May 15, 2014

Financial Results for the Fiscal Year Ended March 31, 2014

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, 2014.

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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, 2013			
	Number of policies		Amount	
	(thousands)	% of March 31, 2012 total	(billions of yen)	% of March 31, 2012 total
Individual insurance	11,442	100.6	133,344.7	96.2
Individual annuities	1,431	111.1	8,516.8	113.0
Individual insurance and annuities	12,874	101.7	141,861.5	97.1
Group insurance	-	-	48,766.6	96.6
Group annuities	-	-	6,146.1	101.3

	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

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, 2013					
	Number of policies		Amount			
	(thousands)	% of March 31, 2012 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2012 total
Individual insurance	1,187	93.5	6,589.0	6,086.3	502.7	99.6
Individual annuities	178	290.6	1,232.5	1,241.8	(9.3)	283.3
Individual insurance and annuities	1,366	102.6	7,821.6	7,328.2	493.3	110.9
Group insurance	-		273.7	273.7		130.0
Group annuities	-		0.0	0.0		10.2

	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

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 commen
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, 2013	Year ended March 31, 2014
Amount of surrenders and lapses	6,625.5	6,109.9
Surrender and lapse rate (%)	4.53	4.31

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, 2013		As of March 31, 2014	
		% of March 31, 2012 total		% of March 31, 2013 total
Individual insurance	1,663.1	98.8	1,640.1	98.6
Individual annuities	362.7	112.0	375.9	103.6
Total	2,025.9	101.0	2,016.0	99.5
Medical and survival benefits	522.5	101.5	540.2	103.4

New Policies

(billions of yen)

	As of March 31, 2013		As of March 31, 2014	
		% of March 31, 2012 total		% of March 31, 2013 total
Individual insurance	108.0	95.8	98.0	90.8
Individual annuities	41.7	274.2	21.1	50.7
Total	149.7	117.0	119.2	79.6
Medical and survival benefits	40.5	96.7	48.8	120.5

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, 2013		Year Ended March 31, 2014	
		% of March 31, 2012 total		% of March 31, 2013 total
Premium and other income	2,921,863	95.6	2,868,061	98.2
Investment income	1,104,462	113.4	1,161,432	105.2
Benefits and claims	2,467,768	98.4	2,439,165	98.8
Investment expenses	206,514	56.8	213,928	103.6
Ordinary profit	173,806	71.3	307,612	177.0

(4) Total Assets

(millions of yen)

	As of March 31, 2013		As of March 31, 2014	
		% of March 31, 2012 total		% of March 31, 2013 total
Total Assets	33,072,490	105.1	34,028,823	102.9

2. Policies in Force as of March 31, 2014 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	10,880	107,952.9		0.0	24,871	48,349.9	35,752	156,302.9
	accidental	[3,941]	[15,503.9]	[654]	[372.4]	[3,006]	[1,680.5]	[7,601]	[17,556.9]
	others	[0]	[0.0]	[-]	[-]	[68]	[59.0]	[68]	[59.0]
Survival benefits		586	20,141.8	1,477	8,798.3	9	7.1	2,073	28,947.4
Hospitalization benefits									
	accidental	[8,801]	[44.0]	[73]	[0.3]	[1,528]	[0.9]	[10,403]	[45.3]
	illness	[8,751]	[43.8]	[74]	[0.3]	[1]	[0.0]	[8,826]	[44.2]
	others	[4,193]	[23.3]	[57]	[0.2]	[57]	[0.0]	[4,309]	[23.6]
Injury benefits		[7,472]	-	[81]	-	[2,715]	-	[10,269]	-
Surgery benefits		[6,927]	-	[74]	-	-	-	[7,002]	-

	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	10,433	6,353.4	85	269.7	46	108.5	10,565	6,731.7

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	464	0.7

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	28	2.2

Note:
1. Figures in [ ] show numbers and amounts of additional benefits and of benefits to be paid from riders.
2. Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
3. 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.
4. Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
5. Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
6. Amount in group disability insurance shows the amount of disability benefits paid per month.
7. The number of insureds and amount of policies for reinsurance written were 146 thousand and 78.6 billion yen, respectively.

3. Investment of General Account Assets for the Fiscal Year Ended March 31, 2014

(1) Investment Environment

- The Japanese economy achieved high growth above potential growth rate during the fiscal year ended March 31, 2014 due to a) acceleration of public expenditures as a part of the Japanese government's economic policy and b) a rush demand in individual consumption before the planned increase in consumption tax.
- The U.S. economy maintained steady recovery mainly led by the individual consumption backed by improved employment and income situations, despite the downward pressure on the economy due to budget cuts of the government associated with budget sequestration. The European economy continued its recovery, owing to the enhanced monetary easing measures by the European Central Bank (ECB) and the fiscal reconstruction of Euro-zone countries.
- Given the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

- Domestic bond markets were volatile as the yield on ten-year Japanese government bonds (JGBs) temporarily declined to 0.315%, a historically low level among global economies, given the 'quantitative and qualitative monetary easing measures' by the Bank of Japan (BOJ). However, it showed a moderate downward trend by the end of the fiscal year as the effect of the BOJ's purchase of JGBs gradually materialized.

