 to 1996	3,871,317	1.00 – 5.50
Years ended March 31, 1997 to 2001	1,226,453	1.00 – 3.75
Years ended March 31, 2002 to 2006	648,871	0.55 – 2.35
Years ended March 31, 2007 to 2011	2,969,148	0.55 – 1.85
Year ended March 31, 2012	2,760,035	0.71 – 1.50
Year ended March 31, 2013	1,454,274	0.45 – 1.50
Year ended March 31, 2014	1,349,399	0.45 – 1.50
Year ended March 31, 2015	1,283,977	0.35 – 1.09
Year ended March 31, 2016	1,405,207	0.44 – 1.05
Year ended March 31, 2017	932,134	0.25 – 1.00
Year ended March 31, 2018	720,552	0.25 – 3.46
Year ended March 31, 2019	659,516	0.25 – 3.91
Year ended March 31, 2020	529,594	0.25 – 3.32

- 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,	2020	2019
Policy reserves (general account)	31,900	26,706

- 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 (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, 2020, the Company did not identify a need for provision for contingency reserves (based on the results of stress tests) and additional policy reserves (based on the results of liability adequacy tests). In line with in-house rules, the soundness and validity of testing methods, such as those used for establishing risk frequency ratios, are doublechecked 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, 2020							
Balance at the beginning of the fiscal year	196,132	16,538	26,195	2,751	336	1,003	242,957
Transfer from surplus in the previous fiscal year	24,492	5,236	111,090	23,611	(0)	5,199	169,630
Interest accrued during the fiscal year	87	1	1	0	0	0	89
Other increases	31	—	—	—	—	—	31
Dividend payments to policyholders during the fiscal year	17,840	926	119,331	23,427	37	5,157	166,720
Balance at the end of the fiscal year	202,903	20,849	17,956	2,935	299	1,044	245,988
	[172,233]	[13,767]	[13,839]	[—]	[285]	[1]	[200,127]
Year ended March 31, 2019							
Balance at the beginning of the fiscal year	192,286	13,193	24,386	2,531	382	986	233,768
Transfer from surplus in the previous fiscal year	19,576	4,392	133,420	23,062	(1)	5,281	185,731
Interest accrued during the fiscal year	95	1	1	0	0	0	97
Other increases	36	—	—	—	—	—	36
Dividend payments to policyholders during the fiscal year	15,862	1,048	131,612	22,843	44	5,265	176,676
Balance at the end of the fiscal year	196,132	16,538	26,195	2,751	336	1,003	242,957
	[171,183]	[11,120]	[15,007]	[3]	[321]	[1]	[197,638]

Note: Balance at the end of the fiscal year figures in [] 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, 2020			
Allowance for possible loan losses			
General allowance for possible loan losses	1,089	1,483	394
Specific allowance for possible loan losses	4,271	5,270	998
Specific allowance for possible overseas loan losses	—	—	—
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	815,975	832,480	16,504
Year ended March 31, 2019			
Allowance for possible loan losses			
General allowance for possible loan losses	1,310	1,089	(221)
Specific allowance for possible loan losses	3,789	4,271	481
Specific allowance for possible overseas loan losses	—	—	—
Reserve for contingent liabilities	1	1	0
Reserve for price fluctuation	684,594	815,975	131,380

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,	2020	2019
Individual life insurance	1,350,867	1,514,578
Lump-sum payment	303,294	499,420
Annual payment	238,389	243,573
Biannual payment	4,490	4,695
Monthly payment	804,693	766,889
Individual annuities	330,034	350,877
Lump-sum payment	1,461	1,286
Annual payment	48,107	53,046
Biannual payment	485	563
Monthly payment	279,980	295,980
Group life insurance	285,933	303,441
Group pensions	587,792	565,551
Total (including others)*	2,588,757	2,769,643

* 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,		2020	2019
Individual life insurance	First-year premiums	422,460	636,536
Individual annuities	Premiums for the second year and beyond	1,258,441	1,228,918
	Subtotal	1,680,901	1,865,455
Group life insurance	First-year premiums	1,574	3,405
	Premiums for the second year and beyond	284,359	300,035
	Subtotal	285,933	303,441
Group pensions	First-year premiums	149	159
	Premiums for the second year and beyond	587,642	565,391
	Subtotal	587,792	565,551
Total (including others)*	First-year premiums	424,749	640,805
	Premiums for the second year and beyond	2,164,008	2,128,838
	Total	2,588,757	2,769,643
	Growth rate (%)	(6.5)	1.9

* 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, 2020	Year ended March 31, 2019
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance annuities	Other insurance	Total	Total	
Claims paid:	433,271	493	132,963	36,573	972	452	604,727	637,897	
Death insurance claims	264,371	445	118,915	—	—	446	384,180	378,712	
Insurance claims for accidents	2,091	12	444	—	16	—	2,564	2,933	
Insurance claims for disabilities	35,077	22	13,387	—	—	5	48,492	47,642	
Insurance claims upon maturity	131,730	13	—	36,573	955	—	169,273	208,406	
Others	—	—	215	—	—	0	216	201	
Annuity payments	6,515	386,110	16,602	213,903	4,174	—	627,305	614,555	
Benefit payments:	140,666	14,745	445	243,852	620	2,378	402,708	395,524	
Death benefits	42,949	12,684	6	3,151	259	19	59,071	55,624	
Hospitalization benefits	28,797	865	258	—	—	1,736	31,657	33,370	
Surgery benefits	13,462	769	—	—	—	351	14,584	14,972	
Disability benefits	687	5	93	—	15	—	801	903	
Survivor benefits	14,294	376	—	—	345	—	15,016	17,653	
Lump-sum benefits	—	—	47	238,900	—	—	238,948	234,117	
Others	40,474	43	40	1,800	—	270	42,629	38,883	
Surrender benefits	445,498	71,159	—	15,886	16,155	0	548,700	463,306	

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

	Year ended March 31, 2020							Year ended
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance annuities	Other insurance	Total	March 31, 2019
Claims paid:	139,141	85	47,165	4	1,894	1,407	189,696	219,851
Death insurance claims	46,666	73	43,405	—	—	1,395	91,539	102,200
Insurance claims for accidents	575	5	200	—	4	—	784	846
Insurance claims for disabilities	24,356	7	3,542	—	—	9	27,914	25,788
Insurance claims upon maturity	67,544	—	—	4	1,890	—	69,438	90,996
Others	—	—	18	—	—	3	21	21
Annuity payments	5,326	781,959	58,748	5,581,084	13,842	—	6,440,959	6,569,526
Benefit payments:	1,442,714	23,440	4,361	704,734	237	42,236	2,217,722	2,351,823
Death benefits	13,400	2,838	436	3,577	84	37	20,372	19,517
Hospitalization benefits	351,931	8,710	3,590	—	—	30,091	394,322	399,048
Surgery benefits	167,506	8,490	—	—	—	5,229	181,225	180,593
Disability benefits	435	9	149	—	2	—	595	638
Survivor benefits	59,313	2,458	—	—	151	—	61,922	73,360
Lump-sum benefits	—	—	136	701,153	—	—	701,289	681,232
Others	850,129	935	50	4	—	6,879	857,997	997,435

Depreciation

	(Millions of Yen)				
	Acquisition cost	Current-year depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2020					
Tangible fixed assets	303,343	8,761	192,830	110,512	63.6
Buildings	285,527	7,384	178,434	107,092	62.5
Others	17,816	1,376	14,395	3,420	80.8
Intangible fixed assets	112,657	20,686	49,683	62,974	44.1
Others	218	44	96	122	44.1
Total	416,219	29,492	242,610	173,609	58.3
Year ended March 31, 2019					
Tangible fixed assets	295,484	8,706	184,376	111,107	62.4
Buildings	277,475	7,262	170,096	107,378	61.3
Others	18,008	1,444	14,279	3,728	79.3
Intangible fixed assets	93,038	19,370	45,593	47,445	49.0
Others	237	47	109	128	45.9
Total	388,761	28,125	230,079	158,681	59.2

Operating Expenses

Years ended March 31,	(Millions of Yen)	
	2020	2019
Marketing promotion expenses	127,840	132,775
Marketing administration expenses	52,994	53,487
General and administration expenses	181,182	171,158
Total	362,017	357,421

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 ¥3,419 million and ¥3,413 million in the years ended March 31, 2019 and March 31, 2020, respectively.

