

August 9, 2017

Financial Results for the Three Months Ended June 30, 2017

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the three months ended June 30, 2017.

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

Regarding the Figures Presented in this Document

The Dai-ichi Life Insurance Company, Limited ("former Dai-ichi Life": "A" as shown below) changed its trading name to Dai-ichi Life Holdings, Inc. on October 1, 2016 and changed its business purpose to managing the business activities of its group companies etc.

The domestic life insurance business of former Dai-ichi Life is succeeded by The Dai-ichi Life Insurance Company, Limited* ("current Dai-ichi Life": "C" as shown below) by means of corporate split.

*Trading name changed from The Dai-ichi Life Split Preparation Company, Limited ("B" as shown below) on October 1, 2016.

For the purpose of presenting comparable business results with the previous fiscal year, the figures presented in this document are defined below.

<Figures Presented>

- Ending balance of a given fiscal year

For fiscal year 2017 (current fiscal year) and 2016 (previous fiscal year), current Dai-ichi Life figures are presented.

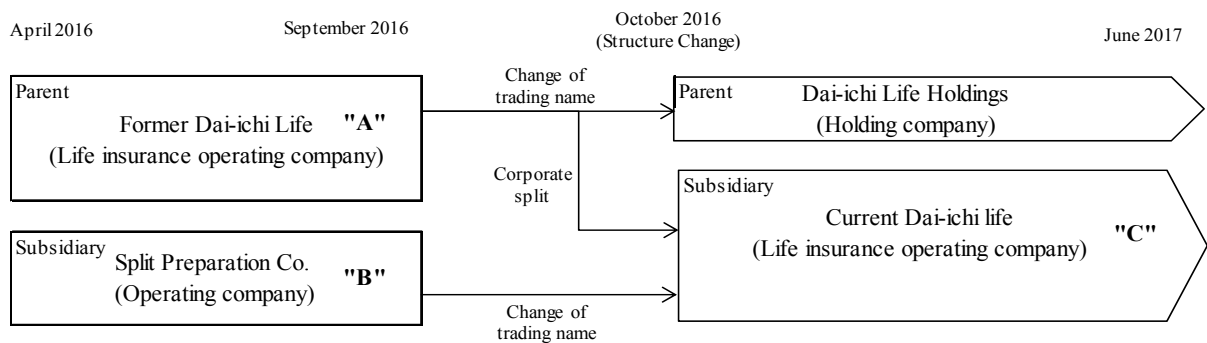
	Figures Presented
Fiscal year 2017	Current Dai-ichi Life figures as of June 30, 2017
Fiscal year 2016	Current Dai-ichi Life figures as of March 31, 2017

- Profit/loss etc. for a given period

For fiscal year 2017 (current fiscal year), current Dai-ichi Life results are presented.

For fiscal year 2016 (previous fiscal year), former Dai-ichi Life results (April to June, 2016) are presented.

	Figures Presented
Fiscal year 2017	Current Dai-ichi Life results (April to June, 2017)
Fiscal year 2016	Former Dai-ichi Life results (April to June, 2016)



1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(billions of yen)

	As of March 31, 2017	As of June 30, 2017	
			% of March 31, 2017 total
Individual insurance	1,620.3	1,616.2	99.7
Individual annuities	526.9	528.0	100.2
Total	2,147.2	2,144.3	99.9
Medical and survival benefits	606.3	615.4	101.5

New Policies

(billions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	
			% of June 30, 2016 total
Individual insurance	20.4	21.4	105.3
Individual annuities	14.2	3.2	22.6
Total	34.7	24.7	71.2
Medical and survival benefits	11.2	16.8	149.5

- Note: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. "New policies" include net increase by conversion.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2017		As of June 30, 2017			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2017 total	(billions of yen)	% of March 31, 2017 total
Individual insurance	11,704	108,578.4	11,700	100.0	107,021.7	98.6
Individual annuities	1,964	11,481.3	1,964	100.0	11,447.9	99.7
Individual insurance and annuities	13,668	120,059.7	13,665	100.0	118,469.7	98.7
Group insurance	-	47,451.8	-	-	47,726.4	100.6
Group annuities	-	6,106.6	-	-	6,108.1	100.0

- Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.

