

May 15, 2015

Financial Results for the Fiscal Year Ended March 31, 2015

The Dai-ichi Life Insurance Company, Limited (the "Company" or the "Parent Company"; President: Koichiro Watanabe) announces its financial results for the fiscal year ended March 31, 2015.

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Attached: Supplementary Materials 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) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2014			
	Number of policies		Amount	
	(thousands)	% of March 31, 2013 total	(billions of yen)	% of March 31, 2013 total
Individual insurance	11,466	100.2	128,094.8	96.1
Individual annuities	1,477	103.2	8,798.3	103.3
Individual insurance and annuities	12,944	100.5	136,893.2	96.5
Group insurance	-	-	48,357.1	99.2
Group annuities	-	-	6,353.4	103.4

	As of March 31, 2015			
	Number of policies		Amount	
	(thousands)	% of March 31, 2014 total	(billions of yen)	% of March 31, 2014 total
Individual insurance	11,593	101.1	121,655.7	95.0
Individual annuities	1,544	104.5	9,291.5	105.6
Individual insurance and annuities	13,138	101.5	130,947.2	95.7
Group insurance	-	-	48,092.2	99.5
Group annuities	-	-	6,397.4	100.7

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

	Year ended March 31, 2014					
	Number of policies		Amount			
	(thousands)	% of March 31, 2013 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2013 total
Individual insurance	1,040	87.6	5,836.0	5,676.4	159.6	88.6
Individual annuities	92	51.9	631.4	639.0	(7.5)	51.2
Individual insurance and annuities	1,133	82.9	6,467.5	6,315.4	152.0	82.7
Group insurance	-		344.7	344.7		125.9
Group annuities	-		0.2	0.2		465.0

	Year ended March 31, 2015					
	Number of policies		Amount			
	(thousands)	% of March 31, 2014 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2014 total
Individual insurance	1,053	101.2	3,753.1	4,714.6	(961.5)	64.3
Individual annuities	117	126.4	889.9	900.4	(10.5)	140.9
Individual insurance and annuities	1,170	103.3	4,643.0	5,615.1	(972.0)	71.8
Group insurance	-		414.7	414.7		120.3
Group annuities	-		0.1	0.1		41.0

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.

(Reference) Surrenders and lapses in individual insurance and annuities

	(billions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Amount of surrenders and lapses	6,109.9	5,644.8
Surrender and lapse rate (%)	4.31	4.12

Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.
2. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force contracts.

(2) Annualized Net Premium

Policies in Force

(billions of yen)

	As of March 31, 2014		As of March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Individual insurance	1,640.1	98.6	1,638.3	99.9
Individual annuities	375.9	103.6	399.3	106.2
Total	2,016.0	99.5	2,037.7	101.1
Medical and survival benefits	540.2	103.4	556.1	103.0

New Policies

(billions of yen)

	As of March 31, 2014		As of March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Individual insurance	98.0	90.8	115.3	117.6
Individual annuities	21.1	50.7	30.2	143.0
Total	119.2	79.6	145.5	122.1
Medical and survival benefits	48.8	120.5	47.5	97.3

Note: 1. Annualized net premium is 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 premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium 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.

(3) Profit and Loss Items

(millions of yen)

	Year Ended March 31, 2014		Year Ended March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Premium and other income	2,868,061	98.2	3,266,361	113.9
Investment income	1,161,432	105.2	1,174,430	101.1
Benefits and claims	2,439,165	98.8	2,718,186	111.4
Investment expenses	213,928	103.6	131,253	61.4
Ordinary profit	307,612	177.0	408,764	132.9

(4) Total Assets

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Total Assets	34,028,823	102.9	36,828,768	108.2

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

	Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits								
general	11,016	103,123.8	-	0.0	24,250	48,085.3	35,267	151,209.1
accidental	[3,665]	[14,486.1]	[727]	[361.2]	[2,907]	[1,630.4]	[7,300]	[16,477.8]
others	[0]	[0.0]	[-]	[-]	[67]	[58.3]	[67]	[58.3]
Survival benefits	577	18,531.9	1,544	9,291.5	9	6.9	2,131	27,830.3
Hospitalization benefits								
accidental	[8,726]	[44.2]	[68]	[0.3]	[1,467]	[0.9]	[10,262]	[45.5]
illness	[8,682]	[44.1]	[69]	[0.3]	[1]	[0.0]	[8,753]	[44.4]
others	[4,043]	[23.1]	[53]	[0.2]	[56]	[0.0]	[4,154]	[23.4]
Injury benefits	[7,050]	-	[77]	-	[2,615]	-	[9,744]	-
Surgery benefits	[7,205]	-	[69]	-	-	-	[7,275]	-

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	9,589	6,397.4	82	268.9	44	103.3	9,717	6,769.8

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	444	0.7

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	29	2.3

Note:

- Figures in [] show numbers and amounts of additional benefits and of benefits to be paid from riders.
- Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
- Amounts in 'Survival benefits' show the sum of (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 for individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
- Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
- Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
- Amount in group disability insurance shows the amount of disability benefits paid per month.
- The number of insureds and amount of policies for reinsurance written were 143 thousand and 97.0 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2015

(1) 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 during the first half of the fiscal year. Then, the yen depreciated to the ¥120 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

(2) Investment Results

[Asset Composition]

- The Company continued to set fixed income investments, including domestic bonds, as the core of its asset portfolio, consistent with its mid- to long-term investment policies. In light of the persisting low interest

rate environment in Japan, the Company refrained from purchasing super long-term bonds classified as policy reserve matching bonds and shifted from domestic bonds to foreign currency-denominated bonds with currency hedges by considering investment efficiency within its fixed income assets, in order to further enhance its Asset Liability Management (ALM) strategy and improve its profitability.

The Company has controlled flexibly the allocation of its risk assets (such as domestic stocks and foreign securities intended to promote diversification of risks and to improve its profitability) by taking market trends into account.

The table below summarizes the investment results of the Company's general account by asset class:

Assets	Investment results
Domestic bonds	<p><u>Decrease</u></p> <p>The Company refrained from accumulating super long-term bonds classified as policy reserve matching bonds due to the continued low interest rates environment. The overall balance of domestic bonds decreased due to a shift from domestic bonds to foreign currency-denominated bonds with currency hedges in order to improve investment efficiency within its fixed income assets.</p> <p>The Company also strived to improve investment yields by making careful selection and diversification among various credit risk products, including corporate bonds and securitized products, in accordance with risk-adjusted credit spread guidelines.</p>
Loans	<p><u>Flat</u></p> <p>While there were contractual maturities and other factors, the Company actively provided new loans to fulfill capital needs in growth areas such as environment and infrastructure investments. As a result, the overall balance of loans remained flat. The Company also provided loans to secure adequate risk-adjusted credit spreads, while also paying attention to the credit spread trends in the bond market.</p>
Domestic stocks	<p><u>Increase</u></p> <p>The fair value-based balance of domestic stocks increased due to a rise in stock prices. The Company replaced some companies/sectors based on competitiveness, growth potential, and/or the degree to which they are undervalued, taking into account analyses by in-house analysts.</p>
Foreign bonds	<p><u>Large Increase</u></p> <p>The Company shifted from domestic bonds to foreign currency-denominated bonds with currency hedges in order to improve investment efficiency within its fixed income assets focusing on international interest-spreads. Additionally, taking market trends into account, the Company flexibly changed its allocation of foreign currency-denominated bonds without currency hedges. As a result, the balance of foreign bonds increased. Moreover, the Company cautiously controlled related risks by diversifying its portfolio by sector and currency and tried to improve investment performance.</p>
Foreign stocks	<p><u>Large Increase</u></p> <p>In addition to the increase related to the acquisition of Protective Life Corporation, the Company increased the balance of foreign stocks throughout the year in order to enhance the total return of its asset portfolio and promote diversification.</p> <p>The Company continued to focus on diversification by investment style and geographical composition of its foreign stock portfolio, utilizing both independent investment advisors and in-house managers.</p>
Real Estate	<p><u>Flat</u></p> <p>The Company pursued improvement in profitability of the existing real estate portfolio by (a) investing in new residential properties and selling properties with lower profitability and (b) renegotiating rents and improving vacancy rates. Also, the Company strived to increase the value of existing properties by renovating and reconstructing them.</p>

Note: Underlined changes in assets above are described on a balance sheet amount basis.

[Investment income and expenses]

- Investment income decreased by ¥21.2 billion to ¥991.1 billion. While interest and dividend income increased mainly due to an accumulation of foreign currency-denominated bonds with currency hedges and depreciation of the yen, gains on sale of securities decreased mainly due to the restraint of shifting investment asset, taking into account the low interest rate environment in Japan.
- Meanwhile, investment expenses decreased by ¥82.6 billion to ¥131.2 billion mainly due to the decrease in losses on sale of securities and derivative transaction losses.
- As a result, net investment income increased by ¥61.4 billion to ¥859.9 billion.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2016

- For the fiscal year ending March 31, 2016, the Company expects the Japanese economy will be on track for a modest recovery supported by positive effects such as (a) a recovery of individual consumption on the back of an improvement of the employment and wage environment, and (b) a recovery of foreign demand.

[Domestic interest rates]

- Domestic interest rates are expected to remain low for a while due to the maintenance and enhancement of quantitative and qualitative monetary easing measures by the BOJ. However, toward the end of the fiscal year, the Company estimates that the interest rates will turn to a moderate upward trend associated with the potential increase in U.S. interest rates due to a potential raise of policy interest rates by the FRB.

[Domestic stocks]

- The Company forecasts that the domestic stock market will remain brisk, due to positive effects such as a trend of strong corporate earnings and increasing shareholder returns. Additionally, increased expectations for potential improvements in corporate earnings due to the forecasted yen depreciation trend will support the rise in stock prices.

[Foreign currency]

- The Company anticipates that the overall yen depreciation trend against the U.S. dollar will continue, as the FRB smoothes the way for a rate increase in the U.S. in or after 2015 while the BOJ is expected to maintain and enhance its monetary easing measures for the long term.
- For euro-yen rates, the Company anticipates only a limited yen depreciation trend against the euro for the period in light of the additional monetary easing measures by the ECB.

(4) Investment Policies for the Fiscal Year Ending March 31, 2016

- The Company will continue to set fixed income investments, including government and corporate bonds, as the core of its asset portfolio, consistent with its mid- to long-term investment policies. In addition, taking into account market trends, the Company will flexibly change allocation of its risk assets, such as domestic stocks and foreign securities, carried to diversify and improve overall returns of its investment portfolio.
- The table below summarizes the expected investments of the Company's general account by asset class:

Assets	Investment policies
Domestic bonds	<u>Basically flat but increase when interest rates rise</u> The Company will continue investing in domestic bonds as a core asset under its ALM strategy. When interest rates rise, the Company will accelerate its investment in bonds with longer durations (i.e. long-term bonds and super-long-term bonds) to further enhance its ALM.
Loans	<u>Decrease</u> While actively providing new loans to fulfill capital needs in growth areas, the overall loan balance of the Company is expected to decrease mainly due to contractual maturities. The Company intends to provide new loans by setting appropriate credit spreads, with attention to borrowers' profiles and credit spread levels in the corporate bond market.
Domestic stocks	<u>Basically flat but flexibly increase or decrease</u> Basically overall domestic stocks balance of the Company is expected to be flat taking into account appropriate risk control, but the Company will flexibly change the allocation of domestic stocks, following market trends. In order to improve the profitability of the portfolio, the Company replaced some companies/sectors based on competitiveness, growth potential, and/or the degree to which they are undervalued.
Foreign bonds	<u>Basically increase but flexibly increase or decrease</u> As for foreign currency-denominated bonds without currency hedges, the Company will flexibly change the allocation of this asset class based on exchange rate trends, while carefully monitoring the effect of diversification among risk assets. The Company is expected to increase foreign currency-denominated bonds with currency hedges, in order to improve investment efficiency within its fixed income assets while carefully monitoring domestic and foreign interest rate differentials and flexibly change its overall balance.
Foreign stocks	<u>Increase</u> Taking market trends into account, the Company will increase its exposure to foreign stocks. In order to improve the profitability and stability of the portfolio, the Company also continues to seek regional diversification, as well as investment style diversification.

(2) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	827,414	2.5	901,853	2.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	275,818	0.8	259,735	0.7
Trading account securities	-	-	-	-
Money held in trust	34,699	0.1	36,122	0.1
Securities	26,905,478	82.0	29,670,244	83.2
Domestic bonds	16,120,309	49.1	16,088,970	45.1
Domestic stocks	2,862,186	8.7	3,754,780	10.5
Foreign securities	7,535,743	23.0	9,392,567	26.3
Foreign bonds	5,817,347	17.7	6,959,454	19.5
Foreign stocks and other securities	1,718,395	5.2	2,433,112	6.8
Other securities	387,238	1.2	433,926	1.2
Loans	3,023,173	9.2	3,029,295	8.5
Policy loans	452,938	1.4	428,555	1.2
Ordinary loans	2,570,235	7.8	2,600,740	7.3
Real estate	1,206,176	3.7	1,196,028	3.4
Real estate for rent	781,595	2.4	783,264	2.2
Deferred tax assets	11,163	0.0	-	-
Others	538,861	1.6	564,554	1.6
Reserve for possible loan losses	(2,753)	(0.0)	(2,105)	(0.0)
Total	32,820,032	100.0	35,655,728	100.0
Foreign currency-denominated assets	6,039,804	18.4	7,780,820	21.8

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

(3) Changes (Increase/Decrease) in Assets (General Account)

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash, deposits, and call loans	117,388	74,438
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	(7,285)	(16,083)
Trading account securities	-	-
Money held in trust	10,627	1,423
Securities	825,607	2,764,765
Domestic bonds	(307,088)	(31,339)
Domestic stocks	304,772	892,594
Foreign securities	719,529	1,856,823
Foreign bonds	629,743	1,142,106
Foreign stocks and other securities	89,786	714,716
Other securities	108,393	46,687
Loans	(116,497)	6,121
Policy loans	(27,291)	(24,383)
Ordinary loans	(89,206)	30,504
Real estate	(18,297)	(10,147)
Real estate for rent	(3,249)	1,669
Deferred tax assets	(54,406)	(11,163)
Others	149,656	25,693
Reserve for possible loan losses	1,356	648
Total	908,148	2,835,696
Foreign currency-denominated assets	777,111	1,741,015

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

(4) Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2014		Year ended March 31, 2015	
	Amount	%	Amount	%
Interest and dividends	775,206	76.6	802,330	80.9
Interest from bank deposits	7,422	0.7	11,973	1.2
Interest and dividends from securities	620,515	61.3	645,467	65.1
Interest from loans	72,669	7.2	66,896	6.7
Rental income	66,327	6.6	68,030	6.9
Other interest and dividends	8,271	0.8	9,962	1.0
Gains on trading account securities	-	-	-	-
Gains on money held in trust	5,821	0.6	7,668	0.8
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	202,364	20.0	146,542	14.8
Gains on sale of domestic bonds	47,647	4.7	17,198	1.7
Gains on sale of domestic stocks	40,648	4.0	43,460	4.4
Gains on sale of foreign securities	114,065	11.3	84,268	8.5
Others	2	0.0	1,615	0.2
Gains on redemption of securities	25,127	2.5	23,906	2.4
Derivative transaction gains	-	-	9,411	0.9
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	1,334	0.1	468	0.0
Reversal of reserve for possible investment losses	-	-	214	0.0
Other investment income	2,568	0.3	623	0.1
Total	1,012,421	100.0	991,166	100.0

(5) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2014		Year ended March 31, 2015	
	Amount	%	Amount	%
Interest expenses	19,041	8.9	16,024	12.2
Losses on trading account securities	-	-	-	-
Losses on money held in trust	-	-	-	-
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	67,303	31.5	24,412	18.6
Losses on sale of domestic bonds	6,576	3.1	2,294	1.7
Losses on sale of domestic stocks	9,027	4.2	4,744	3.6
Losses on sale of foreign securities	51,522	24.1	16,978	12.9
Others	176	0.1	393	0.3
Losses on valuation of securities	1,401	0.7	469	0.4
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	39	0.0	153	0.1
Losses on valuation of foreign securities	1,361	0.6	315	0.2
Others	-	-	-	-
Losses on redemption of securities	3,050	1.4	305	0.2
Derivative transaction losses	49,146	23.0	-	-
Foreign exchange losses	19,915	9.3	38,047	29.0
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	215	0.1	-	-
Write-down of loans	31	0.0	43	0.0
Depreciation of real estate for rent and others	14,198	6.6	14,633	11.1
Other investment expenses	39,623	18.5	37,317	28.4
Total	213,928	100.0	131,253	100.0

(6) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net investment income	798,493	859,912

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

	(%)	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash, deposits, and call loans	0.15	0.34
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	2.27	2.21
Trading account securities	-	-
Money held in trust	22.52	26.81
Securities	2.86	3.02
Domestic bonds	2.06	1.69
Domestic stocks	4.41	4.42
Foreign securities	4.08	5.06
Foreign bonds	3.99	5.27
Foreign stocks and other securities	4.35	4.36
Loans	2.45	2.22
Ordinary loans	2.05	1.81
Real estate	3.30	3.49
Total	2.59	2.71
Foreign investments	3.76	4.64

Note: 1. Rates of return above are calculated by dividing the net investment income included in ordinary profit by the average daily balance on a book value basis.