Taxes

		(Millions of Yen)	
Years ended March 31,		2020	2019
National tax		17,423	15,927
Consumption tax		15,301	13,616
Special local corporate tax		1,894	2,075
Revenue stamp tax		209	227
Registration and license tax		1	3
Other national taxes		16	5
Local tax		11,904	11,678
Local consumption tax		4,221	3,670
Corporate enterprise tax		4,540	4,972
Fixed asset tax		2,641	2,549
Real estate acquisition tax		4	4
Business office tax		495	481
Other local taxes		0	0
Total		29,327	27,606

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, 2020								
Bonds payable	—	—	—	—	—	640,735	640,735	
Payables under repurchase agreements	73,233	—	—	—	—	—	73,233	
Payables under securities borrowing transactions	1,133,523	—	—	—	—	—	1,133,523	
Total	1,206,757	—	—	—	—	640,735	1,847,492	
As of March 31, 2019								
Bonds payable	—	—	—	—	—	560,735	560,735	
Payables under repurchase agreements	58,266	—	—	—	—	—	58,266	
Payables under securities borrowing transactions	552,716	—	—	—	—	—	552,716	
Total	610,983	—	—	—	—	560,735	1,171,718	

Reference: Average Interest Rates of Bonds

		(%)	
As of March 31,		2020	2019
Bonds payable (denominated in yen)		1.05	1.11
Bonds payable (denominated in foreign currencies)		5.17	5.17

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 ranging from December 2046 to December 2051. Bonds payable (denominated in foreign currencies) consist of subordinated bonds denominated in U.S. dollars with the date of maturity ranging from October 2045 to April 2048.

Quarterly Information

(Millions of Yen)

	As of June 30, 2019	As of September 30, 2019	As of December 31, 2019	As of March 31, 2020
Insurance premiums and other	652,269	1,300,818	1,895,946	2,593,355
Base profit	111,391	285,463	370,332	591,655

Investment Performance Indicators Breakdown of Invested Assets (General Account)

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	1,273,366	3.3	1,213,857	3.2
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	204,335	0.5	212,307	0.6
Trading account securities	—	—	—	—
Money held in trust	13,966	0.0	16,669	0.0
Securities	31,697,210	81.8	31,406,617	81.7
Domestic bonds	17,209,032	44.4	16,887,605	43.9
Domestic stocks	3,447,155	8.9	4,135,309	10.8
Foreign securities	10,168,944	26.3	9,530,906	24.8
Foreign bonds	8,513,065	22.0	7,562,054	19.7
Foreign stocks and others	1,655,879	4.3	1,968,851	5.1
Other securities	872,076	2.3	852,795	2.2
Loans	4,105,435	10.6	4,223,805	11.0
Policy loans	229,759	0.6	239,335	0.6
Industrial and consumer loans	3,875,676	10.0	3,984,470	10.4
Real estate	860,958	2.2	866,343	2.3
Deferred tax assets	—	—	—	—
Others	585,883	1.5	516,478	1.3
Allowance for possible loan losses	(6,754)	(0.0)	(5,361)	(0.0)
Total	38,734,402	100.0	38,450,719	100.0
Assets denominated in foreign currencies	10,605,449	27.4	9,556,503	24.9

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,	2020	2019
Cash, deposits and call loans	59,509	660,476
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	(7,972)	(2,423)
Trading account securities	—	—
Money held in trust	(2,702)	6,592
Securities	290,592	409,888
Domestic bonds	321,427	(130,680)
Domestic stocks	(688,154)	(328,785)
Foreign securities	638,038	689,160
Foreign bonds	951,010	733,290
Foreign stocks and others	(312,972)	(44,130)
Other securities	19,281	180,194
Loans	(118,370)	(283,564)
Policy loans	(9,575)	(9,925)
Industrial and consumer loans	(108,794)	(273,639)
Real estate	(5,384)	(2,555)
Deferred tax assets	—	—
Others	69,404	(41,724)
Allowance for possible loan losses	(1,392)	(260)
Total	283,683	746,429
Assets denominated in foreign currencies	1,048,945	1,032,149

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

Investment Returns (General Account)

	(%)	
Years ended March 31,	2020	2019
Cash, deposits and call loans	0.01	0.09
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.54	1.60
Trading account securities	—	—
Money held in trust	0.23	(1.28)
Securities	2.01	2.10
Domestic bonds	1.63	1.61
Domestic stocks	2.89	5.50
Foreign securities	2.57	2.32
Foreign bonds	2.01	2.27
Foreign stocks and others	5.04	2.51
Loans	1.54	1.67
Industrial and consumer loans	1.39	1.52
Real estate	2.03	2.15
Total	1.78	1.92
Overseas investments	2.45	2.26

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,	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	1,052,790	2.9	896,952	2.5
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	206,653	0.6	214,006	0.6
Trading account securities	—	—	—	—
Money held in trust	17,864	0.0	14,949	0.0
Securities	28,675,220	79.3	27,934,549	78.7
Domestic bonds	16,565,393	45.8	16,652,607	46.9
Domestic stocks	1,773,035	4.9	1,807,782	5.1
Foreign securities	9,480,034	26.2	8,783,361	24.7
Foreign bonds	7,740,798	21.4	6,944,499	19.6
Foreign stocks and others	1,739,236	4.8	1,838,861	5.2
Loans	4,146,497	11.5	4,409,073	12.4
Industrial and consumer loans	3,912,777	10.8	4,164,432	11.7
Real estate	871,073	2.4	872,772	2.5
Total	36,176,620	100.0	35,508,071	100.0
Overseas investments	10,347,349	28.6	9,493,352	26.7

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,	2020	2019
Interest, dividends and other income	871,621	807,260
Gains on securities products	—	—
Gains on money held in trust	46	—
Gains on trading securities	—	—
Gains on sales of securities	19,233	15,762
Gains on redemption of securities	89,915	76,650
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	8,185
Reversal of allowance for possible loan losses	—	—
Other investment income	255	125
Total	981,072	907,985

Investment Expenses (General Account)

(Millions of Yen)

Years ended March 31,	2020	2019
Interest expenses	14,262	12,572
Losses on securities products	—	—
Losses on money held in trust	—	184
Losses on trading securities	—	—
Losses on sales of securities	6,295	37,527
Losses on valuation of securities	104,134	17,708
Losses on redemption of securities	32,134	4,983
Losses on derivative financial instruments	135,662	130,169
Foreign exchange losses	18,188	—
Provision for allowance for possible loan losses	1,503	341
Redemption of loans	393	—
Depreciation of real estate for non-insurance business	9,609	9,516
Other investment expenses	16,292	14,132
Total	338,476	227,135

