
Financial Results for the Fiscal Year Ended March 31, 2015

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Hiroshi Kanai) announces its financial results for the fiscal year ended March 31, 2015.

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

1. Business Highlights

(1) Policies in Force and New Policies

Policies in Force

	As of March 31, 2014				As of March 31, 2015			
	Number of policies		Amount		Number of policies		Amount	
	(thousands)	% of March 31, 2013 total	(millions of yen)	% of March 31, 2013 total	(thousands)	% of March 31, 2014 total	(millions of yen)	% of March 31, 2014 total
Individual insurance	98	651.4	768,813	576.6	179	182.4	1,360,497	177.0
Individual annuities	441	119.7	2,545,193	121.0	580	131.6	3,544,134	139.2
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

	Number of policies		Amount (millions of yen)	Amount		
	(thousands)	% of March 31, 2014 total		% of March 31, 2014 total	New Business	Net increase from conversions
Year ended March 31, 2015						
Individual insurance	85	101.0	658,557	102.8	658,557	-
Individual annuities	186	187.9	1,208,858	212.9	1,208,858	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Year ended March 31, 2014						
Individual insurance	84	/	640,452	/	640,452	-
Individual annuities	99	/	567,742	/	567,742	-
Group insurance	-	/	-	/	-	-
Group annuities	-	/	-	/	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

(2) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2014		As of March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Individual insurance	57,984	623.6	106,965	184.5
Individual annuities	270,574	118.5	344,814	127.4
Total	328,558	138.3	451,779	137.5
Medical and survival benefits	-	-	-	-

New Policies

(millions of yen except percentages)

	Year Ended March 31, 2014		Year Ended March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Individual insurance	49,190	577.8	54,103	110.0
Individual annuities	62,117	119.0	109,899	176.9
Total	111,307	183.3	164,003	147.3
Medical and survival benefits	-	-	-	-

Note: Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

(3) Profit and Loss Items

(millions of yen except percentages)

	Year Ended March 31, 2014		Year Ended March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Premium and other income	1,266,038	229.8	1,899,783	150.1
Investment income	151,800	65.8	257,791	169.8
Benefits and claims	323,877	143.6	496,228	153.2
Investment expenses	35,846	91.1	52,066	145.2
Ordinary loss	15,892	55.6	19,777	124.4

(4) Total Assets

(millions of yen except percentages)

	As of March 31, 2014		As of March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Total Assets	3,392,400	142.9	4,937,267	145.5

2. Policies in Force as of March 31, 2015 by Benefit Type

	Individual Insurance		Individual annuities		Group Insurance		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Death benefits								
General	179	1,360,497	-	-	-	-	179	1,360,497
Accidental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Survival benefits	-	-	580	3,544,134	-	-	580	3,544,134
Hospitalization benefits								
Accidental	-	-	-	-	-	-	-	-
Illness	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Injury benefits	-	-	-	-	-	-	-	-
Surgery benefits	-	-	-	-	-	-	-	-

	Group annuities		Financial insurance / Financial annuities		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Survival benefits	-	-	-	-	-	-

	Medical care insurance	
	Policies (thousands)	Amount (millions of yen)
Hospitalization benefits	-	-

	Group disability	
	Policies (thousands)	Amount (millions of yen)
Disability benefits	-	-

Note: Survival benefit amounts for individual annuities are the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

3. Investment of General Account Assets

(1) Overview of Investment of General Account Assets for the Fiscal Year ended March 31, 2015

A. Investment Environment

Due to a decrease in individual consumption and home investment caused by a consumption tax increase, the Japanese economy is expected to be negative growth during the fiscal year ended March 31, 2015.

On the other hand, the U.S. economy maintained steady growth mainly led by individual consumption backed by improved employment and income environment and declines in crude oil prices.

The European economy continued its moderate recovery owing to the enhanced monetary easing measures implemented by the European Central Bank (ECB), including buying government bonds, while there were growing concerns about deflation on the back of declines in crude oil prices.

Given the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

The ten-year Japanese government bond (JGB) yield kept a downward trend due to a continuous demand for JGBs by the Bank of Japan (BOJ). In the second half of the fiscal year, JGBs yield temporarily dipped below 0.2% due to a) the additional monetary easing measures implemented by the BOJ, b) turmoil in the financial markets on the back of declines in crude oil prices, and c) introduction of government bond -buying program by the ECB.