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

B. Average daily balance (general account)

	(billions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash, deposits, and call loans	641.0	909.4
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	265.0	256.0
Trading account securities	-	-
Money held in trust	25.8	28.6
Securities	24,581.4	25,301.3
Domestic bonds	16,011.9	15,586.0
Domestic stocks	1,936.3	1,913.5
Foreign securities	6,332.9	7,443.6
Foreign bonds	4,762.3	5,743.0
Foreign stocks and other securities	1,570.6	1,700.6
Loans	3,095.8	3,028.8
Ordinary loans	2,629.4	2,588.3
Real estate	792.0	783.9
Total	30,849.2	31,768.3
Foreign investments	6,937.6	8,218.8

Note: "Foreign investments" include yen-denominated assets.

C. Valuation gains and losses on trading securities (General account)

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	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
Trading securities	31,863	788	33,245	3,962
Trading account securities	-	-	-	-
Money held in trust	31,863	788	33,245	3,962

D. 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, 2014						
	Held-to-maturity bonds	45,109	48,862	3,753	3,753	-
	Domestic bonds	45,109	48,862	3,753	3,753	-
	Foreign bonds	-	-	-	-	-
	Policy-reserve-matching bonds	11,726,939	12,799,665	1,072,726	1,072,869	142
	Domestic bonds	11,721,834	12,794,528	1,072,693	1,072,836	142
	Foreign bonds	5,104	5,137	33	33	-
	Stocks of subsidiaries and affiliates	28,434	44,116	15,682	15,682	-
	Available-for-sale securities	12,115,568	14,013,790	1,898,222	1,980,087	81,864
	Domestic bonds	4,048,489	4,353,365	304,875	306,098	1,222
	Domestic stocks	1,605,896	2,537,699	931,802	985,695	53,892
	Foreign securities	5,928,966	6,540,243	611,277	636,785	25,508
	Foreign bonds	5,327,360	5,812,243	484,882	504,474	19,592
	Foreign stocks and other securities	601,605	728,000	126,394	132,310	5,916
	Other securities	252,517	288,828	36,311	37,377	1,066
	Monetary claims bought	262,110	275,818	13,708	13,882	173
	Certificates of deposit	15,000	15,000	0	0	-
	Money held in trust	2,587	2,835	247	247	-
	Total	23,916,050	26,906,435	2,990,384	3,072,392	82,007
	Domestic bonds	15,815,433	17,196,756	1,381,322	1,382,687	1,365
	Domestic stocks	1,605,896	2,537,699	931,802	985,695	53,892
	Foreign securities	5,960,087	6,587,059	626,971	652,479	25,508
	Foreign bonds	5,332,465	5,817,380	484,915	504,507	19,592
	Foreign stocks and other securities	627,622	769,678	142,055	147,972	5,916
	Other securities	254,934	291,266	36,332	37,398	1,066
	Monetary claims bought	262,110	275,818	13,708	13,882	173
	Certificates of deposit	15,000	15,000	0	0	-
	Money held in trust	2,587	2,835	247	247	-
As of March 31, 2015						
	Held-to-maturity bonds	45,411	49,940	4,529	4,529	-
	Domestic bonds	45,411	49,940	4,529	4,529	-
	Foreign bonds	-	-	-	-	-
	Policy-reserve-matching bonds	11,996,350	13,835,074	1,838,724	1,839,401	677
	Domestic bonds	11,965,521	13,803,860	1,838,339	1,838,998	658
	Foreign bonds	30,828	31,213	384	403	19
	Stocks of subsidiaries and affiliates	26,605	76,937	50,332	50,332	-
	Available-for-sale securities	12,413,822	15,907,148	3,493,326	3,524,928	31,601
	Domestic bonds	3,683,212	4,077,188	393,975	394,394	418
	Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
	Foreign securities	6,531,753	7,777,156	1,245,403	1,254,663	9,260
	Foreign bonds	5,917,345	6,928,625	1,011,280	1,015,396	4,115
	Foreign stocks and other securities	614,408	848,531	234,123	239,267	5,144
	Other securities	266,385	320,841	54,455	54,644	189
	Monetary claims bought	246,203	259,735	13,531	13,541	10
	Certificates of deposit	40,000	40,000	0	0	-
	Money held in trust	2,587	2,876	288	288	-
	Total	24,482,189	29,869,101	5,386,912	5,419,191	32,279
	Domestic bonds	15,694,144	17,930,989	2,236,845	2,237,922	1,077
	Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
	Foreign securities	6,588,411	7,884,503	1,296,091	1,305,371	9,279
	Foreign bonds	5,948,174	6,959,838	1,011,664	1,015,799	4,134
	Foreign stocks and other securities	640,237	924,664	284,427	289,572	5,144
	Other securities	267,161	321,645	54,483	54,672	189
	Monetary claims bought	246,203	259,735	13,531	13,541	10
	Certificates of deposit	40,000	40,000	0	0	-
	Money held in trust	2,587	2,876	288	288	-

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, 2014	As of March 31, 2015
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	418,119	1,041,622
Unlisted domestic stocks (except over-the-counter stocks)	201,171	206,964
Unlisted foreign stocks (except over-the-counter stocks)	172,743	777,254
Others	44,204	57,403
Available-for-sale securities	966,677	955,690
Unlisted domestic stocks (except over-the-counter stocks)	123,314	118,466
Unlisted foreign stocks (except over-the-counter stocks)	775,099	765,001
Unlisted foreign bonds	0	-
Others	68,263	72,223
Total	1,384,797	1,997,313

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: gain of 15,280 million yen as of March 31, 2014 and gain of 104,797 million yen as of March 31, 2015.

(Reference) Fair value information of securities, taking into account foreign exchange valuation gains (losses) of foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above, in addition to the figures in the table D, is as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2014					
Held-to-maturity bonds	45,109	48,862	3,753	3,753	-
Domestic bonds	45,109	48,862	3,753	3,753	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,726,939	12,799,665	1,072,726	1,072,869	142
Domestic bonds	11,721,834	12,794,528	1,072,693	1,072,836	142
Foreign bonds	5,104	5,137	33	33	-
Stocks of subsidiaries and affiliates	446,553	477,476	30,922	35,061	4,139
Domestic stocks	201,171	201,171	-	-	-
Foreign stocks	205,376	236,277	30,901	35,040	4,139
Other securities	40,005	40,026	21	21	-
Available-for-sale securities	13,082,245	14,980,508	1,898,262	1,980,127	81,865
Domestic bonds	4,048,489	4,353,365	304,875	306,098	1,222
Domestic stocks	1,729,211	2,661,014	931,802	985,695	53,892
Foreign securities	6,713,945	7,325,262	611,317	636,825	25,508
Foreign bonds	5,327,360	5,812,243	484,882	504,474	19,592
Foreign stocks and other securities	1,386,584	1,513,019	126,434	132,351	5,916
Other securities	310,901	347,212	36,311	37,377	1,066
Monetary claims bought	262,110	275,818	13,708	13,882	173
Certificates of deposit	15,000	15,000	0	0	-
Money held in trust	2,587	2,835	247	247	-
Total	25,300,848	28,306,513	3,005,664	3,091,811	86,146
Domestic bonds	15,815,433	17,196,756	1,381,322	1,382,687	1,365
Domestic stocks	1,930,383	2,862,186	931,802	985,695	53,892
Foreign securities	6,924,426	7,566,677	642,251	671,899	29,647
Foreign bonds	5,332,465	5,817,380	484,915	504,507	19,592
Foreign stocks and other securities	1,591,961	1,749,297	157,336	167,391	10,055
Other securities	350,906	387,238	36,332	37,398	1,066
Monetary claims bought	262,110	275,818	13,708	13,882	173
Certificates of deposit	15,000	15,000	0	0	-
Money held in trust	2,587	2,835	247	247	-
As of March 31, 2015					
Held-to-maturity bonds	45,411	49,940	4,529	4,529	-
Domestic bonds	45,411	49,940	4,529	4,529	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,996,350	13,835,074	1,838,724	1,839,401	677
Domestic bonds	11,965,521	13,803,860	1,838,339	1,838,998	658
Foreign bonds	30,828	31,213	384	403	19
Stocks of subsidiaries and affiliates	1,068,227	1,223,357	155,129	158,063	2,933
Domestic stocks	206,964	206,964	-	-	-
Foreign stocks	809,699	964,801	155,101	158,035	2,933
Other securities	51,563	51,591	27	27	-
Available-for-sale securities	13,369,513	16,862,839	3,493,326	3,524,928	31,602
Domestic bonds	3,684,062	4,078,038	393,975	394,394	418
Domestic stocks	1,762,145	3,547,816	1,785,671	1,807,394	21,723
Foreign securities	7,306,634	8,552,038	1,245,403	1,254,663	9,260
Foreign bonds	5,917,345	6,928,625	1,011,280	1,015,396	4,115
Foreign stocks and other securities	1,389,289	1,623,412	234,123	239,267	5,144
Other securities	327,879	382,334	54,455	54,644	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
Total	26,479,502	31,971,211	5,491,709	5,526,922	35,213
Domestic bonds	15,694,994	17,931,839	2,236,845	2,237,922	1,077
Domestic stocks	1,969,109	3,754,780	1,785,671	1,807,394	21,723
Foreign securities	8,147,163	9,548,053	1,400,889	1,413,102	12,213
Foreign bonds	5,948,174	6,959,838	1,011,664	1,015,799	4,134
Foreign stocks and other securities	2,198,989	2,588,214	389,224	397,303	8,078
Other securities	379,442	433,926	54,483	54,672	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-

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

E. 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
As of March 31, 2014	34,699	34,699	1,036	6,681	5,645
As of March 31, 2015	36,122	36,122	4,251	9,302	5,051

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, 2014		As of March 31, 2015	
	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	31,863	788	33,245	3,962

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

(millions of yen)

	As of March 31, 2014					As of March 31, 2015				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust classified as held-to-maturity	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as policy-reserve-matching	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as available-for-sale	2,587	2,835	247	247	-	2,587	2,876	288	288	-

F. Total net unrealized gains (losses) of general account assets

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Securities	3,005,664	5,491,709
Domestic bonds	1,381,322	2,236,845
Domestic stocks	931,802	1,785,671
Foreign securities	642,251	1,400,889
Foreign bonds	484,915	1,011,664
Foreign stocks and other securities	157,336	389,224
Other securities	36,332	54,483
Others	13,955	13,820
Real estate	48,264	75,583
Total (including others not listed above)	3,050,515	5,550,709

Note: 1. Only foreign exchange valuation gains (losses) are taken into account for foreign securities whose fair value is deemed extremely difficult to recognize.
2. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
3. Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of real estate.

4. Unaudited Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2014	As of March 31, 2015		As of March 31, 2014	As of March 31, 2015
(ASSETS)			(LIABILITIES)		
Cash and deposits	573,973	663,427	Policy reserves and others	29,744,001	30,449,617
Cash	220	217	Reserves for outstanding claims	150,709	203,076
Bank deposits	573,752	663,209	Policy reserves	29,199,269	29,840,974
Call loans	334,500	355,300	Reserve for policyholder dividends	394,022	405,566
Monetary claims bought	275,818	259,735	Reinsurance payable	657	609
Money held in trust	34,699	36,122	Subordinated bonds	107,562	215,727
Securities	28,005,170	30,673,366	Other liabilities	1,498,375	1,496,483
Government bonds	14,169,860	14,531,309	Collateral for securities lending transactions	773,937	731,505
Local government bonds	235,000	135,572	Long-term debt and other borrowings	327,060	325,198
Corporate bonds	2,044,589	1,675,152	Corporate income tax payable	63,523	52,296
Stocks	3,136,437	4,007,030	Accounts payable	117,445	83,212
Foreign securities	7,938,499	9,799,414	Accrued expenses	45,760	51,619
Other securities	480,783	524,887	Unearned revenue	743	785
Loans	3,023,173	3,029,295	Deposits received	53,445	53,105
Policy loans	452,938	428,555	Guarantee deposits received	33,396	51,008
Ordinary loans	2,570,235	2,600,740	Differential account for futures trading	-	17
Tangible fixed assets	1,215,576	1,203,289	Derivatives	68,662	124,556
Land	796,436	801,088	Lease liabilities	6,018	4,552
Buildings	408,390	394,089	Asset retirement obligations	2,831	2,789
Leased assets	6,133	4,658	Suspense receipt	5,473	15,345
Construction in progress	1,349	850	Other liabilities	76	490
Other tangible fixed assets	3,266	2,602	Reserve for employees' retirement benefits	407,170	389,480
Intangible fixed assets	88,549	83,719	Reserve for retirement benefits of directors, executive officers and corporate auditors	2,141	1,990
Software	65,824	61,602	Reserve for possible reimbursement of prescribed claims	800	700
Other intangible fixed assets	22,725	22,116	Reserve for price fluctuations	116,453	132,453
Reinsurance receivable	11,046	7,916	Deferred tax liabilities	-	413,815
Other assets	369,894	427,053	Deferred tax liabilities for land revaluation	91,595	84,908
Accounts receivable	88,330	58,176	Acceptances and guarantees	88,225	91,648
Prepaid expenses	13,425	13,009	Total liabilities	32,056,983	33,277,434
Accrued revenue	140,570	156,983	(NET ASSETS)		
Deposits	52,276	42,217	Capital stock	210,224	343,104
Margin money for futures trading	33,596	56,390	Capital surplus	210,262	343,255
Differential account for futures trading	2	-	Legal capital surplus	210,224	343,104
Derivatives	19,128	82,448	Other capital surplus	37	151
Suspense payment	13,713	6,172	Retained earnings	287,286	430,738
Other assets	8,850	11,655	Legal retained earnings	5,600	5,600
Deferred tax assets	11,163	-	Other retained earnings	281,686	425,138
Customers' liabilities for acceptances and guarantees	88,225	91,648	Fund for risk allowance	43,120	43,120
Reserve for possible loan losses	(2,753)	(2,105)	Fund for price fluctuation allowance	65,000	65,000
Reserve for possible investment losses	(215)	-	Reserve for tax basis adjustments of real estate	23,534	24,875
			Retained earnings brought forward	150,031	292,143
			Treasury stock	(11,500)	(9,723)
			Total shareholders' equity	696,272	1,107,375
			Net unrealized gains (losses) on securities, net of tax	1,315,890	2,488,665
			Deferred hedge gains (losses)	(2,586)	(12,036)
			Reserve for land revaluation	(38,320)	(33,424)
			Total of valuation and translation adjustments	1,274,983	2,443,204
			Subscription rights to shares	583	753
			Total net assets	1,971,839	3,551,333
Total assets	34,028,823	36,828,768	Total liabilities and net assets	34,028,823	36,828,768