New Policies

	Number of policies		Amount			
	(thousands)	% of June 30, 2016 total	(billions of yen)	New Business	Net increase by conversion	% of June 30, 2016 total
Three months ended June 30, 2016						
Individual insurance	230		430.1	862.4	(432.2)	
Individual annuities	54		321.5	324.0	(2.4)	
Individual insurance and annuities	285		751.7	1,186.4	(434.7)	
Group insurance	-		27.2	27.2	-	
Group annuities	-		0.0	0.0	-	
Three months ended June 30, 2017						
Individual insurance	222	96.2	432.8	875.4	(442.5)	100.6
Individual annuities	14	26.3	72.0	73.9	(1.8)	22.4
Individual insurance and annuities	236	82.9	504.9	949.3	(444.4)	67.2
Group insurance	-	-	260.2	260.2	-	956.0
Group annuities	-	-	0.0	0.0	-	63.9

- Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.

2. Investment Results of General Account

(1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2017		As of June 30, 2017	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	515,536	1.5	564,977	1.6
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	192,213	0.6	188,782	0.5
Trading account securities	-	-	-	-
Money held in trust	50,191	0.1	53,295	0.2
Securities	29,659,250	85.3	30,182,461	85.3
Domestic bonds	16,052,254	46.2	16,021,504	45.3
Domestic stocks	3,474,743	10.0	3,625,761	10.3
Foreign securities	9,512,246	27.3	10,029,708	28.4
Foreign bonds	8,260,182	23.7	8,626,890	24.4
Foreign stocks and other securities	1,252,063	3.6	1,402,818	4.0
Other securities	620,006	1.8	505,486	1.4
Loans	2,657,852	7.6	2,650,493	7.5
Policy loans	381,830	1.1	376,185	1.1
Ordinary loans	2,276,021	6.5	2,274,307	6.4
Real estate	1,116,371	3.2	1,113,228	3.1
Real estate for rent	773,479	2.2	772,908	2.2
Deferred tax assets	-	-	-	-
Others	592,762	1.7	612,547	1.7
Reserve for possible loan losses	(1,472)	(0.0)	(1,466)	(0.0)
Total	34,782,705	100.0	35,364,320	100.0
Foreign currency-denominated assets	8,407,769	24.2	8,902,161	25.2