Yield on ten-year government bonds:	April 1, 2014	0.640%
	March 31, 2015	0.395%

[Domestic Stocks]

Although the Nikkei 225 stayed at a sluggish level on the back of stagnation of Japanese economic growth, the Nikkei 225 rose to the 19,000 level at the end of fiscal year 2015, the highest level since April 2000, after the announcement of the additional monetary easing measures by the BOJ in October 2014. This stock price increase was mainly due to a) an expectation for improvement in corporate earnings associated with the depreciation of the yen, b) a growing sensitivity to shareholder returns by Japanese companies and c) growing expectations for changes in the asset portfolio of public pension funds, including the Government Pension Investment Fund.

Nikkei 225 Stock Average:	April 1, 2014	14,827
	March 31, 2015	19,206
TOPIX:	April 1, 2014	1,202
	March 31, 2015	1,543

[Foreign Currency]

The yen against the U.S. dollar initially hovered around 102 yen during the first half of the fiscal year. Then, the yen depreciated to the 120 yen level for the first time since July 2007, mainly due to a) the Federal Reserve Bank's (FRB) decision to end its quantitative easing policy announced in October 2014 and b) the announcement of the additional monetary easing measures by the BOJ.

The yen's appreciation against the euro progressed owing to the enhanced monetary easing measures by the ECB.

yen /U.S. dollar:	April 1, 2014	¥102.92
	March 31, 2015	¥120.17
yen/euro:	April 1, 2014	¥141.65
	March 31, 2015	¥130.32

B. Investment Policies

In view of the liability characteristics of life insurance policies, assets in the general account are invested in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term.

General account assets are invested primarily in yen-denominated bonds, and call loans, other money market instruments.

Foreign-currency denominated insurance are invested in foreign-currency denominated bonds.

Certain instruments are also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

C. Investment Results

The Company invested primarily in fixed-income assets, such as yen-denominated bonds, and call loans, other money market instruments. Foreign-currency denominated insurance are invested in foreign-currency denominated bonds. Derivative trades attributable to money held in trust and investments in foreign securities (investment trusts) were also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

As a result, investment income was 71,341 million yen mainly due to interest and dividends (55,484 million yen), gains on sales of securities (15,110 million yen), and gains on redemption of securities (746 million yen). Investment expenses were 52,066 million yen mainly due to foreign exchange losses (30,021 million yen), derivative transaction losses (14,963 million yen), and losses on money held in trust (4,440 million yen) that incurred through transactions to hedge the guaranteed minimum benefit risk on individual variable annuities.

(2) Asset Composition

(millions of yen except percentages)

	As of March 31, 2014		As of March 31, 2015	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	69,010	4.4	69,933	2.4
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	6,040	0.4	6,078	0.2
Trading account securities	-	-	-	-
Money held in trust	31,701	2.0	29,160	1.0
Securities	1,424,152	89.8	2,661,402	92.7
Domestic bonds	618,016	39.0	878,455	30.6
Domestic stocks	-	-	-	-
Foreign securities	747,728	47.2	1,499,467	52.2
Foreign bonds	744,967	47.0	1,494,409	52.1
Foreign stocks and other securities	2,761	0.2	5,057	0.2
Other securities	58,407	3.7	283,479	9.9
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	54,243	3.4	103,264	3.6
Reserve for possible loan losses	(8)	(0.0)	(15)	(0.0)
Total	1,585,139	100.0	2,869,824	100.0
Foreign currency-denominated assets	717,407	45.3	1,571,465	54.8

(3) Changes (Increase/Decrease) in Assets

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash, deposits, and call loans	15,342	923
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	4,061	37
Trading account securities	-	-
Money held in trust	(478)	(2,540)
Securities	732,504	1,237,249
Domestic bonds	295,695	260,438
Domestic stocks	-	-
Foreign securities	378,400	751,739
Foreign bonds	380,272	749,442
Foreign stocks and other securities	(1,871)	2,296
Other securities	58,407	225,071
Loans	-	-
Real estate	-	-
Deferred tax assets	-	-
Others	16,207	49,020
Reserve for possible loan losses	(7)	(6)
Total	767,630	1,284,685
Foreign currency-denominated assets	391,742	854,058