5. Unaudited Non-Consolidated Statement of Earnings

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
ORDINARY REVENUES	4,384,670	4,798,467
Premium and other income	2,868,061	3,266,361
Premium income	2,867,246	3,265,798
Reinsurance income	815	563
Investment income	1,161,432	1,174,430
Interest and dividends	775,206	802,330
Interest from bank deposits	7,422	11,973
Interest and dividends from securities	620,515	645,467
Interest from loans	72,669	66,896
Rental income	66,327	68,030
Other interest and dividends	8,271	9,962
Gains on money held in trust	5,821	7,668
Gains on sale of securities	202,364	146,542
Gains on redemption of securities	25,127	23,906
Derivative transaction gains	-	9,411
Reversal of reserve for possible loan losses	1,334	468
Reversal of reserve for possible investment losses	-	214
Other investment income	2,568	623
Gains on investments in separate accounts	149,010	183,263
Other ordinary revenues	355,176	357,675
Fund receipt for annuity rider of group insurance	768	674
Fund receipt for claim deposit payment	298,358	323,932
Reversal of reserve for employees' retirement benefits	30,998	3,287
Other ordinary revenues	25,051	29,781
ORDINARY EXPENSES	4,077,058	4,389,702
Benefits and claims	2,439,165	2,718,186
Claims	715,702	749,138
Annuities	574,517	629,874
Benefits	453,389	412,439
Surrender values	525,941	532,807
Other refunds	168,288	392,652
Ceding reinsurance commissions	1,325	1,272
Provision for policy reserves and others	583,309	702,820
Provision for reserves for outstanding claims	12,138	52,367
Provision for policy reserves	562,223	641,704
Provision for interest on policyholder dividends	8,946	8,748
Investment expenses	213,928	131,253
Interest expenses	19,041	16,024
Losses on sale of securities	67,303	24,412
Losses on valuation of securities	1,401	469
Losses on redemption of securities	3,050	305
Derivative transaction losses	49,146	-
Foreign exchange losses	19,915	38,047
Provision for reserve for possible investment losses	215	-
Write-down of loans	31	43
Depreciation of real estate for rent and others	14,198	14,633
Other investment expenses	39,623	37,317
Operating expenses	410,515	398,588
Other ordinary expenses	430,140	438,854
Claim deposit payments	331,778	365,251
National and local taxes	22,260	28,611
Depreciation	36,028	35,210
Other ordinary expenses	40,071	9,781
ORDINARY PROFIT	307,612	408,764
EXTRAORDINARY GAINS	3,618	3,029
Gains on disposal of fixed assets	3,618	3,029
EXTRAORDINARY LOSSES	66,415	27,252
Losses on disposal of fixed assets	13,870	5,279
Impairment losses on fixed assets	23,890	5,472
Provision for reserve for price fluctuations	28,000	16,000
Other extraordinary losses	654	501
Provision for reserve for policyholder dividends	94,000	112,200
Income before income taxes	150,815	272,341
Corporate income taxes-current	112,720	119,336
Corporate income taxes-deferred	(47,449)	808
Total of corporate income taxes	65,270	120,145
Net income for the year	85,544	152,196

6. Unaudited Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2014

(millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus		Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	210,207	210,207	-	210,207	5,600	43,120	65,000	20,838	81,982
Cumulative effect of changes in accounting policies				-					
Balance at the beginning of the year after reflecting the effect of changes in accounting	210,207	210,207	-	210,207	5,600	43,120	65,000	20,838	81,982
Changes for the year									
Issuance of new shares				-					
Issuance of new shares - exercise of subscription rights to shares	17	17		17					
Dividends				-					(15,855)
Net income for the year				-					85,544
Disposal of treasury stock			37	37					
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate				-					
Transfer to reserve for tax basis adjustments of real estate				-				2,824	(2,824)
Transfer from reserve for tax basis adjustments of real estate				-				(129)	129
Transfer from reserve for land revaluation				-					1,055
Net changes of items other than shareholders' equity									
Total changes for the year	17	17	37	54	-	-	-	2,695	68,049
Balance at the end of the year	210,224	210,224	37	210,262	5,600	43,120	65,000	23,534	150,031

(millions of yen)

	Shareholders' equity			Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments		
	Total retained earnings								
Balance at the beginning of the year	216,541	(13,431)	623,524	1,092,583	(1,801)	(36,995)	1,053,786	379	1,677,691
Cumulative effect of changes in accounting policies	-		-						-
Balance at the beginning of the year after reflecting the effect of changes in accounting	216,541	(13,431)	623,524	1,092,583	(1,801)	(36,995)	1,053,786	379	1,677,691
Changes for the year									
Issuance of new shares	-		-						-
Issuance of new shares - exercise of subscription rights to shares	-		35						35
Dividends	(15,855)		(15,855)						(15,855)
Net income for the year	85,544		85,544						85,544
Disposal of treasury stock	-	1,930	1,967						1,967
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate	-		-						-
Transfer to reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for land revaluation	1,055		1,055						1,055
Net changes of items other than shareholders' equity				223,306	(784)	(1,325)	221,196	203	221,400
Total changes for the year	70,745	1,930	72,747	223,306	(784)	(1,325)	221,196	203	294,148
Balance at the end of the year	287,286	(11,500)	696,272	1,315,890	(2,586)	(38,320)	1,274,983	583	1,971,839

Year ended March 31, 2015

(millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus		Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	210,224	210,224	37	210,262	5,600	43,120	65,000	23,534	150,031
Cumulative effect of changes in accounting policies				-					10,330
Balance at the beginning of the year after reflecting the effect of changes in accounting	210,224	210,224	37	210,262	5,600	43,120	65,000	23,534	160,362
Changes for the year									
Issuance of new shares	132,842	132,842		132,842					
Issuance of new shares - exercise of subscription rights to shares	37	37		37					
Dividends				-					(19,846)
Net income for the year				-					152,196
Disposal of treasury stock			113	113					
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate				-				670	(670)
Transfer to reserve for tax basis adjustments of real estate				-				796	(796)
Transfer from reserve for tax basis adjustments of real estate				-				(125)	125
Transfer from reserve for land revaluation				-					771
Net changes of items other than shareholders' equity									
Total changes for the year	132,879	132,879	113	132,993	-	-	-	1,340	131,780
Balance at the end of the year	343,104	343,104	151	343,255	5,600	43,120	65,000	24,875	292,143

(millions of yen)

(millions of yen)

	Shareholders' equity			Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments		
	Total retained earnings								
Balance at the beginning of the year	287,286	(11,500)	696,272	1,315,890	(2,586)	(38,320)	1,274,983	583	1,971,839
Cumulative effect of changes in accounting policies	10,330		10,330						10,330
Balance at the beginning of the year after reflecting the effect of changes in accounting	297,617	(11,500)	706,603	1,315,890	(2,586)	(38,320)	1,274,983	583	1,982,170
Changes for the year									
Issuance of new shares	-		265,684						265,684
Issuance of new shares - exercise of subscription rights to shares	-		74						74
Dividends	(19,846)		(19,846)						(19,846)
Net income for the year	152,196		152,196						152,196
Disposal of treasury stock	-	1,776	1,890						1,890
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate	-		-						-
Transfer to reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for tax basis adjustments of real estate	-		-						-
Transfer from reserve for land revaluation	771		771						771
Net changes of items other than shareholders' equity				1,172,775	(9,450)	4,896	1,168,221	170	1,168,391
Total changes for the year	133,121	1,776	400,771	1,172,775	(9,450)	4,896	1,168,221	170	1,569,163
Balance at the end of the year	430,738	(9,723)	1,107,375	2,488,665	(12,036)	(33,424)	2,443,204	753	3,551,333

I. NOTES TO THE UNAUDITED NON-CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2015

1. Valuation Methods of Securities

Securities held by the Company including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) 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 Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

(a) Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value as of March 31, 2015 (for domestic stocks, the average value during March), with cost determined by the moving average method.

(b) Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

i) Government/Corporate Bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

ii) All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statement of earnings.

2. Policy-reserve-matching Bonds

(1) Book Value and Market Value

The book value and the market value of policy-reserve-matching bonds as of March 31, 2015 were ¥11,996,350 million and ¥13,835,074 million, respectively.

(2) Risk Management Policy

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, it periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products are:

- (a) individual life insurance and annuities,
 - (b) non-participating single premium whole life insurance (without duty of medical disclosure),
 - (c) financial insurance and annuities, and
 - (d) group annuities,
- with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the “Law for Revaluation of Land” (Publicly Issued Law 34, March 31, 1998), the Company revalued land for business use. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001

- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land
The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Enforcement Ordinance of the Law for Revaluation of Land (Publicly Issued Cabinet Order 119, March 31, 1998).
- The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2015 was ¥2,525 million.

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method) and is computed by proportionally allocating the estimated depreciation for the fiscal year.

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Tangible fixed assets other than land, buildings and leased assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that are acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years following the fiscal year end when such assets were depreciated to their final depreciable limit.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses the straight-line method for amortization of intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of five years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2015 was ¥648,197 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translated foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates as of March 31, 2015. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, “bankrupt obligors”) and loans to and claims on obligors that have suffered substantial business failure (hereinafter, “substantially bankrupt obligors”), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor’s ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to and claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral or guarantees from the amount of the

loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2015 was ¥59 million.

8. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount is provided based on the projected benefit obligations and pension assets as of March 31, 2015.

(1) Allocation of Estimated Retirement Benefits

Estimated retirement benefits are allocated under the benefit formula basis over the period ended March 31, 2015.

(2) Amortization of Actuarial Differences

Actuarial differences are amortized under the straight-line method through a certain period (seven years) within the employees' average remaining service period, starting from the following year.

The accounting treatment of unrecognized actuarial differences related to the retirement benefits for the non-consolidated financial statements is different from that for the consolidated financial statements.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of the Company, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of the Company and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of the Company are provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, the Company provided for reserve for the possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

11. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated in accordance with the provisions of Article 115 of the Insurance Business Act.

12. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No. 10). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; and (d) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts	Foreign currency-denominated bonds,

	foreign currency-denominated term deposits,
	foreign currency-denominated stocks
	(forecasted transaction)
Currency options	Foreign currency-denominated bonds
Equity options	Domestic stocks,
	foreign currency-denominated stocks
	(forecasted transaction)
Equity forward contracts	Domestic stocks

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of the hedging instruments.

13. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

14. Policy Reserve

Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

- (1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of the Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
- (2) Reserves for other policies are established based on the net level premium method.

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, the amount of the additional provision for policy reserves for the fiscal year ended March 31, 2015 was ¥122,957 million.

15. Accounting Standard for Retirement Benefits

Effective the fiscal year ended March 31, 2015, the Company applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 issued on May 17, 2012, hereinafter “the Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on March 26, 2015, hereinafter “the Guidance”), subject to provisions stipulated in Paragraph 35 of the Standard and Paragraph 67 of the Guidance.

The Company revised the calculation method of projected benefit obligation and service cost by changing the allocation of estimated retirement benefits from the straight-line method to the benefit formula basis and by changing the determination of the discount rate from using the discount rate based on a certain period close to employees’ average remaining service period to using the single weighted-average discount rate taking into account the assumed payment period of retirement benefits and the amount per each assumed payment period.

Upon the adoption of these new standards, the Company followed the transitional treatment stipulated in Paragraph 37 of the Standard and the impact of adoption at the beginning of the fiscal year ended March 31, 2015 related to changes in calculation method of projected benefit obligation and service cost is included in the Company’s retained earnings.

As a result, the Company’s reserve for employees’ retirement benefits decreased by ¥14,903 million and retained earnings brought forward increased by ¥10,330 million at the beginning of the fiscal year ended March 31, 2015 as compared to what it would have been if calculated using the previous method. Also, for the fiscal year ended March 31, 2015, both ordinary profit and income before income taxes of the Company decreased by

¥257 million.

16. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent as of March 31, 2015 was ¥1,888,894 million.

17. Problem Loans

As of March 31, 2015, the total amount of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which was included in loans, was ¥4,068 million. The amount of credits to bankrupt borrowers was ¥109 million, the amount of delinquent loans was ¥3,525 million, the Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥434 million.

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write off of loans described in Note 7 above, credits to bankrupt borrowers and delinquent loans decreased by ¥4 million and ¥54 million, respectively.

18. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act was ¥1,259,458 million. Separate account liabilities were the same amount as the separate account assets.

19. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies were ¥110,566 million and ¥4,807 million, respectively.

20. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2015

(Unit: million yen)

Deferred tax assets:	
Insurance policy reserve	414,363
Reserve for employees' retirement benefits	136,784
Reserve for price fluctuations	38,093
Losses on valuation of securities	12,757
Impairment losses	9,413
Others	29,729
Subtotal	641,142
Valuation allowances	(27,169)
Total	<u>613,972</u>
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(992,759)
Reserve for tax basis adjustments of real estate	(10,042)
Dividend receivable from domestic stocks	(7,641)
Others	(17,345)
Total	<u>(1,027,788)</u>
Net deferred tax liabilities	<u>(413,815)</u>

- (2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2015

Statutory tax rate	30.68 %
(Adjustments)	
Decrease in deferred tax assets in relation to changes in tax rates	14.37 %
Others	(0.93)%
Actual effective tax rate after considering deferred taxes	<u>44.12 %</u>

- (3) Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Following the promulgation of “the Act on the Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015), the Company changed its effective statutory tax rate for calculating its deferred tax assets and liabilities from 30.68% to 28.76% effective the fiscal year starting from April 1, 2015.

As a result, its deferred tax liabilities decreased by ¥27,626 million and corporate income taxes-deferred increased by ¥39,121 million.

21. Leased Computers

In addition to leased assets included in the non-consolidated balance sheet, the Company has computers as significant leased tangible fixed assets. The Company has no material leased intangible fixed assets.

22. 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, 2015	394,022
Dividends paid during the fiscal year ended March 31, 2015	(109,404)
Interest accrual during the fiscal year ended March 31, 2015	8,748
Provision for reserve for policyholder dividends.....	112,200
Balance as of March 31, 2015	<u>405,566</u>

23. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Company held as of March 31, 2015 was ¥1,068,255 million.

24. Organization Change Surplus

The amount of the Company’s organization change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

25. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows:

	(Unit: million yen)
Securities (Government bonds)	704,686
Securities (Foreign securities)	4,885
Cash and deposits	86
Securities, cash and deposits pledged as collateral	<u>709,658</u>

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Cash collateral for securities lending transactions	731,505
Loans payable	0
Secured liabilities	<u>731,506</u>

“Securities (Government bonds)” pledged for collateral for securities lending transactions with cash collateral as of March 31, 2015 was ¥650,112 million.

26. Reinsurance

The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter “reserves for outstanding claims reinsured”) was ¥18 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter “policy reserves reinsured”) was ¥0 million.

27. Net Assets per Share

The amount of net assets per share of the Company was ¥2,980.12.

28. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2015, the market value of the securities borrowed which were not sold or pledged was ¥74,082 million, among which no securities were pledged as collateral.

29. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥31,390 million.

30. Subordinated Debt

Other liabilities included subordinated debt of ¥320,000 million, the repayment of which is subordinated to other obligations.

31. Subordinated Bonds

Subordinated bonds of ¥215,727 million shown in liabilities included foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

32. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥52,414 million as of March 31, 2015. These obligations will be recognized as operating expenses in the period in which they are paid.