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

(2) Fair Value Information on Securities (General Account)
(securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2017					
Held-to-maturity bonds	46,014	50,534	4,519	4,519	-
Domestic bonds	46,014	50,534	4,519	4,519	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,001,580	14,764,373	2,762,792	2,782,071	19,278
Domestic bonds	11,911,257	14,672,992	2,761,734	2,780,815	19,081
Foreign bonds	90,322	91,380	1,058	1,255	197
Stocks of subsidiaries and affiliated companies	304	302	(2)	7	10
Available-for-sale securities	14,459,160	17,184,631	2,725,470	2,865,886	140,416
Domestic bonds	3,617,249	4,094,982	477,733	485,227	7,493
Domestic stocks	1,647,671	3,335,538	1,687,866	1,712,564	24,698
Foreign securities	8,443,706	8,964,471	520,764	625,317	104,552
Foreign bonds	7,776,125	8,169,860	393,734	488,696	94,961
Foreign stocks and other securities	667,581	794,611	127,030	136,621	9,591
Other securities	514,139	547,427	33,288	36,687	3,398
Monetary claims bought	186,393	192,213	5,819	6,090	270
Certificates of deposit	50,000	49,998	(1)	-	1
Total	26,507,060	31,999,841	5,492,780	5,652,485	159,704
Domestic bonds	15,574,521	18,818,509	3,243,987	3,270,562	26,575
Domestic stocks	1,647,671	3,335,538	1,687,866	1,712,564	24,698
Foreign securities	8,534,167	9,055,980	521,813	626,573	104,759
Foreign bonds	7,866,447	8,261,240	394,793	489,951	95,158
Foreign stocks and other securities	667,719	794,739	127,020	136,621	9,601
Other securities	514,306	547,601	33,295	36,694	3,398
Monetary claims bought	186,393	192,213	5,819	6,090	270
Certificates of deposit	50,000	49,998	(1)	-	1
As of June 30, 2017					
Held-to-maturity bonds	46,089	50,318	4,228	4,228	-
Domestic bonds	46,089	50,318	4,228	4,228	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,999,694	14,733,485	2,733,790	2,753,677	19,886
Domestic bonds	11,909,372	14,640,704	2,731,332	2,751,048	19,716
Foreign bonds	90,321	92,780	2,458	2,629	170
Stocks of subsidiaries and affiliated companies	287	286	(0)	-	0
Available-for-sale securities	14,700,604	17,695,112	2,994,508	3,089,479	94,971
Domestic bonds	3,589,841	4,066,041	476,200	480,352	4,151
Domestic stocks	1,662,417	3,485,927	1,823,509	1,849,829	26,320
Foreign securities	8,827,719	9,481,833	654,114	716,861	62,747
Foreign bonds	8,023,608	8,536,568	512,959	567,857	54,897
Foreign stocks and other securities	804,110	945,264	141,154	149,004	7,849
Other securities	387,356	422,531	35,175	36,698	1,523
Monetary claims bought	183,270	188,782	5,512	5,736	224
Certificates of deposit	50,000	49,996	(3)	-	3
Total	26,746,675	32,479,203	5,732,527	5,847,386	114,858
Domestic bonds	15,545,303	18,757,065	3,211,762	3,235,630	23,867
Domestic stocks	1,662,417	3,485,927	1,823,509	1,849,829	26,320
Foreign securities	8,918,185	9,574,758	656,572	719,491	62,918
Foreign bonds	8,113,930	8,629,349	515,418	570,487	55,068
Foreign stocks and other securities	804,255	945,409	141,154	149,004	7,849
Other securities	387,498	422,673	35,175	36,698	1,523
Monetary claims bought	183,270	188,782	5,512	5,736	224
Certificates of deposit	50,000	49,996	(3)	-	3

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

* Carrying amount of securities whose fair value is deemed extremely difficult to recognize is as follows:

(millions of yen)

	As of March 31, 2017	As of June 30, 2017
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	58,751	65,590
Unlisted domestic stocks (except over-the-counter stocks)	12,684	12,787
Unlisted foreign stocks (except over-the-counter stocks)	-	-
Others	46,067	52,802
Available-for-sale securities	611,909	616,110
Unlisted domestic stocks (except over-the-counter stocks)	126,521	127,046
Unlisted foreign stocks (except over-the-counter stocks)	459,050	459,052
Unlisted foreign bonds	-	-
Others	26,337	30,010
Total	670,660	681,700

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows:
loss of 1,746 million yen as of March 31, 2017 and loss of 1,664 million yen as of June 30, 2017.

(3) Fair Value Information on Money Held in Trust (General Account)

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2017	50,191	50,191	2,024	17,996	15,971
As of June 30, 2017	53,295	53,295	1,270	8,203	6,932

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

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

(millions of yen)

	As of March 31, 2017		As of June 30, 2017	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	50,191	2,122	53,295	1,139

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:

The Company had no balance as of March 31, 2017 or June 30, 2017.

