

August 9, 2019

Financial Results for the Three Months Ended June 30, 2019

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the three months ended June 30, 2019.

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

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(billions of yen)

	As of March 31, 2019	As of June 30, 2019	
			% of March 31, 2019 total
Individual insurance	1,593.2	1,586.3	99.6
Individual annuities	536.4	537.2	100.1
Total	2,129.7	2,123.6	99.7
Medical and survival benefits	675.2	680.6	100.8

New Policies

(billions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019	
			% of June 30, 2018 total
Individual insurance	17.9	17.2	96.3
Individual annuities	4.2	3.5	82.5
Total	22.2	20.8	93.6
Medical and survival benefits	13.2	13.8	104.6

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

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

Policies in Force

	As of March 31, 2019		As of June 30, 2019			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2019 total	(billions of yen)	% of March 31, 2019 total
Individual insurance	15,113	95,847.3	15,842	104.8	94,378.0	98.5
Individual annuities	2,036	11,277.7	2,049	100.6	11,258.0	99.8
Individual insurance and annuities	17,150	107,125.0	17,891	104.3	105,636.0	98.6
Group insurance	-	48,385.3	-	-	48,676.1	100.6
Group annuities	-	6,197.7	-	-	6,227.7	100.5

- 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.
3. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

New Policies

	Number of policies		Amount			
	(thousands)	% of June 30, 2018 total	(billions of yen)	New Business	Net increase by conversion	% of June 30, 2018 total
Three months ended June 30, 2018						
Individual insurance	1,061		292.1	694.2	(402.1)	
Individual annuities	38		124.7	125.4	(0.7)	
Individual insurance and annuities	1,100		416.8	819.7	(402.8)	
Group insurance	-		150.3	150.3	-	
Group annuities	-		0	0	-	
Three months ended June 30, 2019						
Individual insurance	1,011	95.3	272.3	625.5	(353.1)	93.2
Individual annuities	30	78.1	101.5	102.8	(1.3)	81.4
Individual insurance and annuities	1,041	94.7	373.8	728.4	(354.5)	89.7
Group insurance	-	-	75.3	75.3	-	50.1
Group annuities	-	-	0.0	0.0	-	40.5

- 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.
4. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

2. Investment Results of General Account

(1) Asset Composition

(millions of yen)

	As of March 31, 2019		As of June 30, 2019	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	780,445	2.2	844,023	2.4
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	199,193	0.6	199,872	0.6
Trading account securities	-	-	-	-
Money held in trust	24,747	0.1	24,938	0.1
Securities	29,889,730	85.5	30,421,300	85.4
Domestic bonds	15,760,707	45.1	15,906,859	44.6
Domestic stocks	3,395,945	9.7	3,208,804	9.0
Foreign securities	10,122,795	28.9	10,582,903	29.7
Foreign bonds	8,933,476	25.5	9,434,833	26.5
Foreign stocks and other securities	1,189,319	3.4	1,148,070	3.2
Other securities	610,282	1.7	722,732	2.0
Loans	2,348,201	6.7	2,314,306	6.5
Policy loans	340,424	1.0	336,030	0.9
Ordinary loans	2,007,776	5.7	1,978,276	5.6
Real estate	1,117,762	3.2	1,119,229	3.1
Real estate for rent	793,420	2.3	797,126	2.2
Deferred tax assets	-	-	-	-
Others	610,156	1.7	706,400	2.0
Reserve for possible loan losses	(588)	(0.0)	(613)	(0.0)
Total	34,969,648	100.0	35,629,457	100.0
Foreign currency-denominated assets	9,131,204	26.1	9,698,700	27.2