(4) Investment Income

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Interest and dividends	23,511	55,484
Interest from bank deposits	127	305
Interest and dividends from securities	23,260	55,063
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	123	115
Gains on trading account securities	-	-
Gains on money held in trust	-	-
Gains on investment in trading securities	-	-
Gains on sale of securities	8,034	15,110
Gains on sale of domestic bonds	768	1,158
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	7,265	13,951
Others	-	-
Gains on redemption of securities	291	746
Derivative transaction gains	-	-
Foreign exchange gains	6,610	-
Reversal of reserve for possible loan losses	-	-
Other investment income	-	-
Total	38,447	71,341

(5) Investment Expenses

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Interest expenses	0	0
Losses on trading account securities	-	-
Losses on money held in trust	19,178	4,440
Losses on investment in trading securities	3,879	1,815
Losses on sale of securities	189	133
Losses on sale of domestic bonds	79	6
Losses on sale of domestic stocks	-	-
Losses on sale of foreign securities	110	127
Others	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Others	-	-
Losses on redemption of securities	-	-
Derivative transaction losses	11,947	14,963
Foreign exchange losses	-	30,021
Provision for reserve for possible loan losses	7	6
Write-down of loans	-	-
Depreciation of rented real estate and others	-	-
Other investment expenses	644	686
Total	35,846	52,066

(6) Other Information on Investments

A. Rates of return

(%)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash, deposits, and call loans	(2.69)	(6.66)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	0.82	0.85
Trading account securities	-	-
Money held in trust	(49.18)	(14.42)
Securities	3.69	2.23
Domestic bonds	1.60	2.09
Domestic stocks	-	-
Foreign securities	5.66	2.26
Loans	-	-
Real Estate	-	-
Total	0.24	0.90
Foreign investments	5.29	1.52

Note: 1. Rates of return above were calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.

2. "Foreign investments" include yen-denominated assets.

B. Valuation Gains and Losses on Trading Securities

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	34,462	(23,057)	34,218	(6,255)

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

C. Fair Value Information on Securities (securities with fair value except trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2015					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	1,734,410	1,858,429	124,019	124,653	633
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	873,157	928,012	54,855	55,322	467
Domestic bonds	312,153	327,278	15,125	15,160	35
Domestic stocks	-	-	-	-	-
Foreign securities	290,869	311,176	20,306	20,459	153
Foreign bonds	290,869	311,176	20,306	20,459	153
Foreign stocks and other securities	-	-	-	-	-
Other securities	264,134	283,479	19,345	19,623	278
Monetary claims bought	6,000	6,078	78	78	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	2,607,567	2,786,442	178,874	179,975	1,101
Domestic bonds	863,330	897,320	33,990	34,543	553
Domestic stocks	-	-	-	-	-
Foreign securities	1,474,103	1,599,563	125,460	125,729	268
Foreign bonds	1,474,103	1,599,563	125,460	125,729	268
Foreign stocks and other securities	-	-	-	-	-
Other securities	264,134	283,479	19,345	19,623	278
Monetary claims bought	6,000	6,078	78	78	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2014					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	734,108	740,080	5,972	7,723	1,751
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	681,823	693,323	11,500	12,972	1,472
Domestic bonds	309,891	317,261	7,369	7,559	190
Domestic stocks	-	-	-	-	-
Foreign securities	307,881	311,614	3,733	4,996	1,263
Foreign bonds	307,881	311,614	3,733	4,996	1,263
Foreign stocks and other securities	-	-	-	-	-
Other securities	58,050	58,407	357	376	19
Monetary claims bought	6,000	6,040	40	40	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	1,415,931	1,433,404	17,472	20,696	3,224
Domestic bonds	610,647	621,233	10,585	10,865	279
Domestic stocks	-	-	-	-	-
Foreign securities	741,233	747,723	6,489	9,414	2,925
Foreign bonds	741,233	747,723	6,489	9,414	2,925
Foreign stocks and other securities	-	-	-	-	-
Other securities	58,050	58,407	357	376	19
Monetary claims bought	6,000	6,040	40	40	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

*Book values of securities for which it is not practicable to determine fair value are as follows:

Not applicable.