33. Incentive Programs Granting Employees Company Shares

Notes to incentive programs granting employees shares of the Company through dedicated trusts are omitted as the same notes are described in the notes to the consolidated financial statements.

II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2015

1. Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥11,880 million and ¥23,780 million, respectively.

2. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sale of domestic bonds, domestic stocks, foreign securities and other securities of ¥17,198 million, ¥43,460 million and ¥84,268 million and ¥1,615 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities and other securities of ¥2,294 million, ¥4,744 million, ¥16,978 million and ¥393 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥153 million and ¥315 million, respectively.

3. Reinsurance

In calculating the provision for reserves for outstanding claims, a provision for reserves for outstanding claims reinsured of ¥14 million was subtracted. In calculating the provision for policy reserves, a reversal of reserves for policy reserves reinsured of ¥0 million was added.

4. Gains/Losses on Money Held in Trust

Gains on money held in trust included gains on valuation of securities of ¥3,962 million.

5. Derivative Transaction Gains/Losses

Derivative transaction gains included valuation gains of ¥20,781 million.

6. Net Income and Diluted Net Income per Share

Net income per share for the fiscal year ended March 31, 2015 was ¥133.46. Diluted net income per share for the same period was ¥133.39.

III. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2015

1. Treasury Stock

(Unit: thousands of shares)

	Number of shares of treasury stock outstanding at the beginning of the fiscal year ended March 31, 2015	Increase in treasury stock	Decrease in treasury stock	Number of treasury stock outstanding as of March 31, 2015
Treasury stock Shares of Common Stock	7,743	-	1,225	6,518

Note. The 1,225 thousand share decrease in treasury stock represents the sum of (1) shares granted to eligible employees at retirement by the Stock Granting Trust (J-ESOP) and (2) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership under the Company's Trust-type Employee Shareholding Incentive Plan (E-ship®).

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)		
	Year ended March 31, 2014	Year ended March 31, 2015
Fundamental revenues	4,175,507	4,634,409
Premium and other income	2,868,061	3,266,361
Investment income	952,268	1,010,372
[Interest and dividends]	775,206	802,330
Other ordinary revenues	355,176	357,675
Fundamental expense	3,775,693	4,176,167
Benefits and claims	2,439,165	2,718,186
Provision for policy reserves and others	419,958	552,258
Investment expenses	75,914	68,281
Operating expenses	410,515	398,588
Other ordinary expenses	430,140	438,854
Fundamental profit A	399,813	458,242
Capital gains	208,186	163,622
Gains on money held in trust	5,821	7,668
Gains on investments in trading securities	-	-
Gains on sale of securities	202,364	146,542
Derivative transaction gains	-	9,411
Foreign exchange gains	-	-
Others	-	-
Capital losses	137,767	62,929
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	67,303	24,412
Losses on valuation of securities	1,401	469
Derivative transaction losses	49,146	-
Foreign exchange losses	19,915	38,047
Others	-	-
Net capital gains B	70,418	100,693
Fundamental profit plus net capital gains A + B	470,232	558,936
Other one-time gains	977	434
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	977	219
Others	-	214
Other one-time losses	163,598	150,606
Ceding reinsurance commissions	-	-
Provision for contingency reserve	36,000	27,000
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	31	43
Others	127,566	123,562
Other one-time profits C	(162,620)	(150,171)
Ordinary profit A + B + C	307,612	408,764

Note 1: "Others" in "Other one-time gains" represents the reversal of reserve for possible investment losses (the fiscal year ended March 31, 2015: 214 million yen).

2: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (the fiscal year ended March 31, 2014: 215 million yen) and the amount of the additional policy reserves provided (the fiscal year ended March 31, 2014: 127,351 million yen, the fiscal year ended March 31, 2015: 123,562 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

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	4,362	147
Claims with collection risk	4,431	3,487
Claims for special attention	63	459
Subtotal	8,857	4,094
[Percentage]	[0.21%]	[0.08%]
Claims against normal obligors	4,258,174	5,024,594
Total	4,267,031	5,028,688

- 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

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Credits to bankrupt borrowers	4,329	109
Delinquent loans	4,463	3,525
Loans past due for three months or more	-	-
Restructured loans	35	434
Total	8,828	4,068
[Percentage of total loans]	[0.29%]	[0.13%]

- Note:
1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2014 and March 31, 2015 were 6 million yen and 4 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2014 and March 31, 2015 were 60 million yen and 54 million yen, respectively.
 2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
 3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
 4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
 5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

10. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Total solvency margin (A)	4,770,380	7,261,032
Common stock, etc. ^{*1}	676,855	1,072,124
Reserve for price fluctuations	116,453	132,453
Contingency reserve	531,093	558,093
General reserve for possible loan losses	1,394	1,146
Net unrealized gains on securities (before tax) × 90% ^{*2}	1,708,436	3,143,993
Net unrealized gains (losses) on real estate × 85% ^{*2}	19,155	40,735
Policy reserves in excess of surrender values	1,731,450	1,846,734
Qualifying subordinated debt	427,562	535,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(397,689)	(71,310)
Excluded items	(169,507)	(169,507)
Others	125,176	170,842
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,235,660	1,590,217
Insurance risk R_1	82,252	78,608
3rd sector insurance risk R_8	166,728	168,853
Assumed investment yield risk R_2	256,233	244,812
Guaranteed minimum benefit risk R_7 ^{*3}	4,347	3,427
Investment risk R_3	920,520	1,286,509
Business risk R_4	28,601	35,644
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	772.1%	913.2%

*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 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

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	53,284	60,475
Individual variable annuities	112,848	94,089
Group annuities	1,077,304	1,104,893
Separate account total	1,243,437	1,259,458

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

	As of March 31, 2014		As of March 31, 2015	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	175	871	163	816
Variable insurance (whole life)	45,376	280,932	44,438	274,919
Total	45,551	281,804	44,601	275,736

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

	As of March 31, 2014		As of March 31, 2015	
	Amount	%	Amount	%
Cash, deposits, and call loans	7	0.0	7	0.0
Securities	49,898	93.6	54,569	90.2
Domestic bonds	15,088	28.3	15,633	25.9
Domestic stocks	17,197	32.3	18,404	30.4
Foreign securities	17,613	33.1	20,531	33.9
Foreign bonds	6,178	11.6	6,898	11.4
Foreign stocks and other securities	11,434	21.5	13,632	22.5
Other securities	-	-	-	-
Loans	-	-	-	-
Others	3,378	6.3	5,898	9.8
Reserve for possible loan losses	-	-	-	-
Total	53,284	100.0	60,475	100.0

C. Investment gains and losses of separate account for individual variable insurance

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Interest and dividends	973	1,060
Gains on sale of securities	6,525	5,507
Gains on redemption of securities	8	-
Gains on valuation of securities	7,749	11,317
Foreign exchange gains	116	138
Derivative transaction gains	15	15
Other investment income	0	11
Losses on sale of securities	498	567
Losses on redemption of securities	-	-
Losses on valuation of securities	7,593	7,748
Foreign exchange losses	124	100
Derivative transaction losses	10	12
Other investment expenses	0	0
Net investment income	7,163	9,620

D. Fair value information on securities in separate account for individual variable insurance

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	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
Trading securities	49,898	156	54,569	3,568

* Fair value information on money held in trust

The Company had no balance as of March 31, 2014 or March 31, 2015.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2014		As of March 31, 2015	
	Number	Amount	Number	Amount
Individual variable annuities	29,822	107,174	21,519	107,654

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

B. Breakdown of separate account assets for individual variable annuities

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	Amount	%	Amount	%
Cash, deposits, and call loans	1,394	1.2	1,252	1.3
Securities	109,852	97.3	90,379	96.1
Domestic bonds	5,846	5.2	6,696	7.1
Domestic stocks	4,780	4.2	5,488	5.8
Foreign securities	5,680	5.0	5,635	6.0
Foreign bonds	1,832	1.6	1,837	2.0
Foreign stocks and other securities	3,848	3.4	3,798	4.0
Other securities	93,544	82.9	72,559	77.1
Loans	-	-	-	-
Others	1,601	1.4	2,457	2.6
Reserve for possible loan losses	-	-	-	-
Total	112,848	100.0	94,089	100.0

C. Investment gains and losses of separate account for individual variable annuities

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Interest and dividends	11,916	12,457
Gains on sales of securities	1,276	1,125
Gains on redemption of securities	0	-
Gains on valuation of securities	26,491	29,649
Foreign exchange gains	9	6
Derivative transaction gains	-	-
Other investment income	0	1
Losses on sales of securities	106	119
Losses on redemption of securities	0	-
Losses on valuation of securities	22,056	24,159
Foreign exchange losses	9	5
Derivative transaction losses	-	-
Other investment expenses	244	84
Net investment income	17,277	18,870

D. Fair value information on securities in separate account for individual variable annuities

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	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
Trading securities	109,852	4,434	90,379	5,489

* Fair value information on money held in trust

The Company had no balance as of March 31, 2014 or March 31, 2015.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

	(millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary revenues	6,044,955	7,252,242
Ordinary profit	304,750	406,842
Net income for the year	77,931	142,476
Comprehensive income	300,180	1,384,315
	As of March 31, 2014	As of March 31, 2015
Total assets	37,705,176	49,837,202
Solvency margin ratio	756.9%	818.2%

(2) Scope of Consolidation and Application of Equity Method

	Year ended March 31, 2014	Year ended March 31, 2015
Number of consolidated subsidiaries	21	61
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	32	46

(3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
ASSETS		
Cash and deposits	698,594	873,444
Call loans	362,800	380,400
Monetary claims bought	281,859	265,813
Money held in trust	66,400	65,283
Securities	31,203,581	41,105,413
Loans	3,024,702	3,898,148
Tangible fixed assets	1,215,895	1,217,070
Land	796,436	804,035
Buildings	408,402	402,693
Leased assets	6,141	4,687
Construction in progress	1,349	850
Other tangible fixed assets	3,566	4,804
Intangible fixed assets	210,053	437,677
Software	65,040	63,364
Goodwill	77,108	79,293
Other intangible fixed assets	67,904	295,019
Reinsurance receivable	33,867	101,290
Other assets	516,436	1,401,047
Net defined benefit assets	-	705
Deferred tax assets	5,734	1,379
Customers' liabilities for acceptances and guarantees	88,225	91,648
Reserve for possible loan losses	(2,759)	(2,120)
Reserve for possible investment losses	(215)	-
Total assets	37,705,176	49,837,202
LIABILITIES		
Policy reserves and others	33,327,552	42,547,013
Reserves for outstanding claims	358,606	506,735
Policy reserves	32,574,923	41,634,712
Reserve for policyholder dividends	394,022	405,566
Reinsurance payable	27,677	56,248
Bonds payable	107,562	489,045
Other liabilities	1,593,272	1,864,717
Net defined benefit liabilities	385,436	331,322
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,163	2,017
Reserve for possible reimbursement of prescribed claims	800	700
Reserve for price fluctuations	118,167	136,254
Deferred tax liabilities	15,108	643,398
Deferred tax liabilities for land revaluation	91,595	84,908
Acceptances and guarantees	88,225	91,648
Total liabilities	35,757,563	46,247,274
NET ASSETS		
Capital stock	210,224	343,104
Capital surplus	210,262	343,255
Retained earnings	219,552	352,985
Treasury stock	(11,500)	(9,723)
Total shareholders' equity	628,538	1,029,622
Net unrealized gains (losses) on securities, net of tax	1,322,731	2,528,262
Deferred hedge gains (losses)	(2,586)	(12,036)
Reserve for land revaluation	(38,320)	(33,424)
Foreign currency translation adjustments	19,756	22,654
Accumulated remeasurements of defined benefit plans	16,854	54,027
Total accumulated other comprehensive income	1,318,435	2,559,484
Subscription rights to shares	583	753
Minority interests	55	67
Total net assets	1,947,613	3,589,927
Total liabilities and net assets	37,705,176	49,837,202

(4) Unaudited Consolidated Statement of Earnings and Comprehensive Income
[Unaudited Consolidated Statement of Earnings]

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
ORDINARY REVENUES	6,044,955	7,252,242
Premium and other income	4,353,229	5,432,717
Investment income	1,320,066	1,444,012
Interest and dividends	797,309	856,550
Gains on money held in trust	-	3,228
Gains on investments in trading securities	20,659	26,405
Gains on sale of securities	210,417	162,163
Gains on redemption of securities	25,418	24,652
Reversal of reserve for possible loan losses	1,329	460
Reversal of reserve for possible investment losses	-	214
Other investment income	2,568	623
Gains on investments in separate accounts	262,363	369,713
Other ordinary revenues	371,659	375,513
ORDINARY EXPENSES	5,740,205	6,845,400
Benefits and claims	2,903,587	3,380,827
Claims	772,715	829,650
Annuities	576,951	672,898
Benefits	497,867	472,705
Surrender values	693,785	790,234
Other refunds	362,267	615,339
Provision for policy reserves and others	1,634,864	2,271,268
Provision for reserves for outstanding claims	61,004	87,946
Provision for policy reserves	1,564,912	2,174,573
Provision for interest on policyholder dividends	8,946	8,748
Investment expenses	234,950	168,935
Interest expenses	20,005	16,934
Losses on money held in trust	13,356	-
Losses on sale of securities	67,494	24,221
Losses on valuation of securities	1,407	469
Losses on redemption of securities	3,050	305
Derivative transaction losses	61,093	5,551
Foreign exchange losses	13,233	68,177
Provision for reserve for possible investment losses	215	-
Write-down of loans	31	43
Depreciation of real estate for rent and others	14,198	14,633
Other investment expenses	40,862	38,599
Operating expenses	517,566	559,344
Other ordinary expenses	449,236	465,022
Ordinary profit	304,750	406,842
EXTRAORDINARY GAINS	3,634	3,310
Gains on disposal of fixed assets	3,624	3,030
Gain on step acquisition	-	273
Other extraordinary gains	10	7
EXTRAORDINARY LOSSES	67,374	29,451
Losses on disposal of fixed assets	13,890	5,396
Impairment losses on fixed assets	23,890	5,472
Provision for reserve for price fluctuations	28,939	18,067
Other extraordinary losses	654	514
Provision for reserve for policyholder dividends	94,000	112,200
Income before income taxes and minority interests	147,010	268,502
Corporate income taxes-current	117,221	125,503
Corporate income taxes-deferred	(46,467)	509
Total of corporate income taxes	70,753	126,013
Income before minority interests	76,256	142,489
Minority interests in gain (loss) of subsidiaries	(1,674)	12
Net income for the year	77,931	142,476

[Unaudited Consolidated Statement of Comprehensive Income]

(millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	76,256	142,489
Other comprehensive income	223,924	1,241,826
Net unrealized gains (losses) on securities, net of tax	224,078	1,203,801
Deferred hedge gains (losses)	(784)	(9,450)
Reserve for land revaluation	(269)	5,668
Foreign currency translation adjustments	(4,131)	(5,940)
Remeasurements of defined benefit plans, net of tax	-	37,171
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	5,031	10,575
Comprehensive income	300,180	1,384,315
Attributable to shareholders of the parent company	301,783	1,384,296
Attributable to minority interests	(1,603)	19