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2017 (summarized)	As of June 30, 2017
(ASSETS)		
Cash and deposits	438,454	395,969
Call loans	98,500	187,200
Monetary claims bought	192,213	188,782
Money held in trust	50,191	53,295
Securities	30,498,102	31,055,388
[Government bonds]	[14,084,907]	[14,081,684]
[Local government bonds]	[109,098]	[113,352]
[Corporate bonds]	[2,023,985]	[1,993,716]
[Stocks]	[3,666,952]	[3,809,979]
[Foreign securities]	[9,868,430]	[10,391,599]
Loans	2,657,852	2,650,493
Policy loans	381,830	376,185
Ordinary loans	2,276,021	2,274,307
Tangible fixed assets	1,124,412	1,120,995
Intangible fixed assets	87,793	90,000
Reinsurance receivable	2,260	2,311
Other assets	434,994	433,514
Customers' liabilities for acceptances and guarantees	103,786	119,106
Reserve for possible loan losses	(1,472)	(1,466)
Reserve for possible investment losses	(444)	(372)
Total assets	35,686,645	36,295,217
(LIABILITIES)		
Policy reserves and others	30,864,753	30,858,660
Reserves for outstanding claims	229,698	215,695
Policy reserves	30,249,170	30,266,487
Reserve for policyholder dividends	385,884	376,477
Reinsurance payable	741	638
Subordinated bonds	476,277	476,277
Other liabilities	1,004,764	1,337,334
Corporate income tax payable	9,967	20,927
Lease liabilities	4,956	4,777
Asset retirement obligations	2,674	2,665
Other liabilities	987,165	1,308,965
Reserve for employees' retirement benefits	380,870	384,827
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,498	1,457
Reserve for possible reimbursement of prescribed claims	800	708
Reserve for price fluctuations	164,453	168,453
Deferred tax liabilities	129,833	196,696
Deferred tax liabilities for land revaluation	77,236	77,195
Acceptances and guarantees	103,786	119,106
Total liabilities	33,205,016	33,621,355
(NET ASSETS)		
Capital stock	60,000	60,000
Capital surplus	470,000	470,000
Legal capital surplus	60,000	60,000
Other capital surplus	410,000	410,000
Retained earnings	31,230	40,008
Other retained earnings	31,230	40,008
Reserve for tax basis adjustments of real estate	1,257	1,281
Retained earnings brought forward	29,972	38,727
Total shareholders' equity	561,230	570,008
Net unrealized gains (losses) on securities, net of tax	1,963,267	2,157,246
Deferred hedge gains (losses)	(25,327)	(35,744)
Reserve for land revaluation	(17,541)	(17,648)
Total of valuation and translation adjustments	1,920,398	2,103,853
Total net assets	2,481,628	2,673,862
Total liabilities and net assets	35,686,645	36,295,217

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
ORDINARY REVENUES	1,022,150	905,104
Premium and other income	637,133	543,243
[Premium income]	[636,971]	[543,063]
Investment income	299,710	293,864
[Interest and dividends]	[184,881]	[207,001]
[Gains on money held in trust]	[-]	[2,937]
[Gains on sale of securities]	[54,057]	[53,655]
[Derivative transaction gains]	[55,534]	[-]
[Gains on investments in separate accounts]	[-]	[26,844]
Other ordinary revenues	85,305	67,996
[Reversal of reserves for outstanding claims]	9,979	14,003
ORDINARY EXPENSES	901,934	824,398
Benefits and claims	571,161	554,355
[Claims]	[190,077]	[173,058]
[Annuities]	[119,186]	[112,092]
[Benefits]	[99,641]	[96,319]
[Surrender values]	[121,550]	[127,776]
[Other refunds]	[40,320]	[44,771]
Provision for policy reserves and others	43,573	19,391
Provision for policy reserves	41,443	17,317
Provision for interest on policyholder dividends	2,129	2,073
Investment expenses	99,646	78,468
[Interest expenses]	[2,704]	[3,494]
[Losses on money held in trust]	[521]	[-]
[Losses on sale of securities]	[17,117]	[21,342]
[Losses on valuation of securities]	[9,144]	[108]
[Derivative transaction losses]	[-]	[23,830]
[Losses on investments in separate accounts]	[26,368]	[-]
Operating expenses	97,606	101,309
Other ordinary expenses	89,946	70,874
ORDINARY PROFIT	120,215	80,705
EXTRAORDINARY GAINS	1,487	101
Gains on disposal of fixed assets	1,487	101
EXTRAORDINARY LOSSES	15,208	4,628
Losses on disposal of fixed assets	1,277	335
Impairment losses on fixed assets	9,931	292
Provision for reserve for price fluctuations	4,000	4,000
Provision for reserve for policyholder dividends	25,985	21,462
Income before income taxes	80,509	54,716
Corporate income taxes-current	32,414	21,864
Corporate income taxes-deferred	(11,265)	(5,791)
Total of corporate income taxes	21,148	16,073
Net income	59,361	38,643