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

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2018					
Held-to-maturity bonds	46,617	49,940	3,322	3,322	-
Domestic bonds	46,617	49,940	3,322	3,322	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,954,527	14,922,259	2,967,732	2,967,765	33
Domestic bonds	11,873,519	14,839,042	2,965,523	2,965,532	9
Foreign bonds	81,008	83,216	2,208	2,232	23
Stocks of subsidiaries and affiliated companies	343	350	7	7	-
Available-for-sale securities	14,726,896	17,797,842	3,070,945	3,177,392	106,446
Domestic bonds	3,331,788	3,840,570	508,781	509,306	524
Domestic stocks	1,558,636	3,350,001	1,791,364	1,842,577	51,212
Foreign securities	9,094,843	9,832,236	737,393	789,490	52,096
Foreign bonds	8,251,994	8,852,468	600,474	634,597	34,123
Foreign stocks and other securities	842,849	979,768	136,919	154,892	17,973
Other securities	480,572	505,845	25,272	27,797	2,524
Monetary claims bought	191,055	199,193	8,138	8,220	82
Certificates of deposit	70,000	69,995	(4)	-	4
Total	26,728,384	32,770,393	6,042,008	6,148,488	106,480
Domestic bonds	15,251,925	18,729,553	3,477,627	3,478,162	534
Domestic stocks	1,558,636	3,350,001	1,791,364	1,842,577	51,212
Foreign securities	9,176,194	9,915,804	739,609	791,730	52,120
Foreign bonds	8,333,002	8,935,685	602,682	636,829	34,147
Foreign stocks and other securities	843,192	980,119	136,927	154,900	17,973
Other securities	480,572	505,845	25,272	27,797	2,524
Monetary claims bought	191,055	199,193	8,138	8,220	82
Certificates of deposit	70,000	69,995	(4)	-	4
As of June 30, 2019					
Held-to-maturity bonds	46,693	49,916	3,223	3,223	-
Domestic bonds	46,693	49,916	3,223	3,223	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,071,151	15,260,933	3,189,781	3,189,783	2
Domestic bonds	11,990,143	15,177,876	3,187,732	3,187,734	1
Foreign bonds	81,007	83,056	2,048	2,049	0
Stocks of subsidiaries and affiliated companies	343	335	(7)	-	7
Available-for-sale securities	15,138,359	18,240,392	3,102,033	3,246,833	144,800
Domestic bonds	3,336,803	3,870,022	533,218	533,762	544
Domestic stocks	1,530,222	3,162,475	1,632,253	1,710,864	78,611
Foreign securities	9,383,520	10,288,151	904,630	967,372	62,742
Foreign bonds	8,579,517	9,353,825	774,308	814,941	40,632
Foreign stocks and other securities	804,003	934,325	130,321	152,430	22,109
Other securities	595,611	618,875	23,263	26,091	2,827
Monetary claims bought	191,199	199,872	8,672	8,742	69
Certificates of deposit	101,000	100,994	(5)	0	5
Total	27,256,547	33,551,577	6,295,030	6,439,841	144,810
Domestic bonds	15,373,641	19,097,815	3,724,174	3,724,720	546
Domestic stocks	1,530,222	3,162,475	1,632,253	1,710,864	78,611
Foreign securities	9,464,871	10,371,543	906,671	969,422	62,750
Foreign bonds	8,660,525	9,436,882	776,357	816,991	40,633
Foreign stocks and other securities	804,346	934,660	130,314	152,430	22,116
Other securities	595,611	618,875	23,263	26,091	2,827
Monetary claims bought	191,199	199,872	8,672	8,742	69
Certificates of deposit	101,000	100,994	(5)	0	5

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, 2019	As of June 30, 2019
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	70,321	74,451
Unlisted domestic stocks (except over-the-counter stocks)	4,975	4,885
Unlisted foreign stocks (except over-the-counter stocks)	-	4,348
Others	65,345	65,217
Available-for-sale securities	292,583	293,372
Unlisted domestic stocks (except over-the-counter stocks)	40,968	41,443
Unlisted foreign stocks (except over-the-counter stocks)	212,523	213,289
Unlisted foreign bonds	-	-
Others	39,091	38,639
Total	362,904	367,823

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

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows:
loss of 3,315 million yen as of March 31, 2019 and loss of 4,323 million yen as of June 30, 2019.

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2019	24,747	24,747	(5,164)	4,154	9,318
As of June 30, 2019	24,938	24,938	(129)	3,500	3,630

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, 2019		As of June 30, 2019	
	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	24,747	(5,590)	24,938	(502)

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

The Company had no balance as of March 31, 2019 or June 30, 2019.