(5) Unaudited Consolidated Statement of Cash Flows

	(millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes and minority interests	147,010	268,502
Depreciation of real estate for rent and others	14,198	14,633
Depreciation	38,278	37,650
Impairment losses on fixed assets	23,890	5,472
Amortization of goodwill	4,490	5,858
Increase (decrease) in reserves for outstanding claims	64,445	91,675
Increase (decrease) in policy reserves	1,563,285	2,164,622
Provision for interest on policyholder dividends	8,946	8,748
Provision for (reversal of) reserve for policyholder dividends	94,000	112,200
Increase (decrease) in reserve for possible loan losses	(1,351)	(640)
Increase (decrease) in reserve for possible investment losses	215	(215)
Write-down of loans	31	43
Decrease (increase) in net defined benefit assets	-	108
Increase (decrease) in net defined benefit liabilities	(29,962)	(2,502)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(186)	(146)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	100	(100)
Increase (decrease) in reserve for price fluctuations	28,939	18,067
Interest and dividends	(797,309)	(856,550)
Securities related losses (gains)	(446,907)	(557,939)
Interest expenses	20,005	16,934
Foreign exchange losses (gains)	13,233	68,177
Losses (gains) on disposal of fixed assets	9,764	1,585
Equity in losses (income) of affiliates	(5,359)	(6,460)
Loss (gain) on step acquisitions	-	(273)
Decrease (increase) in reinsurance receivable	(993)	(44,978)
Decrease (increase) in other assets unrelated to investing and financing activities	(73,269)	(23,605)
Increase (decrease) in reinsurance payable	11,554	(458)
Increase (decrease) in other liabilities unrelated to investing and financing activities	(31,334)	36,326
Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan	22,133	(7,782)
Others, net	115,120	43,551
Subtotal	792,970	1,392,504
Interest and dividends received	837,102	901,607
Interest paid	(19,722)	(14,968)
Policyholder dividends paid	(101,686)	(109,404)
Others, net	(297,517)	(153,024)
Corporate income taxes paid	(117,175)	(141,072)
Net cash flows provided by (used in) operating activities	1,093,970	1,875,642
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(33,040)	(15,500)
Proceeds from sale and redemption of monetary claims bought	32,924	31,407
Purchases of money held in trust	(23,287)	(1,900)
Proceeds from decrease in money held in trust	-	6,000
Purchases of securities	(8,698,928)	(7,052,529)
Proceeds from sale and redemption of securities	7,680,239	5,617,127
Origination of loans	(612,363)	(422,203)
Proceeds from collection of loans	728,934	413,966
Others, net	205,504	(42,431)
Total of net cash provided by (used in) investment transactions	(720,015)	(1,466,063)
Total of net cash provided by (used in) operating activities and investment transactions	373,955	409,579
Acquisition of tangible fixed assets	(38,333)	(27,858)
Proceeds from sale of tangible fixed assets	15,058	6,792
Acquisition of intangible fixed assets	(19,249)	(18,091)
Proceeds from sale of intangible fixed assets	18	303
Acquisition of stock of subsidiaries and affiliates resulting in change in scope of consolidation	(2,236)	(526,206)
Acquisition of stock of subsidiaries and affiliates	(18,501)	(1,020)
Payments for execution of assets retirement obligations	(3)	-
Net cash flows provided by (used in) investing activities	(783,262)	(2,032,143)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(31,959)	(1,862)
Proceeds from issuing bonds	-	106,808
Redemption of bonds	(51,624)	-
Repayment of financial lease obligations	(1,735)	(1,669)
Proceeds from issuing common stock	-	264,175
Proceeds from disposal of treasury stock	1,932	1,830
Cash dividends paid	(15,787)	(19,783)
Others, net	(14)	(7)
Net cash flows provided by (used in) financing activities	(99,189)	349,490
Effect of exchange rate changes on cash and cash equivalents	1,157	377
Net increase (decrease) in cash and cash equivalents	212,676	193,366
Cash and cash equivalents at the beginning of the year	848,717	1,061,394
Cash and cash equivalents at the end of the year	1,061,394	1,254,760

(6) Unaudited Consolidated Statement of Changes in Net Assets

Year ended March 31, 2014

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	210,207	210,207	156,357	(13,431)	563,340	1,099,351	(1,801)
Cumulative effect of changes in accounting policies					-		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	210,207	210,207	156,357	(13,431)	563,340	1,099,351	(1,801)
Changes for the year							
Issuance of new shares					-		
Issuance of new shares - exercise of subscription rights to shares	17	17			35		
Dividends			(15,855)		(15,855)		
Net income for the year			77,931		77,931		
Disposal of treasury stock		37		1,930	1,967		
Transfer from reserve for land revaluation			1,055		1,055		
Others			62		62		
Net changes of items other than shareholders' equity						223,379	(784)
Total changes for the year	17	54	63,194	1,930	65,197	223,379	(784)
Balance at the end of the year	210,224	210,262	219,552	(11,500)	628,538	1,322,731	(2,586)

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	(36,995)	18,229	-	1,078,784	379	6,514	1,649,020
Cumulative effect of changes in accounting policies							-
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(36,995)	18,229	-	1,078,784	379	6,514	1,649,020
Changes for the year							
Issuance of new shares							-
Issuance of new shares - exercise of subscription rights to shares							35
Dividends							(15,855)
Net income for the year							77,931
Disposal of treasury stock							1,967
Transfer from reserve for land revaluation							1,055
Others							62
Net changes of items other than shareholders' equity	(1,325)	1,527	16,854	239,651	203	(6,458)	233,396
Total changes for the year	(1,325)	1,527	16,854	239,651	203	(6,458)	298,593
Balance at the end of the year	(38,320)	19,756	16,854	1,318,435	583	55	1,947,613

Year ended March 31, 2015

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	210,224	210,262	219,552	(11,500)	628,538	1,322,731	(2,586)
Cumulative effect of changes in accounting policies			11,272		11,272		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	210,224	210,262	230,824	(11,500)	639,810	1,322,731	(2,586)
Changes for the year							
Issuance of new shares	132,842	132,842			265,684		
Issuance of new shares - exercise of subscription rights to shares	37	37			74		
Dividends			(19,846)		(19,846)		
Net income for the year			142,476		142,476		
Disposal of treasury stock		113		1,776	1,890		
Transfer from reserve for land revaluation			771		771		
Others			(1,239)		(1,239)		
Net changes of items other than shareholders' equity						1,205,531	(9,450)
Total changes for the year	132,879	132,993	122,161	1,776	389,811	1,205,531	(9,450)
Balance at the end of the year	343,104	343,255	352,985	(9,723)	1,029,622	2,528,262	(12,036)

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	(38,320)	19,756	16,854	1,318,435	583	55	1,947,613
Cumulative effect of changes in accounting policies							11,272
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(38,320)	19,756	16,854	1,318,435	583	55	1,958,885
Changes for the year							
Issuance of new shares							265,684
Issuance of new shares - exercise of subscription rights to shares							74
Dividends							(19,846)
Net income for the year							142,476
Disposal of treasury stock							1,890
Transfer from reserve for land revaluation							771
Others							(1,239)
Net changes of items other than shareholders' equity	4,896	2,898	37,172	1,241,048	170	11	1,241,230
Total changes for the year	4,896	2,898	37,172	1,241,048	170	11	1,631,042
Balance at the end of the year	(33,424)	22,654	54,027	2,559,484	753	67	3,589,927

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2015

I. GUIDELINES FOR PREPARATION OF UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

- (1) Number of consolidated subsidiaries for the fiscal year ended March 31, 2015: 61

The sixty-one subsidiaries of The Dai-ichi Life Insurance Company, Limited (the “Parent Company”) include:

- The Dai-ichi Life Information Systems Co., Ltd.,
- The Dai-ichi Frontier Life Insurance Co., Ltd.,
- The Neo First Life Insurance Company, Limited (“Neo First Life”)
- Dai-ichi Life Insurance Company of Vietnam, Limited (“DLVN”)
- TAL Dai-ichi Life Australia Pty Ltd (“TDLA”), and
- Protective Life Corporation

Effective the fiscal year ended March 31, 2015, Neo First Life, Protective Life Corporation and its forty subsidiaries are included in the scope of consolidation.

Sompo Japan DIY Life Insurance Co., Ltd. changed its name to Neo First Life on November 25, 2014.

Effective the fiscal year ended March 31, 2015, two subsidiaries of TDLA are excluded from the scope of the consolidation as TDLA disposed of its interest in the subsidiaries.

- (2) Number of non-consolidated subsidiaries for the fiscal year ended March 31, 2015: 18

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Seimei Business Service K.K and First U Anonymous Association. The eighteen non-consolidated subsidiaries had, individually, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss), retained earnings, cash flows, and others.

2. Application of the Equity Method

- (1) Number of non-consolidated subsidiaries under the equity method for the fiscal year ended March 31, 2015: 0

- (2) Number of affiliated companies under the equity method for the fiscal year ended March 31, 2015: 46

The forty-six affiliated companies of the Parent Company include:

- DIAM Co., Ltd.
- Mizuho-DL Financial Technology Co., Ltd.
- Trust & Custody Services Bank Ltd.
- Corporate-pension Business Service Co., Ltd.
- Japan Excellent Asset Management Co., Ltd.
- NEOSTELLA CAPITAL CO., LTD.
- OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED
- Star Union Dai-ichi Life Insurance Company Limited
- Janus Capital Group Inc., and
- PT Panin Internasional

Effective the fiscal year ended March 31, 2015, six subsidiaries of Protective Life Corporation, five subsidiaries of Janus Capital Group Inc. and four subsidiaries of PT Panin Internasional are newly accounted for under the equity method.

Effective the fiscal year ended March 31, 2015, Japan Real Estate Asset Management Co., Ltd. is excluded from the scope of the equity method as the Parent Company disposed of its interest in Japan Real Estate Asset Management Co., Ltd..

- (3) Non-consolidated subsidiaries and affiliated companies

The non-consolidated subsidiaries (Dai-ichi Seimei Business Service K.K., First U Anonymous Association and others), as well as affiliated companies (CVC No.1 Investment Limited Partnership, NEOSTELLA No.1 Investment Limited Partnership, O.M. Building Management Co., Ltd. and others) of the Parent Company were not accounted for

under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss), retained earnings and others.

3. Year-end Dates of Consolidated Subsidiaries

The closing date of domestic consolidated subsidiaries is March 31, whereas that of foreign consolidated subsidiaries is December 31 or March 31. Financial information as of those closing dates is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

For certain foreign consolidated subsidiaries, financial information as of February 1, the date of business combination, is used to prepare the consolidated financial statements.

4. Amortization of Goodwill

Goodwill is amortized over a period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount is immaterial.

II. NOTES TO UNAUDITED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2015

1. Valuation Methods of Securities

Securities held by the Parent Company and its consolidated subsidiaries including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) 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 JICPA)

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

a) Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value as of March 31, 2015 (for domestic stocks, the average value during March), with cost determined by the moving average method.

b) Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

i) Government/Corporate bonds (including foreign bonds) whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

ii) All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.

Securities held by certain foreign consolidated subsidiaries are stated at cost determined by the first-in first-out method.

2. Risk Management Policy of Policy-Reserve-Matching Bonds

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

- a) individual life insurance and annuities,
 - b) non-participating single premium whole life insurance (without duty of medical disclosure),
 - c) financial insurance and annuities, and
 - d) group annuities,
- with the exception of certain types.

The sub-groups of insurance groups of the subsidiary of the Parent Company are:

- a) individual life insurance and individual annuity (yen-denominated, short-term),
 - b) individual life insurance and individual annuity (yen-denominated, long-term),
 - c) individual life insurance and individual annuity (U.S. dollar-denominated), and
 - d) individual life insurance and individual annuity (Australian dollar-denominated),
- with the exception of certain types and contracts.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the “Law for Revaluation of Land” (Publicly Issued Law 34, March 31, 1998), the Parent Company revalued land for business use. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

(1) Date of revaluation: March 31, 2001

(2) Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Enforcement Ordinance relating to the Law for Revaluation of Land (Publicly Issued Cabinet Order 119, March 31, 1998).

(3) The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land as of March 31, 2015 was ¥2,525 million, which included ¥△7,935 million attributable to real estate for rent.

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method) and is computed by proportionally allocating the estimated depreciation for the fiscal year.

Estimated useful lives of major assets are as follows:

- Buildings: two to sixty years
- Other tangible fixed assets: two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets acquired on or before March 31, 2007 and that are depreciated to their final depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years following the fiscal year end when such assets were depreciated to their final depreciable limit.

Depreciation of tangible fixed assets owned by consolidated subsidiaries in Japan is principally calculated by the declining balance method, while the straight-line method is principally used to compute depreciation for such assets of consolidated overseas subsidiaries.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Parent Company and its consolidated subsidiaries use the straight-line method for amortization of intangible fixed assets excluding leased assets. Amortization of software for internal use is based on the estimated useful life of three to eight years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2015 was ¥648,947 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Parent Company translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rate as of March 31, 2015. Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are translated into yen at the exchange rate on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Parent Company's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their fiscal years. Translation adjustments associated with the consolidated overseas subsidiaries are included in "foreign currency translation adjustments" in the net assets section of the consolidated balance sheet.

For certain consolidated subsidiaries of the Parent Company, changes in fair value of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two items: changes in fair value due to changes in market prices in their original currencies are accounted for as "net unrealized gains (losses) on securities", and the remaining changes are reported in "foreign exchange gains (losses)".

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to pay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Parent Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2015 was ¥59 million.

8. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of the Parent Company, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of the Parent Company and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of the Parent Company are provided.

For the reserve for retirement benefits of directors, executive officers, and corporate auditors of certain consolidated subsidiaries, an amount considered to have been rationally incurred is provided.

9. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, the Parent Company provided for reserve for the possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

10. Net Defined Benefit Liabilities and Net Defined Benefit Assets

For the net defined benefit liabilities and the net defined benefit assets, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2015.

(1) Allocation of estimated retirement benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefits to the period until March 31, 2015.

(2) Amortization of actuarial differences

Actuarial differences are amortized under the straight-line method through a certain period (three or seven years) within the employees' average remaining service period, starting from the following year.

Certain consolidated subsidiaries applied the simplified method in calculating their projected benefit obligations.

11. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated in accordance with the provisions of Article 115 of the Insurance Business Act.

12. Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10). Primarily, a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; and d) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps.....	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transactions)
Currency options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated stocks (forecasted transactions)
Equity forward contracts.....	Domestic stocks

(3) Hedging Policies

The Parent Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

13. Calculation of National and Local Consumption Tax

The Parent Company and its domestic consolidated subsidiaries account for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

14. Policy Reserve

Policy reserve of the Parent Company and its consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).

(2) Reserves for other policies are established based on the net level premium method.

Policy reserves of consolidated foreign subsidiaries are calculated based on the each country's accounting standard, such as US GAAP.

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired by the Parent Company on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, the amount of the additional provisions for policy reserves for the fiscal year ended March 31, 2015 was ¥122,957 million.

15. Application of Accounting Standard for Retirement Benefits

Effective the fiscal year ended March 31, 2015, the Parent Company and its domestic consolidated subsidiaries applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012, hereinafter "the Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015, hereinafter "the Guidance"), subject to provisions stipulated in Paragraph 35 of the Standard and Paragraph 67 of the Guidance. The Parent Company and its domestic consolidated subsidiary revised the calculation method of projected benefit obligation and service cost by changing the allocation of estimated retirement benefits from the straight-line method to the benefit formula basis and by changing the determination of the discount rate from using the discount rate based on a certain period close to employees' average remaining service period to using the single weighted-average discount rate taking into account the assumed payment period of retirement benefits and the amount per each assumed payment period.

Upon the adoption of these new standards, the Parent Company and its domestic consolidated subsidiary followed the transitional treatment stipulated in Paragraph 37 of the Standard and the impact of adoption at the beginning of the fiscal year ended March 31, 2015 related to changes in calculation method of projected benefit obligation and service cost is reflected in the Parent Company and its domestic consolidated subsidiary's retained earnings.

As a result, net defined benefit assets increased by ¥450 million, net defined benefit liabilities decreased by ¥15,900 million and retained earnings increased by ¥11,272 million at the beginning of the fiscal year ended March 31, 2015 as compared to what they would have been if calculated using the previous method. Also, for the fiscal year ended March 31, 2015, both ordinary profit and income before income taxes and minority interests decreased by ¥289 million.