Interest, Dividends and Other Income (General Account)

		(Millions of Yen)	
Years ended March 31,		2020	2019
Interest on deposits		1,893	999
Interest and dividends on securities		746,415	677,845
Interest on domestic bonds		267,346	270,926
Dividends on domestic stocks		109,165	108,058
Interest and dividends on foreign securities		354,297	281,518
Interest on loans		67,105	74,234
Rent on real estate		38,805	37,991
Total (including others)		871,621	807,260

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

		2020			2019		
Years ended March 31,		Net increase (decrease)	Change in balance	Change due to interest rate and others	Net increase (decrease)	Change in balance	Change due to interest rate and others
Interest, dividends and other income		64,360	15,199	49,160	38,301	38,954	(653)
Securities		68,570	17,972	50,597	36,374	31,933	4,441
Loans		(7,129)	(4,420)	(2,708)	(4,877)	(3,273)	(1,604)
Real estate		814	(73)	888	1,815	(360)	2,176

Gains on Sales of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2020	2019
Domestic bonds and others		9,928	1,705
Domestic stocks and others		4,388	3,287
Foreign securities		4,916	10,769
Total (including others)		19,233	15,762

Losses on Sales of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2020	2019
Domestic bonds and others		553	78
Domestic stocks and others		205	488
Foreign securities		5,536	36,960
Total (including others)		6,295	37,527

Losses on Valuation of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2020	2019
Domestic bonds and others		—	—
Domestic stocks and others		72,590	11,361
Foreign securities		30,432	6,142
Total (including others)		104,134	17,708

Balance of Securities (General Account)

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Government bonds	14,579,276	46.0	14,201,573	45.2
Municipal bonds	306,157	1.0	366,541	1.2
Corporate bonds	2,323,598	7.3	2,319,491	7.4
Public entity bonds	368,886	1.2	376,544	1.2
Domestic stocks	3,447,155	10.9	4,135,309	13.2
Foreign securities	10,168,944	32.1	9,530,906	30.3
Foreign bonds	8,513,065	26.9	7,562,054	24.1
Foreign stocks and others	1,655,879	5.2	1,968,851	6.3
Other securities	872,076	2.8	852,795	2.7
Total	31,697,210	100.0	31,406,617	100.0

Breakdown of Municipal Bonds by Region

(Millions of Yen)

As of March 31,	2020	2019
Hokkaido	4,589	5,589
Tohoku	—	300
Kanto	114,554	132,000
Chubu	38,348	43,647
Kinki	85,387	97,084
Chugoku	7,159	14,078
Shikoku	—	—
Kyushu	31,206	32,487
Others	24,911	41,351
Total	306,157	366,541

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, 2020							
Securities	891,693	2,430,711	1,527,391	1,358,427	4,124,543	21,364,442	31,697,210
Government bonds	169,363	1,380,322	933,770	735,115	1,869,795	9,490,909	14,579,276
Municipal bonds	9,090	100	5,293	35,740	189,514	66,419	306,157
Corporate bonds	62,812	174,659	125,222	159,914	412,529	1,388,459	2,323,598
Domestic stocks	—	—	—	—	—	3,447,155	3,447,155
Foreign securities	646,259	873,609	462,896	422,654	1,645,690	6,117,834	10,168,944
Foreign bonds	646,068	873,609	462,896	422,654	1,645,690	4,462,146	8,513,065
Foreign stocks and others	191	—	—	—	—	1,655,688	1,655,879
Other securities	4,168	2,020	208	5,002	7,012	853,663	872,076
Monetary claims bought	—	—	—	—	—	204,335	204,335
Negotiable deposits	32,995	—	—	—	—	—	32,995
Money held in trust	—	—	—	—	—	13,966	13,966
Total	924,689	2,430,711	1,527,391	1,358,427	4,124,543	21,582,744	31,948,508
As of March 31, 2019							
Securities	677,302	2,389,931	2,092,797	1,118,538	3,442,754	21,685,292	31,406,617
Government bonds	212,106	1,136,451	1,170,293	793,319	1,524,330	9,365,071	14,201,573
Municipal bonds	63,229	9,192	5,091	1,703	181,869	105,454	366,541
Corporate bonds	67,833	162,872	156,889	56,845	405,431	1,469,617	2,319,491
Domestic stocks	—	—	—	—	—	4,135,309	4,135,309
Foreign securities	334,052	1,076,217	758,008	266,131	1,321,049	5,775,447	9,530,906
Foreign bonds	333,864	1,076,217	758,008	266,131	1,321,049	3,806,783	7,562,054
Foreign stocks and others	188	—	—	—	—	1,968,663	1,968,851
Other securities	80	5,197	2,515	537	10,073	834,391	852,795
Monetary claims bought	—	—	—	—	—	212,307	212,307
Negotiable deposits	33,998	—	—	—	—	—	33,998
Money held in trust	—	—	—	—	—	16,669	16,669
Total	711,301	2,389,931	2,092,797	1,118,538	3,442,754	21,914,269	31,669,593

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,	2020	2019
Domestic bonds	1.68	1.73
Foreign bonds	3.15	3.42

Breakdown of Stocks Held by Industry (General Account)

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Fishery, agriculture & forestry	1,130	0.0	1,866	0.0
Mining	—	—	—	—
Construction	76,306	2.2	92,201	2.2
Manufacturing				
Foods	181,982	5.3	210,165	5.1
Textiles & apparels	20,660	0.6	24,862	0.6
Pulp & paper	2,598	0.1	3,563	0.1
Chemicals	332,025	9.6	368,092	8.9
Pharmaceuticals	128,861	3.7	126,452	3.1
Oil & coal products	4,430	0.1	6,302	0.2
Rubber products	8,899	0.3	13,860	0.3
Glass & ceramics products	134,835	3.9	174,653	4.2
Iron & steel	29,585	0.9	53,813	1.3
Nonferrous metals	10,069	0.3	15,158	0.4
Metal products	16,113	0.5	18,655	0.5
Machinery	173,864	5.0	226,784	5.5
Electric appliances	447,829	13.0	501,544	12.1
Transportation equipment	376,625	10.9	429,819	10.4
Precision instruments	188,575	5.5	205,869	5.0
Other products	33,003	1.0	40,394	1.0
Electric power & gas	119,531	3.5	159,065	3.8
Transportation, information & communication				
Land transportation	178,693	5.2	240,643	5.8
Marine transportation	4,819	0.1	5,928	0.1
Air transportation	4,251	0.1	6,359	0.2
Warehouse & harbor transportation services	20,349	0.6	25,628	0.6
Information & communication	32,445	0.9	34,883	0.8
Trade				
Wholesale trade	245,424	7.1	308,920	7.5
Retail trade	29,191	0.8	38,239	0.9
Finance & insurance				
Banks	237,094	6.9	322,267	7.8
Securities & commodity futures	14,028	0.4	15,267	0.4
Insurance	137,729	4.0	181,814	4.4
Other financing business	66,643	1.9	73,153	1.8
Real estate	138,095	4.0	156,012	3.8
Services	51,460	1.5	53,066	1.3
Total	3,447,155	100.0	4,135,309	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,		2020	2019
Policy loans		229,759	239,335
Policyholder loans		217,693	226,092
Premium loans		12,065	13,242
Industrial and consumer loans		3,875,676	3,984,470
(Loans for non-residents)		188,980	184,984
Corporate loans		3,718,107	3,817,428
(To domestic corporations)		3,550,126	3,663,443
Loans to governments and supranationals		11,756	21,836
Loans to public organizations		128,232	127,040
Housing loans		—	—
Consumer loans		17,472	17,927
Others		108	238
Total		4,105,435	4,223,805