D. Fair value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)	
			Gains	Losses
As of March 31, 2015	29,160	29,160	(4,440)	4,440
As of March 31, 2014	31,701	31,701	(19,178)	19,178

Note: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains (losses) are valuation gains (losses) that were included in the statement of earnings.

*Information on money held in trust for investment purposes is as follows:

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	31,701	(19,178)	29,160	(4,440)

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

Not applicable.

4. Non-Consolidated Balance Sheets

(millions of yen)

	As of	As of		As of	As of
	March 31,	March 31,		March 31,	March 31,
	2014	2015		2014	2015
	Amount	Amount		Amount	Amount
(ASSETS)			(LIABILITIES)		
Cash and deposits	49,790	56,221	Policy reserves and others	3,288,370	4,811,634
Bank deposits	49,790	56,221	Reserves for outstanding claims	2,485	4,548
Call loans	28,300	25,100	Policy reserves	3,285,885	4,807,086
Monetary claims bought	6,040	6,078	Reinsurance payable	1,260	2,717
Money held in trust	31,701	29,160	Other liabilities	49,050	45,659
Securities	3,220,656	4,715,429	Corporate income tax payable	17	6
Government bonds	338,895	515,825	Accounts payable	32,513	23,817
Local government bonds	7,905	9,301	Accrued expenses	11,175	13,869
Corporate bonds	271,216	353,328	Deposits received	176	246
Foreign securities	752,284	1,510,440	Guarantee deposits received	-	195
Other securities	1,850,355	2,326,533	Differential account for futures trading	129	259
Tangible fixed assets	85	90	Derivatives	2,248	5,302
Other tangible fixed assets	85	90	Suspense receipts	2,787	1,960
Intangible fixed assets	1	581	Reserve for employees' retirement benefits	131	157
Software	-	580	Reserve for retirement benefits of directors, executive officers and corporate auditors	5	5
Other intangible fixed assets	1	0	Reserve for price fluctuations	1,714	3,781
Reinsurance receivables	26,891	66,537	Deferred tax liabilities	3,538	15,900
Other assets	28,942	38,083	Total liabilities	3,344,071	4,879,855
Accounts receivable	13,586	13,291	(NET ASSETS)		
Prepaid expenses	32	65	Capital stock	117,500	117,500
Accrued revenue	8,126	14,493	Capital surplus	67,500	67,500
Deposits	202	150	Legal capital surplus	67,500	67,500
Margin money for futures trading	2,679	2,158	Retained earnings	(144,632)	(166,542)
Derivatives	2,861	6,267	Other retained earnings	(144,632)	(166,542)
Suspense payments	1,116	1,263	Retained earnings brought forward	(144,632)	(166,542)
Other assets	337	394	Total shareholders' equity	40,367	18,457
Reserve for possible loan losses	(8)	(15)	Net unrealized gains on securities, net of tax	7,961	38,954
Total assets	3,392,400	4,937,267	Total of valuation and translation adjustments	7,961	38,954
			Total net assets	48,329	57,411
			Total liabilities and net assets	3,392,400	4,937,267

Notes to the Non-Consolidated Balance Sheet as of March 31,2015

- 1 Securities (including monetary claims bought which is equivalent to marketable securities) are valued as follows:
 - (a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
 - (b) Policy-reserve-matching bonds (bonds defined by the Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No. 21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry) are valued using the moving-average amortized cost (straight line) method.
 - (c) Other securities with fair values are valued at fair value using market prices as of the end of the year (sales cost is calculated with the moving-average method). Securities for which it is not practicable to determine fair value are recorded on the balance sheet at acquisition cost.Valuation differences on other securities are reported as a component of net assets.
- 2 Risk management policies regarding policy-reserve matching bonds are as follows:

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:

 - (a) Individual insurance and annuities (JP yen-denominated, short term)
 - (b) Individual insurance and annuities (JP yen-denominated, long term)
 - (c) Individual insurance and annuities (US dollar-denominated)
 - (d) Individual insurance and annuities (AUS dollar-denominated)with the exception of certain types and policies.
- 3 Derivative transactions (including those attributable to money held in trust and foreign securities (investment trusts)) are reported at fair value.
- 4 Depreciation of tangible fixed assets is calculated by the declining balance method. Other tangible fixed assets that were acquired for 100,000 yen or more but less than 200,000 yen are depreciated in equal increments over three years.
- 5 Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is based on the estimated useful life.
- 6 Foreign currency-denominated assets and liabilities are translated into yen-denominated amounts at market exchange rates as of the book closing date.