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2019 (summarized)	As of June 30, 2019
(ASSETS)		
Cash and deposits	461,554	500,093
Call loans	335,500	359,500
Monetary claims bought	199,193	199,872
Money held in trust	24,747	24,938
Securities	30,755,525	31,305,455
[Government bonds]	[13,789,754]	[13,889,155]
[Local government bonds]	[130,344]	[129,844]
[Corporate bonds]	[1,999,444]	[2,046,607]
[Stocks]	[3,560,534]	[3,366,468]
[Foreign securities]	[10,482,496]	[10,969,246]
Loans	2,348,201	2,314,306
Policy loans	340,424	336,030
Ordinary loans	2,007,776	1,978,276
Tangible fixed assets	1,122,873	1,125,236
Intangible fixed assets	106,939	109,106
Reinsurance receivable	2,762	3,447
Other assets	535,293	632,426
Customers' liabilities for acceptances and guarantees	55,515	57,470
Reserve for possible loan losses	(588)	(613)
Reserve for possible investment losses	(390)	(366)
Total assets	35,947,128	36,630,875
(LIABILITIES)		
Policy reserves and others	30,882,605	30,886,262
Reserves for outstanding claims	130,650	122,135
Policy reserves	30,353,777	30,379,711
Reserve for policyholder dividends	398,178	384,414
Reinsurance payable	129,512	561
Subordinated bonds	476,277	476,277
Other liabilities	639,493	1,524,720
Corporate income tax payable	14,743	18,318
Lease liabilities	2,392	3,244
Asset retirement obligations	2,432	2,151
Other liabilities	619,925	1,501,005
Reserve for employees' retirement benefits	400,632	401,154
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,298	1,262
Reserve for possible reimbursement of prescribed claims	900	805
Reserve for price fluctuations	198,453	202,703
Deferred tax liabilities	201,155	211,556
Deferred tax liabilities for land revaluation	76,023	75,947
Acceptances and guarantees	55,515	57,470
Total liabilities	33,061,866	33,838,723
(NET ASSETS)		
Capital stock	60,000	60,000
Capital surplus	420,000	370,000
Legal capital surplus	60,000	60,000
Other capital surplus	360,000	310,000
Retained earnings	204,144	126,193
Other retained earnings	204,144	126,193
Reserve for tax basis adjustments of real estate	2,228	2,371
Retained earnings brought forward	201,915	123,822
Total shareholders' equity	684,144	556,194
Net unrealized gains (losses) on securities, net of tax	2,211,147	2,232,892
Deferred hedge gains (losses)	3,457	16,116
Reserve for land revaluation	(13,488)	(13,051)
Total of valuation and translation adjustments	2,201,117	2,235,957
Total net assets	2,885,261	2,792,151
Total liabilities and net assets	35,947,128	36,630,875

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
ORDINARY REVENUES	895,649	908,663
Premium and other income	564,006	581,974
[Premium income]	[563,788]	[580,817]
Investment income	275,529	275,629
[Interest and dividends]	[190,343]	[186,134]
[Gains on sale of securities]	[62,693]	[62,108]
[Derivative transaction gains]	[-]	[7,149]
[Gains on investments in separate accounts]	[16,004]	[17,505]
Other ordinary revenues	56,113	51,059
[Reversal of reserves for outstanding claims]	[11,957]	[8,514]
ORDINARY EXPENSES	829,979	802,668
Benefits and claims	548,553	549,327
[Claims]	[159,445]	[150,921]
[Annuities]	[117,205]	[123,663]
[Benefits]	[104,412]	[122,319]
[Surrender values]	[138,893]	[129,102]
[Other refunds]	[28,154]	[22,782]
Provision for policy reserves and others	9,259	27,984
Provision for policy reserves	7,197	25,934
Provision for interest on policyholder dividends	2,062	2,050
Investment expenses	103,365	62,018
[Interest expenses]	[3,228]	[3,104]
[Losses on money held in trust]	[194]	[777]
[Losses on sale of securities]	[48,550]	[13,473]
[Losses on valuation of securities]	[678]	[5,584]
[Derivative transaction losses]	[17,217]	[-]
Operating expenses	94,254	93,738
Other ordinary expenses	74,546	69,598
ORDINARY PROFIT	65,669	105,994
EXTRAORDINARY GAINS	1,886	346
Gains on disposal of fixed assets	1,886	346
EXTRAORDINARY LOSSES	5,464	4,578
Losses on disposal of fixed assets	1,122	113
Impairment losses on fixed assets	92	215
Provision for reserve for price fluctuations	4,250	4,250
Provision for reserve for policyholder dividends	18,793	18,982
Income before income taxes	43,298	82,780
Corporate income taxes-current	15,548	26,147
Corporate income taxes-deferred	(4,783)	(3,001)
Total of corporate income taxes	10,764	23,146
Net income	32,533	59,633

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Fundamental revenues	841,503	839,405
Premium and other income	564,006	581,974
Investment income	212,829	206,372
[Interest and dividends]	190,343	186,134
Other ordinary revenues	64,666	51,059
Other fundamental revenues (a)	-	-
Fundamental expenses	736,988	744,873
Benefits and claims	548,553	549,327
Provision for policy reserves and others	2,062	12,738
Investment expenses	17,546	19,375
Operating expenses	94,254	93,738
Other ordinary expenses	74,546	69,598
Other fundamental expenses (b)	25	95
Fundamental profit	<i>A</i> 104,514	94,532
Capital gains	62,719	69,352
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	62,693	62,108
Derivative transaction gains	-	7,149
Foreign exchange gains	-	-
Others (c)	25	95
Capital losses	85,816	42,588
Losses on money held in trust	194	777
Losses on investments in trading securities	-	-
Losses on sale of securities	48,550	13,473
Losses on valuation of securities	678	5,584
Derivative transaction losses	17,217	-
Foreign exchange losses	19,175	22,752
Others (d)	-	-
Net capital gains (losses)	<i>B</i> (23,097)	26,763
Fundamental profit plus net capital gains (losses)	<i>A + B</i> 81,416	121,296
Other one-time gains	6	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	(2)	-
Others ^(Note 1)	8	-
Other one-time losses	15,753	15,301
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	-
Provision for specific reserve for possible loan losses	-	0
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	2	3
Others ^(Note 2)	15,750	15,298
Other one-time profits (losses)	<i>C</i> (15,747)	(15,301)
Ordinary profit	<i>A + B + C</i> 65,669	105,994