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, 2020								
Floating interest rate		95,528	7,538	15,683	4,532	16,589	86,096	225,969
Fixed interest rate		227,458	602,501	553,454	593,327	717,022	955,943	3,649,707
Total		322,986	610,040	569,137	597,859	733,611	1,042,040	3,875,676
As of March 31, 2019								
Floating interest rate		86,442	7,365	13,350	9,512	3,010	70,860	190,542
Fixed interest rate		260,772	533,627	596,361	618,051	670,886	1,114,228	3,793,928
Total		347,215	540,993	609,711	627,563	673,896	1,185,088	3,984,470

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,		2020		2019	
		(%)		(%)	
Large size corporations	Number of borrowers	605	54.1	630	54.9
	Loan amount	3,068,356	86.4	3,232,581	88.2
Medium size corporations	Number of borrowers	97	8.7	102	8.9
	Loan amount	19,107	0.5	20,502	0.6
Small size corporations	Number of borrowers	417	37.3	415	36.2
	Loan amount	462,662	13.0	410,360	11.2
Total	Number of borrowers	1,119	100.0	1,147	100.0
	Loan amount	3,550,126	100.0	3,663,443	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,	2020		2019	
	Amount	(%)	Amount	(%)
Domestic				
Manufacturing	610,804	15.8	631,666	15.9
Foodstuffs and beverages	25,882	0.7	29,988	0.8
Textile products	5,284	0.1	5,536	0.1
Lumber and wood products	—	—	—	—
Pulp, paper, and paper products	40,199	1.0	39,106	1.0
Printing	5,434	0.1	5,540	0.1
Chemical and allied products	118,266	3.1	111,709	2.8
Petroleum refining	76,548	2.0	72,570	1.8
Ceramic, stone, and clay products	58,004	1.5	61,003	1.5
Iron and steel	119,898	3.1	110,567	2.8
Nonferrous metals and products	10,987	0.3	12,484	0.3
Fabricated metal products	3,065	0.1	2,997	0.1
General-purpose, production, and business-oriented machinery	45,388	1.2	49,336	1.2
Electrical machinery equipment and supplies	43,851	1.1	70,448	1.8
Transportation equipment	53,283	1.4	56,502	1.4
Miscellaneous manufacturing industries	4,710	0.1	3,874	0.1
Agriculture and forestry	141	0.0	372	0.0
Fishery	—	—	—	—
Mining and quarrying of stone and gravel	26	0.0	—	—
Construction	13,380	0.3	12,816	0.3
Electricity, gas, heat supply, and water	770,642	19.9	736,416	18.5
Information and communications	88,870	2.3	89,090	2.2
Transport and postal activities	280,164	7.2	290,218	7.3
Wholesale trade	664,374	17.1	746,216	18.7
Retail trade	13,947	0.4	11,927	0.3
Finance and insurance	730,700	18.9	776,787	19.5
Real estate	367,187	9.5	358,310	9.0
Goods rental and leasing	100,405	2.6	98,363	2.5
Scientific research, and professional and technical services	20,502	0.5	20,246	0.5
Hotels	1,598	0.0	1,762	0.0
Eating and drinking services	420	0.0	723	0.0
Living-related and personal services, and amusement services	2,465	0.1	3,143	0.1
Education and learning support	180	0.0	301	0.0
Medical, health care, and welfare services	477	0.0	212	0.0
Other services	2,652	0.1	2,567	0.1
Local governments	282	0.0	414	0.0
Loans for housing funds and consumer credit (with installment repayments)	17,472	0.5	17,927	0.4
Others	—	—	—	—
Subtotal	3,686,695	95.1	3,799,486	95.4
Overseas				
Governments and others	21,000	0.5	31,000	0.8
Financial institutions	14,520	0.4	14,860	0.4
Commerce, industry and others	153,460	4.0	139,124	3.5
Subtotal	188,980	4.9	184,984	4.6
Total of industrial and consumer loans	3,875,676	100.0	3,984,470	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,	2020		2019	
	Amount	(%)	Amount	(%)
Capital expenditures	856,623	22.1	845,429	21.2
Operating capital	3,019,052	77.9	3,139,041	78.8

Breakdown of Loans by Region (General Account)

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Hokkaido	47,165	1.3	36,953	1.0
Tohoku	49,317	1.3	52,747	1.4
Kanto	2,778,432	75.7	2,866,206	75.8
Chubu	333,153	9.1	350,618	9.3
Kinki	222,227	6.1	236,734	6.3
Chugoku	44,706	1.2	48,388	1.3
Shikoku	40,820	1.1	42,693	1.1
Kyushu	153,401	4.2	147,216	3.9
Total	3,669,223	100.0	3,781,558	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,	2020		2019	
	Amount	(%)	Amount	(%)
Collateral loans	11,558	0.3	12,349	0.3
Loans secured by securities	4,184	0.1	4,434	0.1
Loans secured by real estate, movable assets or aggregated foundation collateral	5,974	0.2	6,640	0.2
Loans secured by nominative claims	1,400	0.0	1,274	0.0
Guaranteed loans	61,204	1.6	65,889	1.7
Fiduciary loans	3,785,439	97.7	3,888,303	97.6
Others	17,472	0.5	17,927	0.4
Total of industrial and consumer loans	3,875,676	100.0	3,984,470	100.0
Subordinated loans	308,150	8.0	315,950	7.9

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, 2020							
Land	603,904	110	666	663	—	603,348	—
Buildings	258,110	13,795	1,685	1,581	16,858	253,361	436,706
Construction in progress	4,329	15,468	15,548	—	—	4,249	—
Other tangible fixed assets	4,012	1,358	200	—	1,489	3,680	16,339
Total of tangible fixed assets	870,356	30,732	18,101	2,245	18,348	864,639	453,045
Real estate for rent	557,297	14,858	8,754	1,574	9,474	553,925	259,746
Software	47,640	36,388	42	—	20,771	63,215	49,838
Other intangible fixed assets	40,848	27,519	42,651	—	16	25,701	136
Total of intangible fixed assets	88,489	63,907	42,693	—	20,787	88,916	49,974
Year ended March 31, 2019							
Land	600,808	4,415	1,319	692	—	603,904	—
Buildings	264,156	11,117	538	511	16,625	258,110	419,900
Construction in progress	3,934	13,764	13,369	—	—	4,329	—
Other tangible fixed assets	4,125	1,513	68	—	1,558	4,012	16,120
Total of tangible fixed assets	873,024	30,811	15,295	1,204	18,184	870,356	436,021
Real estate for rent	560,368	18,210	11,917	1,114	9,363	557,297	250,480
Software	52,269	14,850	32	—	19,447	47,640	45,683
Other intangible fixed assets	28,465	31,687	19,288	—	16	40,848	186
Total of intangible fixed assets	80,734	46,538	19,320	—	19,463	88,489	45,870

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,	2020	2019
Real estate	860,958	866,343
For operational use	308,087	309,121
For rent	552,870	557,222
The number of buildings for rent	152 buildings	154 buildings

Gains on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2020	2019
Tangible fixed assets	—	2,363
Land	—	289
Buildings	—	0
Others	—	2,073
Intangible fixed assets	—	—
Others	—	45
Total	—	2,409
Real estate for rent	—	2,363