Changes in market values of bonds included in foreign currency-denominated other securities are divided into two, and the portion attributable to changes in the securities' nominal market prices in their local currencies is included in "valuation difference" on other securities, and the rest in "foreign exchange gains/losses".
- 7 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual loan losses, pursuant rules on the self-assessment of assets as well as rules on the write-offs on and provisioning of reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based on the assessment results.
- 8 Reserve for employees' retirement benefits is provided based on the projected benefit obligations as of fiscal year-ended March 31, 2015. The amount is calculated using the simplified method which assumes the Company's benefit obligation to be equal to the benefits payable assuming the voluntary retirement of all employees at fiscal year-end.
- 9 To provide for the retirement benefits of directors, executives and auditors seconded from the Dai-ichi Life Insurance Company (the parent company), which are payable to the parent company, the Company calculates its share of the relevant accrued benefits as of fiscal year-end pursuant to the parent company's regulations on retirement benefits. The amount is recorded in the reserve for retirement benefits of directors, executive officers and corporate auditors.

- 10 The reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.
- 11 Finance leases that do not transfer title to the leased assets to the lessee are treated as follows, pursuant to the Accounting Standard for Lease Transactions (Accounting Standards Board of Japan (ASBJ) Statement No. 13) and its associated Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16).
 (a) Lease agreements concluded on or after April 1, 2008, except those of minor value, are accounted for as ordinary sales/purchase transactions.
 (b) Transactions other than those corresponding to (a) above are accounted for as ordinary lease transactions.
- 12 National and local consumption taxes are recorded with the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accord with corporate taxation law, and such taxes other than deferred consumption tax are recognized as an expense in the year in which they are incurred.
- 13 Policy reserves are those reserves set aside in accord with Article 116 of the Insurance Business Act. Insurance premium reserve is calculated as follows:
 (a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
 (b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method
- 14 In view of the liability characteristics of life insurance policies, assets in the general account (i.e., not in separate accounts as defined by Article 118, paragraph 1, of the Insurance Business Act) are invested primarily in fixed-income assets (government and corporate bonds) in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term.
 To mitigate the guaranteed minimum benefit risk on individual variable annuities, the Company engages in derivative transactions (foreign exchange forward contracts, currency futures contracts, stock-index futures contracts, securities futures contracts).
 The Company's holdings of financial instruments, mainly securities and derivatives, are subject to market risk and credit risk.
 Market risk management. Under its internal investment policy and market risk management rules, the Company manages market risk by making medium- to long-term investments in a manner appropriate to its liabilities, constantly confirming the consistency of its portfolio positions and investment policies and measuring value-at-risk (VaR).
 Credit risk management. Under its internal investment policy and credit risk management rules, the Company manages credit risk by establishing credit limits designed to avoid excessive concentration of risk toward a specific company or group. Each individual transaction is screened before credit is extended and follow-up checks are conducted regularly. In addition, the Company measures value-at-risk (VaR) as part of its effort to better grasp and analyze credit risk exposure.
 Derivative transactions used by the Company to mitigate the guaranteed minimum benefit risk on individual variable annuities are conducted in accordance with the Company's policy and internal rules on managing guaranteed minimum benefit risk. In addition to verifying the effectiveness of hedge positions and managing gains and losses generated by derivative transactions on a daily basis, the Company regularly monitors reductions in guaranteed minimum benefit risk and gauges its value-at-risk (VaR).
 The Compliance Control and Risk Management Department reports regularly to the Board of Directors on the status of the Company's entire risk position, including guaranteed minimum benefit risk.

Amounts of financial instruments recorded on the balance sheet, their fair values, and differences between the two are as follows:

(millions of yen)			
	Carrying amount on balance sheet	Fair value	Difference
(1) Cash and deposits	56,221	56,221	-
(2) Call loans	25,100	25,100	-
(3) Monetary claims bought	6,078	6,078	-
(4) Money held in trust	29,160	29,160	-
(5) Securities	4,715,429	4,839,448	124,019
(a) Trading securities	2,059,084	2,059,084	-
(b) Policy-reserve-matching bonds	1,734,410	1,858,429	124,019
(c) Other securities	921,934	921,934	-
Assets total	4,831,989	4,956,009	124,019
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	900	900	-
Derivative transactions total	900	900	-

Note: Derivative transactions include those attributable to money held in trust and foreign securities (investment trusts).

Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

Fair values of financial instruments are calculated as follows:

(a) Cash and deposits

Deposits are recorded at book value as all deposits have no maturities and their book values approximate their fair values.

(b) Call loans

Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.

(c) Monetary claims bought

Fair value of monetary claims bought is based on the reasonably calculated price.

(d) Money held in trust

Information on the fair value of derivative transactions attributable to money held in trust appears below in "(f) Derivative transactions".

(e) Securities

Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.

(f) Derivative transactions

For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value. For currency swap contracts, the amounts discounted to present value are used as fair value. For total return swap contracts, the amounts calculated by using indices on the book closing date are used as fair value. For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

15 Accumulated depreciation on tangible fixed assets is 127 million yen.

16 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 2,068,691 million yen. Liabilities in separate accounts total the same amount.

17 Financial liabilities to affiliated companies total 25 million yen.

18 Deferred tax asset accruals are primarily attributable to policy and other reserves of 34,722 million yen and retained losses brought forward of 11,745 million yen. Deferred tax liability accruals are mainly attributable to net unrealized gains on securities of 15,900 million yen. Valuation allowance of 49,046 million yen were deducted from deferred tax assets.

19 The effective statutory tax rate for the fiscal year ended March 31, 2015, was 30.77%, and the Company's corporate income tax burden (corporate income tax as a percentage of pretax income) was -0.04%. The difference was due mainly to the impact of allowance (-34.12%).

- 20 The value of assets (marketable securities) pledged as collateral is 7,842 million yen.
- 21 Assets for which rights held can be freely disposed of by means of sale or collateralization are available-for-sale securities that have been accepted as collateral of reinsurance dealings and derivative transactions, and in this year-end ownership was maintained for total market value of 20,392 million yen as of March 31, 2015, and the Company have no assets pledged as a re-collateral.
- 22 Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3, of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 3 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1, of said Ordinance ("ceding reinsurance policy reserves") amount to 23,679 million yen.
- 23 As of fiscal year-end, the Company estimated that it would be required to contribute 2,393 million yen to the Life Insurance Policyholders Protection Corporation of Japan pursuant to Article 259 of the Insurance Business Act. Contributions are expensed as an operating expense in the fiscal year in which they are incurred.
- 24 Net assets per share is 31,033,432.03 yen.

5. Non-Consolidated Statements of Earnings

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
	Amount	Amount
ORDINARY REVENUES	1,417,841	2,157,598
Premium and other income	1,266,038	1,899,783
Premium income	1,145,773	1,715,580
Reinsurance income	120,264	184,202
Investment income	151,800	257,791
Interest and dividends	23,511	55,484
Interest from bank deposits	127	305
Interest and dividends from securities	23,260	55,063
Other interest and dividends	123	115
Gains on sale of securities	8,034	15,110
Gains on redemption of securities	291	746
Foreign exchange gains	6,610	-
Gains on investment in separate accounts	113,353	186,450
Other ordinary revenues	2	23
Other ordinary revenues	2	23
ORDINARY EXPENSES	1,433,733	2,177,375
Benefits and claims	323,877	496,228
Claims	2,570	13,686
Annuities	1,461	42,155
Benefits	20,506	33,789
Surrender values	167,210	256,803
Other refunds	3,678	3,571
Ceding reinsurance commissions	128,449	146,222
Provision for policy reserves and other	1,018,384	1,523,264
Provision for reserves for outstanding claims	946	2,063
Provision for policy reserves	1,017,438	1,521,200
Investment expenses	35,846	52,066
Interest expenses	0	0
Losses on money held in trust	19,178	4,440
Losses on investment in trading securities	3,879	1,815
Losses on sale of securities	189	133
Derivative transaction losses	11,947	14,963
Foreign exchange losses	-	30,021
Provision for reserves for possible loan losses	7	6
Other investment expenses	644	686
Operating expenses	50,729	95,240
Other ordinary expenses	4,895	10,575
National and local taxes	4,825	10,466
Depreciation	41	81
Provision for reserves for employees' retirement benefits	27	25
Other ordinary expenses	0	2
ORDINARY LOSS	15,892	19,777
EXTRAORDINARY LOSSES	943	2,124
Losses on disposal of fixed assets	4	57
Provision for reserves for price fluctuations	939	2,067
Loss before income taxes	16,835	21,901
Corporate income taxes - current	65	9
Total of corporate income taxes	65	9
Net loss	16,901	21,910