16. Accounting Standard and Guidance Scheduled to be Applied

The accounting standard and relevant guidance that are not yet applied but scheduled to be applied are “Accounting Standard for Business Combinations” (ASBJ Statement No. 21 issued on September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 issued on September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 issued on September 13, 2013), “Accounting Standard for Earnings Per Share” (ASBJ Statement No. 2 issued on September 13, 2013), “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Statement No. 10 issued on September 13, 2013), and “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No. 4 issued on September 13, 2013)

(1) Overview

Under these revised accounting standards, the accounting treatment for any changes in a parent’s ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to “minority interests” was changed to “non-controlling interests” and transitional provisions for these accounting standards were also defined.

(2) Scheduled date for application

The Parent Company will apply these revised accounting standards from the beginning of the fiscal year starting April 1, 2015. Tentative treatment of the new standards will be applied to business combinations that are implemented on and after the beginning of the fiscal year starting April 1, 2015.

(3) Impact of applying the standard and guidance

The impact of applying the standard and guidance is currently under assessment.

17. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instrument

In an effort to manage our investment assets in a manner appropriate to our liabilities, which arise from the insurance policies we underwrite, we engage in asset liability management, or ALM, which considers the long-term balance between assets and liabilities in an effort to ensure stable returns. With this strategy, the Parent Company and certain of its consolidated subsidiaries hold fixed income investments, including bonds and loans, as the core of their asset portfolio. While placing its financial soundness first, the Parent Company holds stocks and foreign securities within a tolerable risk level to enhance its profitability and facilitate diversification of investment risks.

The Parent Company and certain of its consolidated subsidiaries use derivatives primarily to hedge market risks associated with their existing asset portfolio and supplement our investment objectives, taking into account the exposure of underlying assets. Moreover, they utilize derivatives to mitigate the risks associated with guaranteed minimum benefits of individual variable annuity insurance.

With respect to financing, the Parent Company and certain of its consolidated subsidiaries have raised capital directly from the capital markets mainly by issuing subordinated bonds as well as indirectly from banks in order to strengthen their capital base and to invest such capital in growth areas. To avoid impact from interest-rate fluctuations, the Parent Company utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Parent Company and certain of its consolidated subsidiaries, mainly stocks and bonds, are categorized by their investment objectives such as held-to-maturity, policy-reserve-matching and available-for-sale. Those securities are exposed to market fluctuation risk, credit risk and interest-rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Parent Company and certain of its consolidated subsidiaries might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable

cash outflow or is forced to raise capital with interest rates substantially higher than usual. Also, some of their loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest-rate risk and foreign currency risk.

They utilize interest rate swaps to hedge interest rate risk associated with certain of their loans receivable and payable and adopt hedge accounting.

In addition, they utilize i) equity forward contracts to hedge market fluctuation risk associated with domestic stocks, and ii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in the “Accounting standards for financial instruments” (ASBJ Statement No. 10), the Parent Company and certain of its consolidated subsidiaries have established an investment policy and procedure guidelines and clarified the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Parent Company and certain of its domestic consolidated subsidiaries is as follows:

i) Market Risk Management

Under the internal investment policy and risk management policy, they manage market risk by conducting mid- to long-term asset allocation in a manner appropriate to their liabilities. Therefore, they categorize their portfolio into sub-groups, based on their investment purpose, and manage them taking into account each of their risk characteristics.

(a) Interest rate risk

They keep track of interest rates and durations of their assets and liabilities, monitor their internal analyses on duration gap and interest rate sensitivity, and periodically report their findings to their board of directors, etc.

(b) Currency risk

They keep track of currency composition of their financial assets and liabilities, conduct sensitivity analyses, and periodically report their findings to their board of directors, etc.

(c) Fluctuation in market values

They define risk management policies for each component of their overall portfolio, including securities, and specific risk management procedures. In such policies and procedures, they set and manage upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by their risk management sections to their board of directors, etc.

(d) Derivative transactions

For derivative transactions, they have established an internal check system by segregating (i) executing department, (ii) the department which engages in assessment of hedge effectiveness, and (iii) the back-office. Additionally, in order to limit speculative use of derivatives, they have put restrictions on utilization purpose, such as hedging, and established position limits for each asset class.

They also utilize derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of variable annuities. In accordance with their internal regulations to manage the risks associated with their guaranteed minimum maturity benefits, they (i) assess hedge effectiveness of derivative transactions, (ii) manage gains and losses from derivative transactions on a daily basis, and (iii) periodically check their progress on reducing the risk associated with their guaranteed minimum maturity benefits and measure estimated losses based on VaR (value-at-risk).

The risk management sections are in charge of managing overall risks including risks associated with their guaranteed minimum maturity benefits, and periodically report the status of such management to their board of directors, etc.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, they have established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk taking is restricted since front offices make investments within those caps. The above credit management has been conducted by the credit and risk management sections, and has been periodically reported to their board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically calculates current exposures.

In each of certain overseas consolidated subsidiaries, a committee established by their board of directors confirms its investment policy, and periodically checks the compliance and the status of each risk, thus enabling the subsidiaries to manage their risks in conformity with their risk characteristics.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the values based on market prices, fair value of financial instruments includes values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2015 were as follows. The following table does not include financial instruments whose fair value was extremely difficult to recognize. (Please refer to (Note 2))

As of March 31, 2015	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)	
(1) Cash and deposits	873,444	873,453	9
(2) Call loans	380,400	380,400	-
(3) Monetary claims bought	265,813	265,813	-
(4) Money held in trust	65,283	65,283	-
(5) Securities			
a. Trading securities	5,332,413	5,332,413	-
b. Held-to-maturity bonds	108,312	112,842	4,529
c. Policy-reserve-matching bonds	13,730,760	15,693,503	1,962,743
d. Stock of subsidiaries and affiliate companies	42,055	78,650	36,595
e. Available-for-sale securities	20,779,417	20,779,417	-
(6) Loans	3,898,148		
Reserve for possible loan losses (*1)	(1,327)		
	3,896,821	4,040,839	144,018
Total assets	45,474,722	47,622,618	2,147,895
(1) Bonds payable	489,045	519,605	30,560
(2) Long-term borrowings	391,891	393,705	1,813
Total liabilities	880,936	913,310	32,374
Derivative transactions (* 2)			
a. Hedge accounting not applied	(12,165)	(12,165)	-
b. Hedge accounting applied	(69,304)	(68,910)	394
Total derivative transactions	(81,470)	(81,076)	394

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [] represent net liabilities.

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

• Assets

a) Cash and deposits

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying amount for each segment based on the term, using a deposit interest rate which is assumed to be applied to new deposit. As for deposits close to maturity and deposits without maturity, fair value is based on the carrying amount since fair value is close to the carrying amount.

b) Call loans

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

c) Monetary claims bought

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

d) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. The fair value of derivative transactions included in money held in trust is based on the price on derivatives markets.

e) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to the partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in “(3) Securities”.

f) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the balance sheet minus reserve for possible loan losses as of March 31, 2015. Therefore, that amount (the carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value.

• **Liabilities**

a) Bonds payable

The fair value of bonds is based on the price on the bond market.

b) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowings. Also, certain of long-term borrowings are deemed to have fair value close to book value, taking into account interest rates. Therefore, their book value is recorded as the fair value.

• **Derivative Transactions**

The breakdown of derivative transactions is a) currency-related transactions (currency forward contracts, currency options, etc.); b) interest-related transactions (interest rate futures, interest rate swaps, etc.); c) stock-related transactions (yen stock index futures, foreign currency-denominated stock index futures, etc.); d) bond-related transactions (yen bond futures, foreign currency-denominated bond futures, etc.). The fair value of the instruments is based on the exchange-traded prices and the prices quoted from financial institution, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of e) Securities in (Note 1)

As of March 31, 2015	Carrying amount (Unit: million yen)
1. Unlisted domestic stocks (*1)(*2)	153,031
2. Unlisted foreign stocks (*1)(*2).....	51,064
3. Other foreign securities (*1)(*2)	795,227
4. Other securities (*1)(*2)	113,131
Total	1,112,454

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of market value information.

(*2) The Parent Company recorded impairment charges of ¥13 million for the fiscal year ended March 31, 2015.

(Note 3) Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2015	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	870,994	200	-	-
Call loans	380,400	-	-	-
Monetary claims bought	-	23,000	-	229,233
Money held in trust (*1)	-	2,760	-	-
Securities				
Held-to-maturity securities (bonds)	-	-	47,900	-
Held-to-maturity securities (foreign securities)	-	-	-	51,438
Policy-reserve-matching bonds (bonds)	94,020	293,897	524,213	11,561,862
Policy-reserve-matching bonds (foreign securities)	500	61,299	895,173	224,015
Available-for-sale securities with maturities (bonds)	194,818	1,319,214	577,040	1,877,613
Available-for-sale securities with maturities (foreign securities)	429,053	3,051,078	2,366,088	4,102,798
Available-for-sale securities with maturities (other securities)	36,652	71,644	285,483	7,677
Loans (*2)	330,033	1,170,533	934,916	774,008

(*1) ¥62,406 million of money held in trust without maturities was not included.

(*2) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥1,200 million were not included. Also, ¥642,404 million of loans without maturities were not included.

(Note 4) Scheduled maturities of bonds payable and long-term borrowings

As of March 31, 2015	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(unit: million yen)					
Bonds payable(*1)	12,190	-	17,737	-	47,300	156,005
Long-term borrowings(*2)	20,575	0	-	-	-	46,117

(*1) ¥215,727 million of bonds payable without maturities were not included.

(*2) ¥325,197 million of long term borrowings without maturities were not included.

(3) Securities**a) Trading securities:**

	As of March 31, 2015
	(Unit: million yen)
Gains (losses) on valuation of trading securities	197,216

b) Held-to-maturity Securities:

As of March 31, 2015	Carrying amount	Fair value	Unrealized gains (losses)
(Unit: million yen)			
Held-to-maturity securities with unrealized gains:			
(1) Bonds	45,411	49,940	4,529
a. Government bonds	45,411	49,940	4,529
b. Local government bonds	-	-	-
c. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
a. Foreign bonds	-	-	-
Subtotal	45,411	49,940	4,529
Held-to-maturity securities with unrealized losses:			
(1) Bonds	-	-	-
a. Government bonds	-	-	-
b. Local government bonds	-	-	-
c. Corporate bonds	-	-	-
(2) Foreign securities	62,901	62,901	-
a. Foreign bonds	62,901	62,901	-
Subtotal	62,901	62,901	-
Total	108,312	112,842	4,529

c) Policy-reserve-matching Bonds:

As of March 31, 2015	Carrying amount	Fair value	Unrealized gains (losses)
(Unit: million yen)			
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	12,348,894	14,207,276	1,858,381
a. Government bonds	11,783,358	13,604,027	1,820,668
b. Local government bonds	83,784	92,704	8,920
c. Corporate bonds	481,751	510,544	28,793
(2) Foreign securities	1,187,920	1,293,593	105,673
a. Foreign bonds	1,187,920	1,293,593	105,673
Subtotal	13,536,814	15,500,869	1,964,054
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	167,803	166,626	(1,176)
a. Government bonds	111,260	110,946	(313)
b. Local government bonds	1,029	1,011	(18)
c. Corporate bonds	55,513	54,667	(845)
(2) Foreign securities	26,142	26,007	(134)
a. Foreign bonds	26,142	26,007	(134)
Subtotal	193,945	192,633	(1,311)
Total	13,730,760	15,693,503	1,962,743

d) Available-for-sale Securities:

As of March 31, 2015	Carrying amount	Purchase cost	Unrealized gains (losses)
		(Unit: million yen)	
Available-for-sale securities with gains:			
(1) Bonds	4,253,125	3,836,985	416,139
a. Government bonds	2,829,790	2,481,840	347,949
b. Local government bonds	60,059	57,150	2,909
c. Corporate bonds	1,363,275	1,297,995	65,280
(2) Domestic stocks	3,334,981	1,527,586	1,807,394
(3) Foreign securities	7,733,702	6,442,740	1,290,961
a. Foreign bonds	6,943,224	5,891,550	1,051,674
b. Other foreign securities	790,477	551,190	239,287
(4) Other securities	876,549	788,661	87,888
Subtotal	16,198,359	12,595,974	3,602,384
Available-for-sale securities with losses:			
(1) Bonds	153,306	153,760	(453)
a. Government bonds	106,003	106,345	(342)
b. Local government bonds	-	-	-
c. Corporate bonds	47,303	47,414	(111)
(2) Domestic stocks	94,369	116,092	(21,723)
(3) Foreign securities	4,604,695	4,614,811	(10,115)
a. Foreign bonds	4,421,935	4,426,892	(4,957)
b. Other foreign securities	182,760	187,919	(5,158)
(4) Other securities	34,500	34,978	(478)
Subtotal	4,886,872	4,919,643	(32,771)
Total	21,085,231	17,515,618	3,569,613

Note:

Figures in the table above include certificates of deposits (purchase cost: ¥40,000 million; carrying amount: ¥40,000 million) and trust beneficiary rights (purchase cost: ¥252,203 million; carrying amount: ¥265,813 million), which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively.

e) Held-to-maturity Securities Sold:

The Parent Company and its consolidated subsidiaries sold no held-to-maturity securities during the fiscal year ended March 31, 2015.

f) Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the fiscal year ended March 31, 2015 were as follows:

Year ended March 31, 2015	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
i) Bonds	244,677	9,061	1,922
a. Government bonds	242,099	8,718	1,922
b. Local government bonds	-	-	-
c. Corporate bonds	2,577	343	-
ii) Foreign securities	4,406	989	-
a. Foreign bonds	4,406	989	-
b. Other foreign securities	-	-	-
Total	249,083	10,051	1,922

g) Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2015 were as follows:

Year ended March 31, 2015	Amounts sold	Realized gains	Realized losses
		(Unit: million yen)	
i) Bonds	455,855	9,295	378
a. Government bonds.....	294,114	5,382	71
b. Local Government bonds.....	470	16	1
c. Corporate bonds.....	161,270	3,896	306
ii) Domestic stocks.....	89,262	29,826	4,687
iii) Foreign securities.....	1,923,468	97,367	16,781
a. Foreign bonds.....	1,848,474	74,213	13,594
b. Other foreign securities.....	74,993	23,154	3,187
iv) Other securities.....	44,326	13,667	450
Total.....	<u>2,512,913</u>	<u>150,156</u>	<u>22,299</u>

h) Securities Written Down:

The Parent Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with market values i) when the market value of such securities declines by 50% or more of its purchase cost or ii) when the market value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost.

The aggregate amount written down from the balance of available-for-sale securities with market value for the fiscal year ended March 31, 2015 was ¥455 million.

(4) Money Held in Trust

a) Money held in trust for investment purpose:

As of March 31, 2015	(Unit: million yen)
Carrying amount on the consolidated balance sheet	62,406
Gains (losses) on valuation of money held in trust	(477)

b) Money held in trust classified as Available-for-Sale (other than for investment purpose, classified as held-to-maturity and policy-reserve-matching):

As of March 31, 2015	(Unit: million yen)
Carrying amount on the consolidated balance sheet	2,876
Acquisition cost.....	2,587
Unrealized gains (losses).....	288
Unrealized gains.....	288
Unrealized losses.....	-

18. Real Estate for Rent

The Parent Company owns a number of commercial buildings, including land, for rent in various locations including Tokyo. For the fiscal year ended March 31, 2015, net rental income from such real estate for rent was ¥27,342 million (the rental income was included in investment income and the rental expense was included in investment expenses) and the Parent Company recorded extraordinary loss of ¥4,585 million for impairment loss on real estate for rent.