Losses on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2020	2019
Tangible fixed assets	1,494	1,408
Land	3	10
Buildings	1,290	1,329
Others	200	68
Intangible fixed assets	50	37
Others	134	102
Total	1,679	1,547
Real estate for rent	362	794

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, 2020					
Tangible fixed assets	406,736	9,586	260,207	146,528	64.0
Buildings	404,540	9,474	258,271	146,269	63.8
Others	2,195	111	1,935	259	88.2
Intangible fixed assets	89	4	69	19	77.8
Others	119	18	102	16	86.2
Total	406,944	9,609	260,379	146,565	64.0
Year ended March 31, 2019					
Tangible fixed assets	402,652	9,477	251,637	151,014	62.5
Buildings	400,535	9,363	249,803	150,731	62.4
Others	2,117	113	1,834	283	86.6
Intangible fixed assets	90	4	65	24	73.0
Others	128	35	92	35	72.5
Total	402,870	9,516	251,796	151,074	62.5

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,	2020		2019	
	Amount	(%)	Amount	(%)
Bonds	8,754,071	78.9	7,678,631	74.4
Stocks and others	1,612,256	14.5	1,685,729	16.3
Cash, deposits and others	239,121	2.2	192,142	1.9
Subtotal	10,605,449	95.5	9,556,503	92.6

(2) Assets with value fixed in yen

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Loans	131,049	1.2	131,049	1.3
Others	100	0.0	102	0.0
Subtotal	131,149	1.2	131,151	1.3

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,	2020		2019	
	Amount	(%)	Amount	(%)
Loans for non-residents	153,520	1.4	166,860	1.6
Bonds (foreign bonds issued in yen)	166,166	1.5	185,514	1.8
Others	43,623	0.4	283,122	2.7
Subtotal	363,310	3.3	635,496	6.2

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

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Foreign securities investment and overseas loans	11,099,909	100.0	10,323,151	100.0

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, 2020								
North America	7,596,787	74.7	6,966,101	81.8	630,685	38.1	23,852	12.6
Europe	936,028	9.2	838,597	9.9	97,430	5.9	29,500	15.6
Oceania	467,731	4.6	467,731	5.5	—	—	24,607	13.0
Asia	188,086	1.8	76,882	0.9	111,204	6.7	1,020	0.5
Latin America	850,783	8.4	34,224	0.4	816,559	49.3	110,000	58.2
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	129,527	1.3	129,527	1.5	—	—	—	—
Total	10,168,944	100.0	8,513,065	100.0	1,655,879	100.0	188,980	100.0
As of March 31, 2019								
North America	6,880,424	72.2	6,243,310	82.6	637,114	32.4	25,731	13.9
Europe	891,215	9.4	759,188	10.0	132,027	6.7	29,500	15.9
Oceania	322,346	3.4	322,346	4.3	—	—	8,392	4.5
Asia	165,375	1.7	53,739	0.7	111,635	5.7	1,360	0.7
Latin America	1,129,575	11.9	41,500	0.5	1,088,074	55.3	110,000	59.5
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	141,969	1.5	141,969	1.9	—	—	10,000	5.4
Total	9,530,906	100.0	7,562,054	100.0	1,968,851	100.0	184,984	100.0

Breakdown of Foreign Currency-Denominated Assets by Currency

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
U.S. dollar	9,350,802	88.2	8,506,148	89.0
Australian dollar	522,653	4.9	330,751	3.5
Euro	509,066	4.8	490,726	5.1
Others	222,925	2.1	228,876	2.4
Total	10,605,449	100.0	9,556,503	100.0

Investments and Loans for Public Entities (General Account)

(Millions of Yen)

Years ended March 31,	2020	2019
Bonds		
Government bonds	—	—
Municipal bonds	—	—
Other public entity bonds	966	1,114
Subtotal	966	1,114
Loans		
Loans for government-related agencies	756	836
Loans for other public entities	7,662	4,000
Subtotal	8,418	4,836
Total	9,385	5,950

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, 2020					
Deferred assets	6,036	597	85	2,184	4,364
Others	—	961	1,096	—	5,676
Total	—	1,558	1,181	2,184	10,040
Year ended March 31, 2019					
Deferred assets	5,043	1,461	469	1,592	4,444
Others	—	876	995	—	5,810
Total	5,043	2,338	1,464	1,592	10,254

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,	2020					2019				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,135,333	4,882,136	746,803	747,035	(232)	4,336,078	5,170,501	834,422	834,499	(76)
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	1,620,716	(12,218)	8,057,811	9,713,518	1,655,706	1,656,309	(603)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	15,288,346	17,996,179	2,707,833	2,850,425	(142,591)	14,696,852	18,097,473	3,400,621	3,486,452	(85,830)
Domestic bonds	4,872,059	5,232,993	360,934	364,394	(3,460)	4,888,700	5,325,598	436,897	437,153	(255)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	7,920,182	8,505,333	585,150	646,961	(61,810)	7,293,609	7,870,746	577,137	628,368	(51,231)
Foreign bonds	7,083,149	7,622,208	539,058	567,541	(28,483)	6,502,084	6,928,152	426,067	470,907	(44,840)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	11,184	12,064	880	880	—	13,236	14,327	1,090	1,090	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)
Total	28,347,512	33,410,647	5,063,135	5,218,177	(155,042)	27,090,742	32,981,493	5,890,750	5,977,261	(86,510)
Domestic bonds	16,848,098	19,480,539	2,632,441	2,644,645	(12,203)	16,450,708	19,341,072	2,890,364	2,890,621	(256)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	8,811,040	9,466,805	655,765	721,284	(65,518)	7,927,511	8,528,002	600,490	652,400	(51,910)
Foreign bonds	7,974,006	8,583,680	609,673	641,864	(32,190)	7,135,987	7,585,407	449,420	494,939	(45,518)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	203,455	217,514	14,059	14,059	—	211,216	225,616	14,400	14,400	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

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,	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,124,533	4,871,569	747,035	4,328,278	5,162,778	834,499
Domestic bonds	3,835,912	4,564,012	728,099	4,030,348	4,845,025	814,676
Foreign bonds	96,349	102,106	5,756	99,949	106,462	6,512
Monetary claims bought	192,270	205,449	13,179	197,980	211,289	13,309
Securities whose fair value does not exceed the balance sheet amount	10,800	10,567	(232)	7,800	7,723	(76)
Domestic bonds	2,800	2,798	(1)	2,800	2,798	(1)
Foreign bonds	8,000	7,768	(231)	5,000	4,924	(75)
Monetary claims bought	—	—	—	—	—	—

(2) Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309
Domestic bonds	7,492,090	9,044,241	1,552,150	7,528,858	9,167,649	1,638,791
Foreign bonds	678,166	746,731	68,565	488,223	505,742	17,518
Securities whose fair value does not exceed the balance sheet amount	753,576	741,358	(12,218)	40,728	40,125	(603)
Domestic bonds	645,235	636,493	(8,741)	—	—	—
Foreign bonds	108,340	104,864	(3,476)	40,728	40,125	(603)