Notes to the Non-Consolidated Statement of Earnings for the fiscal year ended March 31, 2015

- 1 The total amounts of revenues and expenses from transactions with affiliated companies were 20 million yen and 323 million yen, respectively.
- 2 Gains on sale of securities included gains on sales of domestic bonds and foreign securities of 1,158 million yen and 13,951 million yen, respectively.
- 3 Losses on sale of securities included losses on sales of domestic bonds and foreign securities of 6 million yen and 127 million yen, respectively.
- 4 Reinsurance income includes 95,426 million yen in operating expenses received in association with ceding reinsurance business.
- 5 Ceding reinsurance commissions includes ceding reinsurance policy reserves transferred of 614,870 million yen and the ceding reinsurance policy reserve adjustment of - 487,774 million yen.
- 6 In calculating the provision of reserves for outstanding claims, a reversal of reserve for outstanding claims reinsured of 1 million yen was added as an adjustment. In calculating the provision for policy reserves, provision of reserve for outstanding claims reinsured of 11,417 million yen was deducted.
- 7 The main component of losses on investments in trading securities was a valuation loss of 1,815 million yen.
- 8 Losses on money held in trust included a valuation loss of 4,440 million yen.
- 9 Derivative transaction losses included a valuation gain of 352 million yen.
- 10 Net loss per share for the fiscal year was 11,843,569.68 yen.

6. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Year ended March 31, 2014	Year ended March 31, 2015
Fundamental profit	A	28,630	(6,310)
Capital gains		14,644	50,946
Gains on money held in trust		-	-
Gains on investment in trading securities		-	-
Gains on sale of securities		8,034	15,110
Derivative transaction gains		-	-
Foreign exchange gains		6,610	-
Others		-	35,836
Capital losses		44,296	51,373
Losses on money held in trust		19,178	4,440
Losses on investment in trading securities		3,879	1,815
Losses on sale of securities		189	133
Losses on valuation of securities		-	-
Derivative transaction losses		11,947	14,963
Foreign exchange losses		-	30,021
Others		9,102	-
Net capital gains (losses)	B	(29,652)	(426)
Fundamental profit plus net capital gains (losses)	A + B	(1,021)	(6,737)
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		14,871	13,040
Ceding reinsurance commissions		-	-
Provision for contingency reserve		14,871	13,040
Provision for specific reserve for possible loan losses		-	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		-	-
Others		-	-
Other one-time profits (losses)	C	(14,871)	(13,040)
Ordinary profit (loss)	A + B + C	(15,892)	(19,777)

Note: 1. Fundamental profit includes the amount below.

	Year ended March 31, 2014	Year ended March 31, 2015
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	9,102	(35,836)

2. Other capital gains include the amount below.

	Year ended March 31, 2014	Year ended March 31, 2015
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	-	35,836

3. Other capital losses include the amount below.

	Year ended March 31, 2014	Year ended March 31, 2015
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	9,102	-

4. Gains (losses) on money held in trust and gains (losses) on investment in trading securities are attributable to investments in derivative financial instruments (including investments in money held in trust, foreign securities (investment trusts)) for the purpose of mitigating the guaranteed minimum benefit risk on individual variable annuities.

7. Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2015

(millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings Retained earnings brought forward	
Balance at the beginning of the year	117,500	67,500	(144,632)	40,367
Changes for the year				
Net loss			(21,910)	(21,910)
Net changes of items other than shareholders' equity				
Total changes for the year	-	-	(21,910)	(21,910)
Balance at the end of the year	117,500	67,500	(166,542)	18,457

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	7,961	7,961	48,329
Changes for the year			
Net loss			(21,910)
Net changes of items other than shareholders' equity	30,993	30,993	30,993
Total changes for the year	30,993	30,993	9,082
Balance at the end of the year	38,954	38,954	57,411