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2017

I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2017

1. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of June 30, 2017 was ¥3,000,232 million.

2. Contingent Liabilities

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

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	450,000

3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2018.....	385,884
Dividend payment.....	(32,943)
Interest accrual.....	2,073
Provision for reserve for policyholder dividends	21,462
<u>Balance as of June 30, 2017.....</u>	<u>376,477</u>

4. Dividends on Common Stock

Date of resolution	June 21, 2017 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥29,972 million
Dividends per share	¥4,995,400
Record date	March 31, 2017
Effective date	June 22, 2017
Dividend resource	Retained earnings

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2017

1. Net Income per Share

Net income per share for the three months ended June 30, 2017 was 6,440,610.12 yen. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥3,298 million and Depreciation was ¥7,485 million for the three months ended June 30, 2017.

5. Breakdown of Ordinary Profit (Fundamental Profit)

	(millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Fundamental revenues	912,545	848,438
Premium and other income	637,133	543,243
Investment income	190,105	237,198
[Interest and dividends]	184,881	207,001
Other ordinary revenues	85,305	67,996
Other fundamental revenues (a)	-	-
Fundamental expenses	826,752	745,761
Benefits and claims	571,161	554,355
Provision for policy reserves and others	22,874	2,263
Investment expenses	44,592	16,914
Operating expenses	97,606	101,309
Other ordinary expenses	89,946	70,874
Other fundamental expenses (b)	570	44
Fundamental profit ^(Note 1)	A 85,792	102,676
Capital gains	110,163	56,638
Gains on money held in trust	-	2,937
Gains on investments in trading securities	-	-
Gains on sale of securities	54,057	53,655
Derivative transaction gains	55,534	-
Foreign exchange gains	-	-
Others (c)	570	44
Capital losses	55,051	61,550
Losses on money held in trust	521	-
Losses on investments in trading securities	-	-
Losses on sale of securities	17,117	21,342
Losses on valuation of securities	9,144	108
Derivative transaction losses	-	23,830
Foreign exchange losses	28,267	16,267
Others (d)	-	-
Net capital gains (losses) ^(Note 1)	B 55,112	(4,911)
Fundamental profit plus net capital gains (losses)	A + B 140,904	97,765
Other one-time gains	12	72
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	(13)	6
Others ^(Note 2)	26	65
Other one-time losses	20,702	17,131
Ceding reinsurance commissions	-	-
Provision for contingency reserve	4,500	1,000
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	3	3
Others ^(Note 3)	16,198	16,128
Other one-time profits (losses)	C (20,689)	(17,059)
Ordinary profit	A + B + C 120,215	80,705

(Reference) Breakdown of other fundamental revenues, etc.