The carrying amount, net change during the fiscal year ended March 31, 2015, and the fair value of real estate for rent were as follows:

Fiscal year ended March 31, 2015	(Unit: million yen)
Carrying amount	
Beginning balance	803,093
Net change during the period	615
Ending balance	803,708
Fair value	823,457

Notes:

- (1) The carrying amount of real estate for rent on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.
- (2) Net change in the carrying amount includes cost of acquisition of real estate for rent of ¥22,408 million, the depreciation expense of ¥14,620 million, impairment losses of ¥4,585 million and sale of the real estate of ¥3,484 million.
- (3) The Parent Company calculates the fair value of the majority of the real estate for rent based on real estate appraisal standards by an independent appraiser, and others based on internal but reasonable estimates.

19. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2015 was ¥1,888,894 million.

20. Problem Loans

As of March 31, 2015, the total amount of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which was included in loans, was ¥6,068 million. The amount of credits to bankrupt borrowers was ¥502 million, the amount of delinquent loans was ¥3,525 million, the Parent Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥2,040 million.

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 and 4 of the Enforcement Ordinance of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7, credits to bankrupt borrowers and delinquent loans decreased by ¥4 million and ¥54 million, respectively.

21. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act was ¥3,328,149 million. Separate account liabilities were the same amount as the separate account assets.

22. Deferred Tax Accounting

- (1) Major components of deferred tax assets and liabilities as of March 31, 2015

	(Unit: million yen)
Deferred tax assets:	
Insurance policy reserve	466,068
Net defined benefit liabilities	140,018
Other assets	40,375
Reserve for price fluctuations	39,189
Tax losses carried forward	17,307
Others	80,919
Subtotal	783,879
Valuation allowances	(77,032)
Total	706,847

	(Unit: million yen)
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(1,008,675)
Evaluation difference related to business combination	(202,684)
Other intangible fixed assets	(94,862)
Reserve for tax basis adjustments of real estate	(10,042)
Others	(32,600)
Total	(1,348,865)
Net deferred tax liabilities	(642,018)

- (2) The principal reasons for the difference between the statutory tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2015

Statutory tax rate	30.68%
(Adjustments)	
Decrease in deferred tax assets in relation to changes in tax rates.....	14.60%
Increase in valuation allowances	2.45%
Others	(0.80%)
Actual effective tax rate after considering deferred taxes	46.93%

- (3) Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Following the promulgation of “the Act on the Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015), the Parent Company changed its effective statutory tax rate for calculating its deferred tax assets and liabilities from 30.68% to 28.76% effective the fiscal year starting from April 1, 2015 .

As a result, its deferred tax assets and liabilities decreased by ¥69 million and ¥32,366 million, respectively, and corporate income taxes-deferred increased by ¥39,189 million.

23. Leased Computers

In addition to leased assets included in the consolidated balance sheet, the Parent Company and its consolidated subsidiaries have computers as significant leased tangible fixed assets. They have no material leased intangible fixed assets.

24. 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, 2015	394,022
Dividends paid during the fiscal year ended March 31, 2015	(109,404)
Interest accrual during the fiscal year ended March 31, 2015	8,748
Provision for reserve for policyholder dividends	112,200
Balance as of March 31, 2015	405,566

25. Stock of Subsidiaries

The amount of stocks of and stakes in non-consolidated subsidiaries and affiliated companies the Parent Company held as of March 31, 2015 was as follows:

	(Unit: million yen)
Stocks	126,803
Capital	51,591
Total	178,395

26. Organizational Change Surplus

The amount of the Parent Company's organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

27. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows:

	(Unit: million yen)
Securities (Government bonds)	712,005
Securities (Foreign securities)	181,804
Securities (Corporate bonds)	523
Cash and deposits	879
Securities, cash and deposits pledged as collateral	895,212

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Cash collateral for securities lending transactions	731,505
Loans payable	0
Secured liabilities	731,506

"Securities (Government bonds)" pledged as collateral for securities lending transactions with cash collateral as of March 31, 2015 was ¥650,112 million.

28. Net Assets per Share

The amount of net assets per share of the Parent Company as of March 31, 2015 was ¥3,012.46.

29. Stock Options

- (1) The Account used to record expenses associated with issuing stock options and the amount expensed during the fiscal year ended March 31, 2015
Operating expenses: ¥244 million
- (2) Details of the stock options granted for the fiscal year ended March 31, 2015

a) Details of stock options

	1 st Series of Stock Acquisition Rights	2 nd Series of Stock Acquisition Rights	3 rd Series of Stock Acquisition Rights
Granted persons	10 directors (except outside directors) and 16 executive officers of the Parent Company	11 directors (except outside directors) and 16 executive officers of the Parent Company	11 directors (except outside directors) and 17 executive officers of the Parent Company
Class and total number ^(*)	169,800 shares of common stock	318,700 shares of common stock	183,700 shares of common stock
Grant date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period	From August 17, 2011 to August 16, 2041 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.	From August 17, 2012 to August 16, 2042 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.	From August 17, 2013 to August 16, 2043 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.

	4 th Series of Stock Acquisition Rights
Granted persons	11 directors (except outside directors) and 17 executive officers of the Parent Company
Class and total number ^(*)	179,000 shares of common stock
Grant date	August 18, 2014
Vesting conditions	The acquisition rights are vested on the above grant date.
Service period covered	N/A
Exercise period	From August 19, 2014 to August 18, 2044 A granted person may exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of the Parent Company.

(Note) The total number of stock options is translated to the number of shares of common stock for better understanding.
As the Parent Company conducted a 1:100 share split on October 1, 2013, the above-described number of shares for each stock acquisition right is calculated as if the Parent Company conducted the split.

b) Number of stock options

	1 st Series of Stock Acquisition Rights	2 nd Series of Stock Acquisition Rights	3 rd Series of Stock Acquisition Rights	4 th Series of Stock Acquisition Rights
Before vesting				
Outstanding at the end of prior fiscal year	-	-	-	-
Granted	-	-	-	179,000
Forfeited	-	-	-	-
Vested	-	-	-	179,000
Outstanding at the end of the fiscal year	-	-	-	-
After vesting				
Outstanding at the end of prior fiscal year	137,800	290,700	183,700	-
Vested	-	-	-	179,000
Exercised	20,200	36,800	21,700	-
Forfeited	-	-	-	-
Outstanding at the end of the fiscal year	117,600	253,900	162,000	179,000

(Note) As the Parent Company conducted a 1:100 share split on October 1, 2013, the above-described number of shares for each stock acquisition right is calculated as if the Parent Company conducted the split.

c) Price information

	1 st Series of Stock Acquisition Rights	2 nd Series of Stock Acquisition Rights	3 rd Series of Stock Acquisition Rights	4 th Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,499	¥1,499	¥1,499	-
Fair value at the granted date	¥885	¥766	¥1,300	¥1,366

(Note) As the Parent Company conducted a 1:100 share split on October 1, 2013, the above-described average stock price at the time of exercise and fair value at the granted date are calculated as if the Parent Company conducted the split.

(3) Valuation method used for estimating fair value of stock options

a) Valuation method

Black-Scholes Model

b) Assumptions

	4 th Series of Stock Acquisition Rights
Expected volatility ^(*1)	37.409%
Expected durations ^(*2)	3 years
Expected dividends ^(*3)	¥25
Risk-free interest rate ^(*4)	0.091%

(*1) Computed based on the closing prices of common stock in each trading day from August 16, 2011 to August 15, 2014.

(*2) Computed based on the average service period from the granted date to expected exercise date.

(*3) Computed based on the expected dividend for the fiscal year ended March 31, 2015 at the granted date.

(*4) Based on yields of Japanese government bonds for a term corresponding to the expected durations.

(4) Method to estimate the number of stock options vested

Only the actual number of forfeited stock options is considered, because it is difficult to rationally estimate the number of stock options to be forfeited in the future.

30. Consolidation as a Result of Acquisition

(1) Neo First Life

① Overview of business combination

a) Name and business of the acquired company

- Company name: The Neo First Life Insurance Company, Limited (*)
- Business: Life insurance business

b) Purpose of the acquisition

Through the acquisition of Neo First Life, the Parent Company aims to offer a new brand of insurance products through a network of agents in consideration of the diversification of the customers' needs in order to develop a new market.

c) Date of business combination

August 1, 2014

d) Legal form of business combination

Purchase of shares of DIY Life for cash

e) Name of the acquired company after combination

The Neo First Life Insurance Company, Limited*

f) The Parent Company's percentage of shareholdings after completion of the transaction

- Share of existing voting rights before the date of business combination: 10%
- Share of additional voting rights acquired on the date of business combination: 90%
- Share of voting rights after completion of the transaction: 100%

g) Controlling company

The Parent Company holds more than a 50% stake in DIY Life and, therefore, the Parent Company controls the decision-making body of DIY Life.

* Sompo Japan DIY Life Insurance Co., Ltd. changed its name to Neo First Life on November 25, 2014.

② Accounting period for which earnings of the acquired company were included in the consolidated statement of earnings

From July 1, 2014 to March 31, 2015.

③ Acquisition cost and breakdown (Unit: million yen)

	Fair value of existing shares before the date of business combination	600
Acquisition price	Fair value of additional shares acquired on the date of business combination	5,400
Other direct costs	Fee to outside advisors, etc.	35
Total acquisition cost	6,035

④ Difference between revalued acquisition price and the sum of actual costs associated with step acquisitions
¥273 million

⑤ Goodwill

a) Amount of goodwill

¥2,038 million

b) Reason to recognize goodwill

The acquisition cost, which was calculated by taking into account projections of the acquiree's future profit as of the valuation date, exceeded the net amounts of assets acquired and liabilities assumed.

c) Amortization methods and amortization period

Amortized at one time

⑥ The amounts of assets acquired and liabilities assumed at the date of business combination

	(Unit: million yen)
Total assets.....	5,111
Securities included in the above "Total assets".....	2,881
Total liabilities.....	1,114
Policy reserves and others included in the above "Total liabilities..."	928

(2) Protective Life Corporation

① Overview of business combination

a) Name and business of the acquired company

- Company name: Protective Life Corporation
- Business: insurance and insurance related business (*)

(*) Protective Life Corporation is a holding company and its subsidiaries operate insurance business, etc.

b) Purpose of the acquisition

The Group aims to accelerate globalization of its business by acquiring a business foundation in the U.S., the largest life insurance market in the world, to enhance its corporate value and profit base, and achieve geographical diversification.

c) Date of business combination

February 1, 2015

d) Legal form of business combination

The acquisition has been executed by merging Protective Life and DL Investment (Delaware), Inc., a 100% owned subsidiary of the Parent Company established in the United States solely for the purpose of the acquisition process.

This is a common method used for acquisitions in the United States and is called a reverse triangular merger.

e) Name of the acquired company after combination

Protective Life Corporation

f) The Parent Company's percentage of shareholdings after completion of the transaction

100%

g) Controlling company

The Parent Company holds more than a 50% stake in Protective Life Corporation and, therefore, the Parent Company controls the decision-making body of Protective Life Corporation.

② Accounting period for which earnings of the acquired company were included in the consolidated statement of earnings

As the Parent Company used the consolidated statement as of the date of business combination, the earnings of the acquired company were not included in the consolidated statement of earnings.

③ Acquisition cost and breakdown (Unit: million yen)

Acquisition price	Consideration paid in cash	575,008
Other direct costs	Fee to outside advisors, etc.	3,322
Total acquisition cost	578,331

④ Goodwill

a) Amount of goodwill

¥8,561 million

b) Reason to recognize goodwill

The acquisition cost, which was calculated by taking into account projections of the acquiree's future profit as of the valuation date, exceeded the net amounts of assets acquired and liabilities assumed.

c) Amortization methods and amortization period

Amortized over a period of 20 years under the straight-line method.

⑤ The amounts of assets acquired and liabilities assumed at the date of business combination

(Unit: million yen)

Total assets.....	8,304,813
Securities included in the above "Total assets".....	6,301,208
Total liabilities.....	7,735,044
Policy reserves and others included in the above "Total liabilities"...	6,958,358

⑥ Allocation of the acquisition cost

Since the Parent Company has not yet completed the allocation of acquisition cost, a tentative accounting procedure is made, based on the information reasonably available at that time.

⑦ Estimated impact on consolidated financial results if the business combination had been completed at the beginning of the fiscal year ended March 31, 2015.

Ordinary Revenues	¥530,850 million
Ordinary Profit	¥69,887 million
Net income for the period	¥45,968 million

(Calculation method of the estimated amount)

The ordinary revenues, ordinary profit and net income information above are calculated based on the figures from Form 10-K, which Protective Life Corporation submitted to the SEC for the fiscal year ended December 31, 2014. The amortization of goodwill is calculated as if the amount of goodwill as of the date of business combination was recognized at the beginning of the fiscal year ended March 31, 2015. These amount do not represent the actual figures, which were calculated assuming that the business combination was completed at the beginning of the fiscal year ended March 31, 2015. This note has not received audit certification.

31. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan of the Group

As a defined benefit plan for its sales representatives, the Parent Company has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension.

As a defined benefit plan for its administrative personnel, the Parent Company has established and maintained a benefit plan consisting of defined benefit corporate pension, retirement lump sum grants and defined contribution pension.

Certain consolidated subsidiaries in Japan maintain their benefit plan consisting of defined benefit corporate pension and retirement lump sum grants. Certain foreign consolidated subsidiaries maintain their defined benefit plan and defined contribution plan.

(2) Defined Benefit Plan

- a) Beginning and ending balance of projected benefit obligations (except for benefit plans adopting simplified method)

	(Unit: million yen)
a. Beginning balance of projected benefit obligations	634,657
b. Accumulated impact in relation to changes in accounting policy	(16,351)
c. Subtotal (a + b)	618,306
d. Service cost	25,013
e. Interest cost	10,469
f. Accrued actuarial differences	(7,748)
g. Retirement benefit payment	(34,400)
h. Increases due to new consolidation	39,299
i. Others	(1,161)
j. Ending balance of projected benefit obligations (c + d + e + f + g + h + i)	649,776

- b) Beginning and ending balance of pension assets (except for benefit plans adopting simplified method)

	(Unit: million yen)
a. Beginning balance of pension assets	249,559
b. Estimated investment return	2,049
c. Accrued actuarial differences	45,024
d. Employer contribution	7,448
e. Retirement benefit payment	(8,367)
f. Increases due to new consolidation	23,865
g. Ending balance of pension assets (a + b + c + d + e + f)	319,579

- c) Beginning and ending balance of net defined benefit liabilities for benefit plans adopting simplified method)

	(Unit: million yen)
a. Beginning balance of net defined benefit liabilities	338
b. Retirement benefit expenses	114
c. Retirement benefit payment	(73)
d. Increases due to new consolidation	39
e. Others	0
f. Ending balance of net defined benefit liabilities (a + b + c + d + e)	419

- d) Ending balance of projected benefit obligation and pension assets and net defined benefit assets/liabilities in the consolidated balance sheet

	(Unit: million yen)
a. Projected benefit obligations for funded pensions	387,074
b. Pension assets	(319,579)
c. Subtotal (a + b)	67,494
d. Projected benefit obligations for unfunded pensions	263,122
e. Net defined benefit assets / liabilities in the consolidated balance sheet (c + d)	330,616
f. Net defined benefit liabilities	331,322
g. Net defined benefit assets	(705)
h. Net defined benefit assets / liabilities in the consolidated balance sheet (f + g)	330,616

e) Breakdown of retirement benefit expenses

	(Unit: million yen)
a. Service cost	25,013
b. Interest cost	10,469
c. Estimated investment return	(2,049)
d. Amortization of unrecognized actuarial differences	(1,315)
e. Retirement benefit expenses calculated under the simplified method	114
f. Others	501
g. <u>Retirement benefit expenses for defined benefit plan (a + b + c + d + e + f).....</u>	<u>32,733</u>

f) Remeasurement of defined benefit plans

The breakdown of remeasurement of defined benefit plans (before applying deferred tax accounting) is as follows:

	(Unit: million yen)
a. <u>Actuarial differences</u>	<u>51,547</u>
b. <u>Total</u>	<u>51,547</u>

g) Accumulated remeasurement of defined benefit plans

The breakdown of accumulated remeasurement of defined benefit plans (before applying deferred tax accounting) is as follows:

	(Unit: million yen)
a. <u>Unrecognized actuarial differences</u>	<u>(75,883)</u>
b. <u>Total</u>	<u>(75,883)</u>

h) Information on pension assets

i) Breakdown of pension assets

The allocation of total pension assets is as follows:

Stocks	61%
Bonds	16%
General Account of life insurance contracts	11%
Others	12%
<u>Total</u>	<u>100%</u>

Pension assets include 52% retirement benefit trust established for the retirement lump sum grant.

ii) Method for setting long-term estimated return on investment

When setting long-term estimated return on investment, the Parent Company takes into account the allocation of pension assets (both current and in the future) and long-term estimated return on investment in various assets composing pension assets.

i) Actuarial assumptions

Major actuarial assumptions for the fiscal year ended March 31, 2015 are as follows:

Discount rate	1.10% ~ 3.55%
Long-term estimated return on investment	
Defined benefit corporate pension	1.00% or 1.70%
<u>Retirement benefit trust</u>	<u>0.00%</u>

(3) Defined Contribution Plan

The amount of necessary contribution to the defined contribution plan from the Parent Company is ¥1,644 million.