(3) Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2020			2019		
	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	13,292,127	16,142,552	2,850,425	12,077,294	15,563,746	3,486,452
Domestic bonds	4,655,016	5,019,411	364,394	4,839,378	5,276,532	437,153
Domestic stocks	1,188,129	2,991,591	1,803,462	1,478,135	3,835,843	2,357,708
Foreign securities	6,857,142	7,504,104	646,961	5,222,294	5,850,663	628,368
Other securities	577,654	612,381	34,726	509,250	571,381	62,130
Monetary claims bought	11,184	12,064	880	13,236	14,327	1,090
Negotiable deposits	3,000	3,000	0	15,000	15,000	0
Money held in trust	—	—	—	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	1,996,218	1,853,626	(142,591)	2,619,557	2,533,726	(85,830)
Domestic bonds	217,042	213,582	(3,460)	49,321	49,065	(255)
Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)
Foreign securities	1,063,040	1,001,229	(61,810)	2,071,315	2,020,083	(51,231)
Other securities	257,866	231,759	(26,106)	265,962	255,384	(10,578)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	30,000	29,995	(4)	19,000	18,998	(1)
Money held in trust	17,859	13,966	(3,892)	17,864	16,669	(1,194)

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

(Millions of Yen)

As of March 31,	2020	2019
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	847,921	881,663
Available-for-sale securities	45,098	295,993
Unlisted domestic stocks	27,725	27,452
Unlisted foreign stocks	4,126	257,126
Other foreign securities	531	596
Others	12,714	10,818
Total	893,020	1,177,656

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,	2020					2019				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Domestic bonds	16,848,098	19,480,539	2,632,441	2,644,645	(12,203)	16,450,708	19,341,072	2,890,364	2,890,621	(256)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	9,583,663	10,172,883	589,220	731,856	(142,636)	8,700,198	9,256,482	556,284	672,815	(116,530)
Foreign bonds	7,974,006	8,583,680	609,673	641,864	(32,190)	7,135,987	7,585,407	449,420	494,939	(45,518)
Foreign stocks and others	1,609,656	1,589,203	(20,453)	89,991	(110,445)	1,564,211	1,671,074	106,863	177,876	(71,012)
Other securities	837,059	845,690	8,631	34,737	(26,106)	776,515	828,070	51,554	62,139	(10,585)
Others	254,314	264,477	10,162	14,059	(3,896)	263,081	276,285	13,204	14,400	(1,196)
Total	29,121,675	34,118,275	4,996,600	5,228,760	(232,160)	27,864,731	33,711,278	5,846,546	5,997,685	(151,138)

Notes: 1. Figures presented above exclude ¥403,667 million comprising unlisted domestic securities totaling ¥150,667 million and unlisted foreign securities totaling ¥253,000 million, both of which were posted at book value as of March 31, 2019.

2. Figures above exclude ¥118,857 million, comprising unlisted domestic securities, which was posted at book value as of March 31, 2020.

3. After these exclusions, the above figures account for 98.6% and 99.6% of total securities, respectively, as of March 31, 2019 and March 31, 2020.

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,	2020					2019				
	Balance sheet amount	Fair value	Net gains/losses			Balance sheet amount	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	13,966	13,966	—	—	—	16,669	16,669	—	—	—

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,	2020					2019				
	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	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

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,	2020						2019					
	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	61,637	(10,208)	—	—	—	51,428	57,632	(8,782)	—	—	—	48,850
Hedge accounting not applied	0	(20,724)	(8,969)	—	—	(29,694)	4	(2,742)	—	—	—	(2,737)
Total	61,637	(30,933)	(8,969)	—	—	21,734	57,637	(11,524)	—	—	—	46,112

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019 and loss attributable to currency-related transactions totaling ¥11,456 million as of March 31, 2020. 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,	2020				2019			
	Notional amount/ contract value			Net gains (losses)	Notional amount/ contract value			Net gains (losses)
	Over 1 year	Fair value			Over 1 year	Fair value		
OTC								
Interest rate swaps								
Receipts fixed, payments floating	900	900	0	0	700	700	4	4
Total				0				4

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,	2020							2019						
	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	—	—	—	—	—	900	900	—	—	—	—	—	700	700
Average interest rate in receipt (%)	—	—	—	—	—	0.15	0.15	—	—	—	—	—	0.41	0.41
Average interest rate in payment (%)	—	—	—	—	—	(0.04)	(0.04)	—	—	—	—	—	0.01	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,	2020				2019			
	Notional amount/ contract value			Net gains (losses)	Notional amount/ contract value			Net gains (losses)
	Over 1 year	Fair value			Over 1 year	Fair value		
OTC								
Foreign currency forward contracts								
Sold	679,417	—	(2,022)	(2,022)	166,438	—	62	62
(U.S. dollar)	652,226	—	(4,399)	(4,399)	157,950	—	(32)	(32)
(Australian dollar)	27,191	—	2,377	2,377	8,488	—	94	94
Bought	—	—	—	—	1,002	—	7	7
(U.S. dollar)	—	—	—	—	1,002	—	7	7
Currency options								
Sold								
Call	157,097	—	—	—	198,628	—	—	—
	[41]	—	41	0	[476]	—	1	474
(U.S. dollar)	157,097	—	—	—	198,628	—	—	—
	[41]	—	41	0	[476]	—	1	474
Bought								
Put	166,178	—	—	—	178,500	—	—	—
	[63]	—	198	135	[476]	—	32	(443)
(U.S. dollar)	166,178	—	—	—	178,500	—	—	—
	[63]	—	198	135	[476]	—	32	(443)
Currency swaps								
Yen payments/Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	154,546	154,546	(3,143)	(3,143)
Yen payments/U.S. dollar receipts	7,080	7,080	881	881	11,740	11,740	300	300
Total				(20,724)				(2,742)

Notes: 1. Net gains (losses) on foreign exchange contracts and currency swaps represent the fair values. 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,		2020				2019			
		Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded transactions	Yen stock index futures Sold	148,066	—	(8,969)	(8,969)	—	—	—	—
Total					(8,969)				—

Note: Net gains (losses) on yen stock index futures 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,			2020			2019		
			Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year			Over 1 year		
Hedge accounting method	Type	Main hedged items						
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	227,300	227,300	61,477	230,700	230,700	57,446
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	3,222	3,222	159	3,369	3,324	185
Total					61,637			57,632

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

(Millions of Yen)

As of March 31,		2020							2019						
		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		—	6,500	8,122	10,100	12,400	193,400	230,522	45	6,300	6,800	11,124	12,300	197,500	234,069
Average interest rate in receipt (%)		—	1.68	1.74	1.83	2.13	1.86	1.86	1.60	1.56	1.75	1.73	2.05	1.87	1.86
Average interest rate in payment (%)		—	(0.01)	0.10	0.01	(0.01)	(0.02)	(0.02)	0.07	0.01	(0.00)	0.14	0.00	0.00	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,			2020			2019		
			Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year			Over 1 year		
Hedge accounting method	Type	Main hedged items						
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds						
	Sold		4,679,142	—	(11,456)	3,887,217	—	(8,600)
	(U.S. dollar)		4,169,798	—	(34,142)	3,529,862	—	(10,393)
	(Euro)		253,887	—	1,063	199,793	—	700
	(Australian dollar)		240,977	—	20,754	142,408	—	980
	(Others)		14,479	—	867	15,152	—	112
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds						
	(Euro)		35,575	35,575	538	35,575	35,575	(381)
	(Australian dollar)		4,305	4,305	709	4,305	4,305	199
Total					(10,208)			(8,782)

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)

		Revaluation differences	Net unrealized gains		
			Unrealized gains in off-balance-sheet transactions		
			Book value	Fair value	
As of March 31, 2020	542,845	197,631	345,214	615,507	960,721
As of March 31, 2019	471,193	197,268	273,924	616,057	889,981