	(millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Other fundamental revenues (a)	-	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	-
Other fundamental expenses (b)	570	44
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	125	43
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	445	1
The impact on fundamental profit	(a) - (b) (570)	(44)
Other capital gains (c)	570	44
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	125	43
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	445	1
Other capital losses (d)	-	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	-
The impact on net capital gains (losses)	(c) - (d) 570	44

- Note 1: Beginning from disclosures for fiscal year 2017, the disclosure method of the breakdown of ordinary profit relating to the effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance and the effect of change in the exchange rates related to foreign currency denominated insurance contracts have been modified. The figures for the three months ended 30, 2016 were also re-calculated based on the modified disclosure method. As a result, compared to before the modification, fundamental profit decreased by 570 million yen and net capital gains increased by 570 million yen for the three months ended 30, 2016.
- Note 2: "Others" in "Other one-time gains" represents the reversal of reserve for possible investment losses (For the three months ended June 30, 2016: 26 million yen, For the three months ended June 30, 2017: 65 million yen).
- Note 3: "Others" in "Other one-time losses" represents the amount of the additional policy reserves provided (For the three months ended June 30, 2016: 16,198 million yen, For the three months ended June 30, 2017: 16,128 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2017	As of June 30, 2017
Total solvency margin (A)	5,936,832	6,282,079
Common stock, etc. *1	527,591	566,659
Reserve for price fluctuations	164,453	168,453
Contingency reserve	594,093	595,093
General reserve for possible loan losses	737	738
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,446,154	2,680,194
Net unrealized gains (losses) on real estate × 85% *2	113,883	119,855
Policy reserves in excess of surrender values	2,019,361	2,040,729
Qualifying subordinated debt	759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(709,214)	(685,512)
Excluded items	(4,000)	(4,000)
Others	24,495	40,590
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,396,021	1,467,620
Insurance risk R_1	70,408	69,653
3rd sector insurance risk R_8	177,428	179,103
Assumed investment yield risk R_2	223,664	222,006
Guaranteed minimum benefit risk R_7 *3	3,215	3,224
Investment risk R_3	1,114,653	1,187,426
Business risk R_4	31,787	33,228
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	850.5%	856.0%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures as of March 31, 2017 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of June 30, 2017 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

(Reference) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2017	As of June 30, 2017
Total solvency margin (A)	5,858,298	6,197,154
Common stock, etc. *1	532,465	571,109
Reserve for price fluctuations	164,453	168,453
Contingency reserve	594,093	595,093
Catastrophe loss reserve	-	-
General reserve for possible loan losses	737	738
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,446,154	2,680,194
Net unrealized gains (losses) on real estate × 85% *2	113,883	119,855
Sum of unrecognized actuarial differences and unrecognized past service cost	(27,581)	(26,831)
Policy reserves in excess of surrender values	2,019,361	2,040,729
Qualifying subordinated debt	759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(709,214)	(685,512)
Excluded items	(59,827)	(66,543)
Others	24,495	40,590
Total risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,379,562	1,449,079
Insurance risk R ₁	70,408	69,653
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
3rd sector insurance risk R ₈	177,428	179,103
Small amount and short-term insurance risk R ₉	-	-
Assumed investment yield risk R ₂	223,664	222,006
Guaranteed minimum benefit risk R ₇ *3	3,215	3,224
Investment risk R ₃	1,098,246	1,168,971
Business risk R ₄	31,459	32,859
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	849.2%	855.3%

*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Notes: 1. The figures as of March 31, 2017 are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

2. The figures as of June 30, 2017 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Account

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2017	As of June 30, 2017
Individual variable insurance	55,680	57,125
Individual variable annuities	47,116	44,870
Group annuities	993,781	1,031,277
Separate account total	1,096,578	1,133,274

(2) Sum Insured of Policies in Force of Individual Variable Insurance and Annuities (Separate Account)

A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2017		As of June 30, 2017	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	129	629	119	585
Individual variable insurance (whole life)	42,827	264,207	42,635	263,162
Total	42,956	264,837	42,754	263,747

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2017		As of June 30, 2017	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	12,828	68,599	12,294	63,595

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

8. Consolidated Financial Summary

Not applicable