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Other fundamental revenues (a)	-	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	-
Other fundamental expenses (b)	25	95
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	10	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	15	95
The impact on fundamental profit	<i>(a) - (b)</i> (25)	(95)
Other capital gains (c)	25	95
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	10	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	15	95
Other capital losses (d)	-	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	-
The impact on net capital gains (losses)	<i>(c) - (d)</i> 25	95

Note 1: "Others" in "Other one-time gains" represents the reversal of reserve for possible investment losses (For the three months ended June 30, 2018: 8 million yen).

Note 2: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (For the three months ended June 30, 2019: 52 million yen) and the amount of the additional policy reserves provided (For the three months ended June 30, 2018: 15,750 million yen, For the three months ended June 30, 2019: 15,246 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2019

I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2019

1. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of June 30, 2019 was ¥2,129,652 million.

2. Contingent Liabilities

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

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	315,297

3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year	398,178
Dividend payment.....	(34,795)
Interest accrual.....	2,050
Provision for reserve for policyholder dividends	18,982
Balance as of June 30, 2019.....	384,414

4. Dividends on Common Stock

Date of resolution	June 18, 2019 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥137,148 million
Dividends per share	¥22,858,000
Record date	March 31, 2019
Effective date	June 19, 2019
Dividend resource	Retained earnings

Date of resolution	June 18, 2019 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2019
Effective date	June 19, 2019
Dividend resource	Capital surplus

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2019

1. Net Income per Share

Net income per share for the three months ended June 30, 2019 was ¥9,938,995.32. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥3,323 million and Depreciation was ¥7,304 million for the three months ended June 30, 2019.

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2019	As of June 30, 2019
Total solvency margin (A)	6,397,977	6,580,430
Common stock, etc. *1	494,174	550,584
Reserve for price fluctuations	198,453	202,703
Contingency reserve	598,493	598,493
General reserve for possible loan losses	95	121
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,759,808	2,790,454
Net unrealized gains (losses) on real estate × 85% *2	199,850	205,046
Policy reserves in excess of surrender values	2,161,803	2,168,371
Qualifying subordinated debt	759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(835,305)	(779,485)
Excluded items	-	-
Others	61,326	84,863
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,318,040	1,314,140
Insurance risk R_1	63,035	62,336
3rd sector insurance risk R_8	178,690	176,903
Assumed investment yield risk R_2	202,582	200,769
Guaranteed minimum benefit risk R_7 *3	3,081	3,067
Investment risk R_3	1,059,353	1,057,802
Business risk R_4	30,134	30,017
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	970.8%	1,001.4%

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

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures as of March 31, 2019 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of June 30, 2019 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

(Reference) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2019	As of June 30, 2019
Total solvency margin (A)	6,318,688	6,500,661
Common stock, etc. *1	497,058	552,752
Reserve for price fluctuations	198,453	202,703
Contingency reserve	598,493	598,493
Catastrophe loss reserve	-	-
General reserve for possible loan losses	97	123
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,759,808	2,790,454
Net unrealized gains (losses) on real estate × 85% *2	199,850	205,046
Sum of unrecognized actuarial differences and unrecognized past service cost	(12,929)	(13,143)
Policy reserves in excess of surrender values	2,161,803	2,168,371
Qualifying subordinated debt	759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(835,305)	(779,485)
Excluded items	(69,246)	(68,796)
Others	61,326	84,863
Total risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,296,925	1,292,178
Insurance risk R ₁	63,035	62,336
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
3rd sector insurance risk R ₈	178,690	176,903
Small amount and short-term insurance risk R ₉	-	-
Assumed investment yield risk R ₂	202,582	200,769
Guaranteed minimum benefit risk R ₇ *3	3,081	3,067
Investment risk R ₃	1,038,279	1,035,888
Business risk R ₄	29,713	29,579
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	974.4%	1,006.1%

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

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Notes: The figures as of March 31, 2019 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.

The figures as of June 30, 2019 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Account

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2019	As of June 30, 2019
Individual variable insurance	55,834	55,244
Individual variable annuities	33,949	33,403
Group annuities	1,166,776	1,206,053
Separate account total	1,256,560	1,294,701

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

A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2019		As of June 30, 2019	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	70	336	66	319
Individual variable insurance (whole life)	41,109	253,119	40,938	252,041
Total	41,179	253,455	41,004	252,360

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2019		As of June 30, 2019	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	9,589	37,551	9,100	34,881

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

8. Consolidated Financial Summary

Not applicable