Year ended March 31, 2014

(millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings Retained earnings brought forward	
Balance at the beginning of the year	117,500	67,500	(127,730)	57,269
Changes for the year				
Net loss			(16,901)	(16,901)
Net changes of items other than shareholders' equity				
Total changes for the year	-	-	(16,901)	(16,901)
Balance at the end of the year	117,500	67,500	(144,632)	40,367

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	7,246	7,246	64,515
Changes for the year			
Net loss			(16,901)
Net changes of items other than shareholders' equity	715	715	715
Total changes for the year	715	715	(16,186)
Balance at the end of the year	7,961	7,961	48,329

Notes to Non-Consolidated Statement of Changes in Net assets for the fiscal year ended March 31, 2015

1. Number of outstanding shares by class

(millions of yen)

	No. shares as of April 1, 2014	Increase in number of shares	Decrease in number of shares	No. shares as of March 31, 2015
Outstanding shares				
Common stock	1,850	-	-	1,850

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	-	-
Claims for special attention	-	-
Subtotal	-	-
[Percentage]	[-]	[-]
Claims against normal obligors	10,347	-
Total	10,347	-

- Note: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
4. Claims against normal obligors are all other loans.

9. Risk-Monitored Loans

Not applicable.

10. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Total solvency margin (A)	229,705	315,968
Common stock, etc.	40,367	18,457
Reserve for price fluctuations	1,714	3,781
Contingency reserve	107,274	120,314
General reserve for possible loan losses	8	15
Net unrealized gains on securities (before tax) × 90% *	10,350	49,369
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	69,990	124,030
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Other	-	-
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	68,429	99,834
Insurance risk R_1	34	37
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	12,939	25,630
Guaranteed minimum benefit risk R_7	22,812	26,562
Investment risk R_3	30,683	44,732
Business risk R_4	1,994	2,908
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	671.3%	632.9%

*: Multiplied by 100% if losses.

Note: 1. The above figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No.50, Ministry of Finance, 1996.

2. Guaranteed minimum benefit risk is calculated by the standard method.

11. Status of Separate Account for the Fiscal Year Ended March 31, 2015

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Individual variable insurance	2,935	2,847
Individual variable annuities	1,805,876	2,065,843
Group annuities	-	-
Separate account total	1,808,811	2,068,691

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

	As of March 31, 2014		As of March 31, 2015	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	0	2,898	0	11,009
Total	0	2,898	0	11,009

Notes: Individual variable insurance that is partly managed in general account are included.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen except percentages)

	As of March 31, 2014		As of March 31, 2015	
	Amount	%	Amount	%
Cash, deposits, and call loans	30	1.0	40	1.4
Securities	2,904	99.0	2,777	97.5
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	2,904	99.0	2,777	97.5
Loans	-	-	-	-
Others	-	-	29	1.0
Reserve for possible loan losses	-	-	-	-
Total	2,935	100.0	2,847	100.0

C. Investment gains and losses on separate accounts for individual variable insurance

(millions of yen)

	Year Ended March 31, 2014	Year Ended March 31, 2015
Interest and dividends	38	89
Gains on sale of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	246	86
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sale of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	-	-
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	-	0
Net investment income	284	175

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

	As of March 31, 2014		As of March 31, 2015	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Individual variable annuities	315	1,886,390	462	2,943,208

Notes: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. Individual variable annuities that are partly managed in general account are included.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen except percentages)

	As of March 31, 2014		As of March 31, 2015	
	Amount	%	Amount	%
Cash, deposits, and call loans	9,050	0.5	11,347	0.5
Securities	1,793,598	99.3	2,051,249	99.3
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	4,555	0.3	10,972	0.5
Foreign bonds	-	-	-	-
Foreign stocks and other securities	4,555	0.3	10,972	0.5
Other securities	1,789,042	99.1	2,040,276	98.8
Loans	-	-	-	-
Others	3,228	0.2	3,246	0.2
Reserve for possible loan losses	-	-	-	-
Total	1,805,876	100.0	2,065,843	100.0

C. Investment gains and losses on separate accounts for individual variable annuities

(millions of yen)

	Year Ended March 31, 2014	Year Ended March 31, 2015
Interest and dividends	33,279	50,369
Gains on sale of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	79,815	135,912
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sale of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	-	-
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	26	7
Net investment income	113,068	186,274

12. Consolidated Financial Summary

Not applicable.