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,	2020	2019
Securities	4,996,600	5,846,546
Valuation differences	2,707,975	3,401,194
Unrealized gains in off-balance-sheet transactions	2,288,625	2,445,352
Land	542,845	471,193
Revaluation differences	197,631	197,268
Unrealized gains in off-balance-sheet transactions	345,214	273,924
Others	62,679	57,257
Total	5,602,126	6,374,996

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 ¥8,600 million as of March 31, 2019 and loss attributable to currency-related transactions totaling ¥11,456 million as of March 31, 2020. 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,	2020	2019
Variable individual life insurance	46,722	55,634
Variable individual annuities	252,139	294,285
Group pensions	512,065	475,451
Total	810,928	825,371

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

In the domestic bond market, long-term yields continued their downtrend until August 2019 due to a sense of uncertainty over the outcomes of U.S.-China trade talks. However, long-term yields subsequently rose into the end of 2019 thanks mainly to progress in such talks and diminished expectations for additional monetary easing measures by the Bank of Japan (BOJ). From January 2020 until early March, long-term yields declined due to the fallout from the global outbreak of COVID-19, but then again increased because of the growing trend to bolster cash reserves.

Consequently, the yield on ten-year JGBs stood at 0.005% as of March 31, 2020, up 0.1 of a percentage point compared with the end of the previous fiscal year.

In the domestic stock market, prices remained volatile and susceptible to news coverage on U.S.-China trade tension until summer. However, prices thereafter maintained an upward trajectory due to a partial agreement in U.S.-China trade talks and expectations that major economic stimulus policies would be introduced by the Japanese government, with the Nikkei average temporarily hitting the ¥24,000 mark. From late February 2020 onward, however, the global outbreak of the COVID-19 virus prompted a radical decline in stock prices, and in March, the Nikkei average temporarily fell below ¥17,000 for the first time in 40 months due to plunging crude oil prices and the enforcement of restrictions on movement in many countries. Prices then recovered somewhat reflecting expectations for government-led major economic stimulus policies to be introduced in various countries. As a result, the Nikkei average as of March 31, 2020 stood at ¥18,917, down ¥2,289 from March 31, 2019.

In the U.S. bond market, long-term yields continued downward until August 2019 mainly influenced by the future uncertainty over U.S.-China trade tension and expectations for potential interest rate reductions by the U.S. Federal Reserve Bank (FRB). However, in step with progress in U.S.-China trade talks, long-term yields rose gradually into the end of 2019. From January 2020 onward, however, long-term yields resumed their downward track amid the growing number of COVID-19 infection cases reported in China. In the period leading up to the close of the fiscal year, long-term yields fell significantly, reflecting such factors as the global outbreak of the virus and the FRB's emergency measures to cut interest rates. As a result, the yield on ten-year U.S. Treasuries dropped to 0.670% as of March 31, 2020, down 1.736 of a percentage point from a year earlier.

In the U.S. stock market, prices remained volatile and susceptible to news coverage on U.S.-China trade tension until summer. However, prices rose thereafter thanks mainly to progress in U.S.-China trade talks, the FRB's monetary easing policies and solid U.S. economic indicators, with a series of record highs being reported until mid-February 2020. Stock prices then fell significantly with the emergence of the outbreak of the COVID-19 which, in turn, prompted growing uncertainty over the economic outlook. Although prices recovered somewhat near the end of the fiscal year on expectations the U.S. government would unveil major monetary and fiscal policies, the Dow Jones Industrial Average stood at US\$21,917 on March 31, 2020, down US\$4,012 year on year.

As for foreign currency exchange rates, the global COVID-19 outbreak led to highly volatile markets from February 2020 onward. Consequently, the exchange rate as of March 31, 2020 stood at ¥108.83 to the U.S. dollar, up ¥2.16 year on year, and ¥119.55 to the euro, up ¥5.1 year on year.

Given this environment, the Company strove to secure stable returns from variable individual life insurance through diversified investment in both domestic and overseas assets. Specifically, during the fiscal year ended March 31, 2020, the Company flexibly adjusted its asset portfolio in light of changes in the prevailing market environment by, for example raising stock allocations when stock prices were rising and by decreasing them when risk aversion prevailed due to the outbreak of COVID-19.

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)			
	2020		2019	
	Number of policies	Amount	Number of policies	Amount
Variable life insurance (term type)	—	—	—	—
Variable life insurance (whole-life type)	49,710	458,423	50,818	470,176
Total	49,710	458,423	50,818	470,176

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

Breakdown of Assets

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	548	1.2	512	0.9
Securities	42,865	91.7	52,194	93.8
Domestic bonds	13,990	29.9	16,166	29.1
Domestic stocks	13,137	28.1	17,607	31.6
Foreign securities	15,737	33.7	18,420	33.1
Foreign bonds	4,721	10.1	5,054	9.1
Foreign stocks and others	11,015	23.6	13,365	24.0
Other securities	—	—	—	—
Loans	—	—	—	—
Others	3,309	7.1	2,926	5.3
Allowance for possible loan losses	—	—	—	—
Total	46,722	100.0	55,634	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2020	2019
Interest, dividends and other income	996	1,176
Gains on sales of securities	2,911	3,700
Gains on redemption of securities	—	—
Gains on valuation of securities	4,903	6,032
Foreign exchange gains	16	25
Gains on derivative financial instruments	554	283
Other income	3	5
Losses on sales of securities	2,394	2,832
Losses on redemption of securities	—	—
Losses on valuation of securities	9,143	7,786
Foreign exchange losses	30	21
Losses on derivative financial instruments	244	255
Other expenses	1	1
Net gains (losses)	(2,429)	327

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2020		2019	
	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	42,865	(4,240)	52,194	(1,753)

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,	2020						2019					
	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	—	(3)	(28)	—	—	(31)	—	(2)	(9)	—	—	(11)
Total	—	(3)	(28)	—	—	(31)	—	(2)	(9)	—	—	(11)

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,	2020			2019		
	Notional amount/ contract value		Net gains (losses)	Notional amount/ contract value		Net gains (losses)
	Over 1 year	Fair value		Over 1 year	Fair value	
OTC						
Foreign currency forward contracts						
Sold	631	—	(2)	(2)	—	—
(U.S. dollar)	341	—	(3)	(3)	—	—
(Euro)	290	—	1	1	—	—
Bought	164	—	(0)	(0)	1,046	(2)
(U.S. dollar)	—	—	—	—	735	1
(Euro)	164	—	(0)	(0)	310	(3)
Total			(3)	(3)		(2)

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

◆ Stock-Related

(Millions of Yen)

As of March 31,	2020			2019		
	Notional amount/ contract value		Net gains (losses)	Notional amount/ contract value		Net gains (losses)
	Over 1 year	Fair value		Over 1 year	Fair value	
Exchange-traded transactions						
Yen stock index futures						
Sold	—	—	—	—	964	(6)
Bought	91	—	6	6	—	—
Foreign currency-denominated stock index futures						
Sold	346	—	(35)	(35)	—	—
Bought	—	—	—	—	1,088	(2)
Total			(28)	(28)		(9)

Note: Net gains (losses) on stock index futures and foreign currency-denominated stock index futures represent the fair values.

◆ Bond-Related

Not applicable.

(3) Transactions Where Hedge Accounting is Applied

Not applicable.