32. Asset Retirement Obligations

(1) Overview of Asset Retirement Obligations

The Parent Company recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to the removal of a) tangible fixed assets and b) certain harmful substances in the tangible fixed assets and so recorded asset retirement obligations.

(2) Calculation Method of Asset Retirement Obligations

The Parent Company calculated asset retirement obligations by a) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and b) applying discount rates ranging from 0.144% to 2.294%.

(3) Increase and Decrease in Asset Retirement Obligations

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2015:

	(Unit: million yen)
Beginning balance	2,831
Time progress adjustments	40
Others	(82)
Ending balance	2,789

33. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2015, the market value of the securities borrowed which were not sold or pledged was ¥94,474 million, among which no securities were pledged as collateral.

34. Commitment Line

There were unused commitment line agreements under which the Parent Company is the lender of ¥95,370 million.

35. Subordinated Debt

Other liabilities included subordinated debt of ¥320,000 million, the repayment of which is subordinated to other obligations.

36. Bonds Payable

Bonds payable included foreign currency-denominated subordinated bonds of ¥281,988 million, the repayment of which is subordinated to other obligations.

37. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Parent Company and its subsidiaries that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥54,887 million as of March 31, 2015. These obligations will be recognized as operating expenses in the period in which they are paid.

38. Incentive Programs for Employees

The Parent Company conducts transactions by granting its stocks to its employees using trust schemes (“the Stock Granting Trust (J-ESOP)” and “the Company’s Trust-type Employee Shareholding Incentive Plan (E-Ship®)”) to incentivize its employees to improve the corporate value and, thus, stock prices, and to provide the employees with incentives to improve the corporate value of the Parent Company in the medium- to long-term.

(1) Overview of the transactions

(a) J-ESOP

J-ESOP is a program to grant shares of common stock to the Parent Company's managerial level employees who fulfill requirements under the Stock Granting Regulations of the Parent Company. The Parent Company vests points to each managerial level employee based on her/his total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from books of the Company.

(b) E-Ship®

E-Ship® is an incentive program for employees who are members of the Dai-ichi Life Insurance Employee Stock Holding Partnership (the "Partnership"). In the E-Ship® plan, the Parent Company sets up a trust through a trust bank. The trust estimates the number of shares of common stock of the Parent Company which the Partnership is to acquire in 5 years and purchases the shares in advance. The Partnership buys shares of the Parent Company from the trust periodically. At the end of the trust period, the Partnership's retained earnings, accumulation of net gains on sale of shares of the Parent Company, are to be distributed to the members, who fulfill the requirements for eligible beneficiaries. On the other hand, the Parent Company will pay off retained loss, accumulation of net losses on sale of the shares and any amount equivalent to the amount of outstanding debt at the end of period, as it is to guarantee the debt of the trust needed to purchase the shares.

- (2) While adopting Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts. (ASBJ PITF No.30), the Parent Company applies the same accounting treatment as before.

(3) Information related to the stocks of the Parent Company which the trusts hold

(a) J-ESOP

- i) Book value of the stocks of the Parent Company within the trust was ¥6,771 million. These stocks were recorded as the treasury stock in the total shareholders' equity.
- ii) The number of stocks within the trust at the period end was 4,479 thousand shares and the average number of stocks within the trust was 4,496 thousand shares. The number of shares at the period end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

(b) E-Ship®

- i) Book value of the stocks of the Parent Company within the trust was ¥2,952 million. These stocks were recorded as the treasury stock in the total shareholders' equity.
- ii) The number of stocks within the trust at the period end was 2,039 thousand shares and the average number of stocks within the trust was 2,545 thousand shares. The number of shares at the period end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

III. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2015

1. Net Income per Share

Net income per share for the fiscal year ended March 31, 2015 was ¥124.94. Diluted net income per share for the same period was ¥124.87.

2. Impairment Losses on Fixed Assets

Details on the Parent Company's impairment losses on fixed assets for the fiscal year ended March 31, 2015 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value in some asset groups, the Parent Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group were as follows:

Asset Group		Place	Number	Impairment Losses		
			Land	Land Leasehold Rights	Buildings	Total
				(Unit: million yen)		
Real estate not in use	Maebashi City, Gunma Prefecture and others	27	2,370	304	2,798	5,472

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.57 % was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

IV. NOTES TO UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR ENDED MARCH 31, 2015

1. Other Comprehensive Income

The amounts reclassified and tax effect amounts related to other comprehensive income were as follows:

	(Unit: million yen)
Net unrealized gains (losses) on securities, net of tax	
Amount incurred during the fiscal year ended March 31, 2015	1,783,498
Amount reclassified	(145,030)
Before tax adjustment	1,638,467
Tax effect	(434,666)
Net unrealized gains (losses) on securities, net of tax	1,203,801
Deferred hedge gains (losses)	
Amount incurred during the fiscal year ended March 31, 2015	64,255
Amount reclassified	(111)
Amount adjusted for asset acquisition cost	(77,309)
Before tax adjustment	(13,165)
Tax effect	3,714
Deferred hedge gains (losses)	(9,450)
Reserve for land revaluation	
Amount incurred during the fiscal year ended March 31, 2015	-
Amount reclassified	-
Before tax adjustment	-
Tax effect	5,668
Reserve for land revaluation	5,668
Foreign currency translation adjustments	
Amount incurred during the fiscal year ended March 31, 2015	(5,940)
Amount reclassified	-
Before tax adjustment	(5,940)
Tax effect	-
Foreign currency translation adjustments	(5,940)
Remeasurements of defined benefit plans	
Amount incurred during the fiscal year ended March 31, 2015	52,829
Amount reclassified	(1,281)
Before tax adjustment	51,547
Tax effect	(14,375)
Remeasurements of defined benefit plans	37,171
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	
Amount incurred during the fiscal year ended March 31, 2015	10,737
Amount reclassified	(161)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	10,575
Total other comprehensive income	1,241,826

V. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED MARCH 31, 2015

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following items contained in the consolidated balance sheet: cash and deposits, call loans, commercial paper included in monetary claims bought, money market funds included in securities, and overdrafts included in other liabilities.

2. Reconciliation of Cash and Cash Equivalents

The reconciliation of cash and cash equivalents to balance sheet accounts as of March 31, 2015 was as follows:

	(Unit: million yen)
Cash and deposits (a)	873,444
Call loans (b)	380,400
Money market funds included in securities (c)	915
<u>Cash and cash equivalents (a + b + c)</u>	<u>1,254,760</u>

3. Breakdown of Assets and Liabilities of Newly Consolidated Subsidiaries as a Result of the Acquisition of Shares

Associated with the consolidation of Neo First Life and Protective Life Corporation as a result of the acquisition of shares, the breakdown of the assets and liabilities of Neo First Life and Protective Life Corporation at the beginning of the consolidation, and the relationship between the acquisition price and net cash flow for the acquisition were as follows:

① Neo First Life (Unit: million yen)

Assets	5,111
Cash and cash deposits included in the above assets	1,820
Goodwill	2,038
Liabilities	(1,114)
Policy reserves and others included in the above liabilities	(928)
Acquisition price of shares of Neo First Life	6,035
Gain on step acquisition	(273)
Acquisition cost before acquisition	(326)
<u>Cash and cash equivalents of Neo First Life</u>	<u>(2,735)</u>
Net cash flow for the acquisition of share of Neo First Life	2,699

② Protective Life Corporation (Unit: million yen)

Assets	8,304,813
Cash and cash deposits included in the above assets	54,823
Goodwill	8,561
Liabilities	(7,735,044)
Policy reserves and others included in the above liabilities	(6,958,358)
Acquisition price of shares of Protective Life Corporation	578,331
<u>Cash and cash equivalents of Protective Life Corporation</u>	<u>(54,823)</u>
Net cash flow for the acquisition of share of Protective Life Corporation	523,507

VI. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2015

1. Type and Number of Shares Outstanding

	At the beginning of the fiscal year ended March 31, 2015	Increase	Decrease	As of March 31, 2015
	(Unit: thousands shares)			
Common stock	1,000,060	197,878	-	1,197,938
Treasury stock	7,743	-	1,225	6,518

Notes:

- The 197,878 thousand share increase in common stock represents the sum of (1) 78 thousand share increase due to the exercise of stock acquisition rights (stock options) and (2) 197,800 thousand share increase resulted from issue of new shares.
- The 1,225 thousand share decrease in treasury stock represents the sum of (1) shares granted to eligible employees at retirement by the J-ESOP and (2) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership under the E-ship®.

2. Stock Acquisition Rights

Issuer	Details	Balance at the end of the period (Unit: million yen)
The Parent Company	Stock acquisition rights in the form of stock options	753

3. Dividends on Common Stock

(1) Dividends Paid During the Fiscal Year Ended March 31, 2015

Date of resolution	June 24, 2014 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥19,846 million
Dividends per share	¥20
Record date	March 31, 2014
Effective date	June 25, 2014
Dividend resource	Retained earnings

Notes:

- Total dividends did not include ¥154 million of dividends to the J-ESOP trust and the E-ship® trust, as the Parent Company recognized the shares held by those trusts as treasury shares.
- The Parent Company conducted a 1:100 share split on October 1, 2013. The amount of dividend per share is calculated, taking into account the share split.

(2) Dividends, the Record Date of Which was March 31, 2015, to Be Paid Out in the Year Ending March 31, 2016

Date of resolution	June 23, 2015 (at the Annual General Meeting of Shareholders to be held)
Type of shares	Common stock
Total dividends	¥33,359 million
Dividends per share	¥28
Record date	March 31, 2015
Effective date	June 24, 2015
Dividend resource	Retained earnings

Note: Total dividends did not include ¥182 million of dividends to the J-ESOP trust and the E-ship® trust, as the Parent Company recognized the shares held by those trusts as treasury shares.

(7) Risk-Monitored Loans

	(millions of yen)	
	As of March 31, 2014	As of March 31, 2015
Credits to bankrupt borrowers	4,329	502
Delinquent loans	4,463	3,525
Loans past due for three months or more	-	-
Restructured loans	35	2,040
Total	8,828	6,068
[Percentage of total loans]	[0.29%]	[0.16%]

- Note: 1. For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2014 and March 31, 2015 were 6 million yen and 4 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2014 and March 31, 2015 were 60 million yen and 54 million yen, respectively.
2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to, foreign proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(8) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2014	As of March 31, 2015
Total solvency margin (A)	4,681,499	6,787,809
Common stock, etc. ^{*1}	484,305	639,680
Reserve for price fluctuations	118,167	136,254
Contingency reserve	638,368	678,863
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,400	1,160
Net unrealized gains on securities (before tax) × 90% ^{*2}	1,718,809	3,193,431
Net unrealized gains (losses) on real estate × 85% ^{*2}	19,155	40,735
Sum of unrecognized actuarial differences and unrecognized past service cost	24,336	75,883
Policy reserves in excess of surrender values	1,801,440	1,970,765
Qualifying subordinated debt	427,562	535,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(551,240)	(503,214)
Excluded items	(125,982)	(152,319)
Others	125,176	170,842
Total risk $\sqrt{\left(\sqrt{R_1^2 + R_4^2 + R_8 + R_9}\right)^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$ (B)	1,236,978	1,659,135
Insurance risk R_1	94,016	125,680
General insurance risk R_5	-	4,536
Catastrophe risk R_6	-	1,736
3rd sector insurance risk R_8	176,074	181,287
Small amount and short-term insurance risk R_9	-	-
Assumed investment yield risk R_2	269,173	270,443
Guaranteed minimum benefit risk R_7 ^{*3}	28,091	87,763
Investment risk R_3	880,182	1,231,750
Business risk R_4	28,950	38,063
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	756.9%	818.2%

*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.

Note: The above figures 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.

(9) Status of Insurance Claims Paying Ability of Insurance Subsidiaries
(Solvency Margin Ratio)

The Dai-ichi Frontier Life Insurance Company

(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	-	-
Others	-	-
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, an Announcement No. 50, Ministry of Finance, 1996.

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

	As of March 31, 2014	As of March 31, 2015
Total solvency margin (A)	4,345	4,936
Common stock, etc.	3,835	4,459
Reserve for price fluctuations	19	19
Contingency reserve	488	455
General reserve for possible loan losses	-	-
Net unrealized gains on securities (before tax) × 90% *	2	2
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	-	-
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Others	-	-
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2 + R_4}$ (B)	510	478
Insurance risk R_1	395	369
3rd sector insurance risk R_8	90	84
Assumed investment yield risk R_2	0	0
Guaranteed minimum benefit risk R_7	-	-
Investment risk R_3	85	89
Business risk R_4	17	16
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,700.9%	2,064.1%

*: Multiplied by 100% if losses.

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

(10) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.

13. Selected Financial Information by Insurance Product

(millions of yen)

	Individual insurance and annuities	Group insurance	Group annuities	Others	Total
Policies in force at the beginning of the fiscal year	136,893,201	48,357,148	6,353,439	-	-
Policies in force at the end of the fiscal year	130,947,283	48,092,270	6,397,438	-	-
Net increase in policies in force	(5,945,918)	(264,877)	43,999	-	-
Ordinary revenues	-	-	-	-	4,798,467
a. Premium and other income	2,161,597	148,573	921,649	34,541	3,266,361
Premium	2,161,569	148,038	921,649	34,541	3,265,798
b. Ordinary revenues other than a. above	-	-	-	-	1,532,105
Ordinary expenses	-	-	-	-	4,389,702
c. Benefits and claims	1,585,657	72,627	1,015,676	44,225	2,718,186
Claims	672,634	70,244	1,658	4,601	749,138
Annuities	271,747	969	349,000	8,155	629,874
Benefits	173,110	150	236,406	2,772	412,439
Surrender values	427,965	174	76,043	28,624	532,807
d. Ordinary expenses other than c. above	-	-	-	-	1,671,516
Provision for policy reserves	576,491	149	43,999	(5,935)	641,704
Ordinary profit	-	-	-	-	408,764

Note: 1. Categorization of insurance products:

'Others' are the sum of financial insurance, financial annuities, medical care insurance, group disability insurance and reinsurance written.

2. Policies in force:

a. 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.

b. Policies in force of group insurance include those of annuity riders attached to group insurance, which are the sum of (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.

c. Policies in force of group annuities are equal to the amount of outstanding corresponding policy reserve.

3. Profit and loss items:

a. 'Premium and other income' shows the sum of premium and reinsurance income.

b. 'Benefits and claims' shows the sum of claims, annuities, benefits, surrender values, other payments and reinsurance premium.