Variable Individual Annuities (Separate Account)
Policies in Force

(Millions of Yen)

As of March 31,	2020		2019	
	Number of policies	Amount	Number of policies	Amount
Variable individual annuities	84,895	263,847	91,855	298,040

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,	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	546	0.2	264	0.1
Securities	247,899	98.3	291,779	99.1
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and others	—	—	—	—
Other securities	247,899	98.3	291,779	99.1
Loans	—	—	—	—
Others	3,693	1.5	2,242	0.8
Allowance for possible loan losses	—	—	—	—
Total	252,139	100.0	294,285	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2020	2019
Interest, dividends and other income	7,127	4,577
Gains on sales of securities	0	0
Gains on redemption of securities	—	—
Gains on valuation of securities	38,087	43,459
Foreign exchange gains	—	—
Gains on derivative financial instruments	—	—
Other income	—	—
Losses on sales of securities	543	440
Losses on redemption of securities	0	—
Losses on valuation of securities	48,049	48,599
Foreign exchange losses	—	—
Losses on derivative financial instruments	—	—
Other expenses	—	—
Net gains (losses)	(3,376)	(1,002)

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2020		2019	
	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	247,899	(9,961)	291,779	(5,140)

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,	2020		2019	
	Number of groups	Fair value	Number of groups	Fair value
First treaty separate account	882	490,458	838	467,638
Comprehensive account	369	138,481	425	171,889
Accounts established for each investee	270	183,299	281	200,045
Dedicated accounts for each investee	309	168,677	199	95,703
Total	882	490,458	838	467,638

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, 2020

Although Meiji Yasuda Life maintained a greater allocation of foreign stocks in line with its annual investment plan, from February 2020 onward the Company took a conservative asset allocation approach, adjusting the weight of stocks as necessary. The average time-weighted return rate for comprehensive account assets during the fiscal year ended March 31, 2020, was negative 5.03%. This was attributable to negative returns recorded in domestic and foreign stocks.

(%)

	Planned figures for year ended March 31, 2020	Asset Allocations				As of March 31, 2020
		As of March 31, 2019	As of June 30, 2019	As of September 30, 2019	As of December 31, 2019	
Domestic bonds	28.0	29.9	30.5	31.5	27.3	31.1
Domestic stocks	32.0	30.4	26.9	28.5	32.3	30.2
Foreign bonds	11.0	9.2	9.7	9.4	9.6	10.6
Foreign stocks	26.0	27.9	27.1	26.8	28.3	25.8
Short-term funds and others	3.0	2.6	5.7	3.8	2.5	2.3
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,	2020		2019	
	Fair value	(%)	Fair value	(%)
Domestic bonds	43,134	31.1	51,349	29.9
Domestic stocks	41,849	30.2	52,254	30.4
Foreign bonds	14,658	10.6	15,743	9.2
Foreign stocks	35,690	25.8	48,011	27.9
Short-term funds and others	3,148	2.3	4,530	2.6
Total	138,481	100.0	171,889	100.0

(3) Investment Performance

(%)

Years ended March 31,	2020	2019
Time-weighted return rate	(5.03)	0.54

First Treaty Separate Account (Accounts Established for Each Investee)

(1) Investment Status in the Year Ended March 31, 2020

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 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 the emphasis placed on various factors. In this way, the Company executed enhanced index investing. The Company strove to control exposure to risks specific to certain business sectors while fixing the weighting allocated to each factor.
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 the demand/supply outlook for JGBs.
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. 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. The Company also fixed the weighting allocated to each factor while striving to control exposure to risks specific to certain regions and business sectors.
Short-term fund account	The Company engaged in investment focusing on maintaining liquidity and stability.

- Notes: 1. The Company's "quantitative model" used to select stocks in the course of administering the foreign currency denominated stock account, was improved in April 2019.
2. The Company's "U.S. model" used to select stocks in the course of administering the foreign currency denominated stock account—B was improved in April 2019.
3. The Company's "quantitative model" used to select stocks in the course of administering the yen currency denominated stock account—B, was improved in June 2019.

(2) Fair Value and Investment Performance

(Millions of Yen)

As of and years ended March 31,	2020		2019	
	Fair value	Time-weighted return rate (%)	Fair value	Time-weighted return rate (%)
Yen currency denominated bond account	98,638	0.18	104,216	1.89
Yen currency denominated stock account	10,894	(9.65)	13,373	(6.51)
Yen currency denominated stock account—B	18,012	(9.52)	23,295	(6.59)
Foreign currency denominated bond account	33,429	4.35	34,692	2.40
Foreign currency denominated stock account	8,508	(11.12)	10,335	9.13
Foreign currency denominated stock account—B	10,305	(13.61)	10,603	9.08
Short-term fund account	3,509	0.00	3,528	0.00
Total	183,299		200,045	

Non-performing Loans

	(Millions of Yen)	
As of March 31,	2020	2019
Loans to bankrupt borrowers	26	—
Loans in arrears	5,574	4,265
Loans in arrears for three months or longer	—	—
Restructured loans	18,581	21,668
Total	24,182	25,934
Non-performing loans/total loans (%)	0.49	0.52

- 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 ¥91 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2019; and ¥161 million for loans to bankrupt borrowers and ¥22 million for loans in arrears as of March 31, 2020.
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,	2020	2019
(A) Total solvency margin	6,979,863	7,305,541
① Foundation funds	962,753	889,822
② Reserve for price fluctuation	833,615	816,962
③ Contingency reserves	787,671	710,739
④ Catastrophe reserves	11,076	10,556
⑤ General allowance for possible loan losses	1,490	1,091
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)	2,485,574	3,048,988
⑦ Unrealized gains on land × 85% (100% in case of losses)	468,827	406,485
⑧ Total of unrecognized actuarial differences and unrecognized past service costs	(31,154)	(424)
⑨ Excess of continued Zillmerized reserve	870,776	909,388
⑩ Qualifying subordinated debt	640,735	560,735
⑪ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑫ Deductions	(163,332)	(156,581)
⑬ Other (tax effect adjustment)	111,829	107,777
(B) Total amount of risk $\sqrt{(\sqrt{14^2+15^2+(17+18)^2+(19+20+21)^2+16+22}}$	1,220,582	1,404,686
⑭ Insurance risk	164,223	162,499
⑮ General underwriting risk	1,795	1,763
⑯ Major disaster risk	482	465
⑰ Third-sector insurance risk	74,522	69,535
⑱ Insurance risk of small-amount short-term insurer	—	—
⑲ Assumed interest rate risk	141,082	146,477
⑳ Minimum guarantee risk	7,345	11,035
㉑ Investment risk	1,019,337	1,195,209
㉒ Business management risk	28,175	31,739
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	1,143.6	1,040.1

- 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,	2020	2019
(A) Total solvency margin	37,521	72,007
① Capital and others	23,413	58,033
② Reserve for price fluctuation	682	617
③ Contingency reserves	28	25
④ Catastrophe reserves	11,076	10,556
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)	224	995
⑦ Unrealized gains on land × 85% (100% in case of losses)	1,347	1,178
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	748	601
(B) Total amount of risk $\sqrt{((13+14)^2+(15+16)^2+(17)+18)}$	2,536	2,747
⑬ General underwriting risk	1,795	1,763
⑭ Third-sector insurance risk	—	—
⑮ Assumed interest rate risk	5	5
⑯ Investment risk	856	1,327
⑰ Business management risk	62	71
⑱ Major disaster risk	482	465
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	2,958.0	5,241.6

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, 2019 and March 31, 2020, 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.