Yield on ten-year government bonds:	April 1, 2013	0.560%
	March 31, 2014	0.640%

[Domestic Stocks]

- The Nikkei 225 temporarily rose to the 16,000 level by the end of 2013, the highest level since November 2007, due to expectations for overcoming deflation given a) aggressive monetary easing measures by the BOJ, b) the growth strategies of the Japanese govenment and c) an improvement in corporate earnings associated with the depreciation of the yen. After that, the Nikkei 225 declined to the 14,000 level because of growing concern over a potential slowdown in the emerging market economies related to the tapering of quantitative easing in the U.S..

Nikkei 225 Stock Average:	April 1, 2013	12,397
	March 31, 2014	14,827
TOPIX:	April 1, 2013	1,034
	March 31, 2014	1,202

[Foreign Currency]

- As the yen temporarily appreciated against the U.S. dollar to the ¥93 level due to a) the turmoil in the market related to the initiation of tapering of quantitative easing in the U.S. by the Federal Reserve Board (FRB), the market went to a volatile period during the first half of the fiscal year. Then, due to a) the yen depreciation pressure associated with the monetary easing measures by the BOJ and current account deficit in Japan and b) the increased dollar appreciation pressure as the FRB decided the tapering of the quantitative easing in December 2013, the yen depreciated against the dollar to the ¥105 level for the first time since October 2008. By the end of the fiscal year, growing concern over the emerging economies and geopolitical risks led to the volatile market again.
- The yen depreciation against the euro progressed given the euro appreciating factors such as Euro-zone countries' economic recovery current account surplus.

yen /U.S. dollar:	April 1, 2013	¥94.05
	March 31, 2014	¥102.92
yen/euro:	April 1, 2013	¥120.73
	March 31, 2014	¥141.65

(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. The Company actively increased its position in policy-reserve-matching bonds by purchasing mainly super-long-term JGBs while taking interest rate levels into account, in order to further enhance its Asset Liability Management (ALM) strategy and improve its profitability.
- The Company has flexibly controlled 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:

Assets	Investment results
Domestic bonds	Decrease The Company actively replaced shorter duration bonds with longer ones, taking into account interest rate levels. It also increased investments in policy-reserve-matching bonds (mainly super-long-term government bonds), based on its ALM strategy. However, the overall balance of domestic bonds decreased due to a) a shift from domestic bonds to foreign currency-denominated bonds with currency hedges in order to improve investment efficiency within its fixed income assets, and b) a decrease in fair value resulted from a rise in interest rates. The Company made efforts to improve investment yields through careful selection and diversification among various credit risk products, including corporate bonds and securitized products, in accordance with risk-adjusted credit spread guidelines.
Loans	Slight decrease While the overall balance of loans slightly decreased due to contractual maturities and other factors, the Company actively provided new loans to fulfill capital needs in growth areas such as environment and infrastructure investments, doubling the amount of new loans year-on-year. The Company also provided loans by setting adequate risk-adjusted spreads, while also paying attention to the credit spread trends in the bond market.
Domestic stocks	Increase Due to a rise in stock prices and flexible allocation in domestic stocks, the fair value-based balance of domestic stocks increased. 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.
Foreign bonds	Increase 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 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.
Foreign stocks	Increase To enhance the total return of the entire asset portfolio and promote diversification, the Company increased the balance of foreign stocks. The Company continued to focus on geographic diversification of its foreign stock portfolio, utilizing both independent investment advisors and in-house managers.

Real Estate	<u>Slight decrease</u> By renegotiating the rent and improving vacancy rates of the existing real estate portfolio, the Company pursued profitability. Also, the Company strived to increase the value of existing real estate by attracting day-care centers for children.

Note: Underlined changes in assets above are described on a book value basis.

[Investment income and expenses]

- Investment income increased by ¥74.5 billion, compared to the same period last year, to ¥1,012.4 billion, mainly due to an increase in interest and dividends as a result of the yen depreciation and dividend increases in domestic stocks. Meanwhile, investment expenses amounted to ¥213.9 billion, a similar level as the last fiscal year.
- As a result, net investment income increased by ¥67.1 billion to ¥798.4 billion.

(3) Investment Environment Outlook for the Fiscal Year Ending March 31, 2015

- For the fiscal year ending March 31, 2015, the Company expects continuous growth in the Japanese economy supported by positive effects such as a) steady capital investment, b) an increase in income and c) a recovery in exports, despite a concern over the backlash in the individual consumption after the increase in consumption tax.

[Domestic interest rates]

- The domestic interest rates are expected to remain low for a while due to the enhanced quantitative and qualitative montetary easing measures by the BOJ. However, by the end of the fiscal year in which the BOJ set the goal of a 2% price increase, the Company estimates that the interest rates will turn to an upward trend associated with the rise in inflation expectations. We believe the potential increase in foreign interest rates due to expectations for the tapering of quantitative easing measures by the FRB will support the increase in domestic interest rates.

[Domestic stocks]

- Despite the concern over the impact of the backlash in individual consumption after the increase in consumption tax, we forecast the domestic stock market will remain brisk, given the positive effects such as the improvement in corporate earnings supported by fiscal and financial policies by the Japanese government and the BOJ. Additionally, the expectations for the change in the asset portfolio of public pension funds, including Government Pension Investment Fund, Japan, and the potential improvement in corporate earnings due to the forecasted yen depreciation trend in the second half of the fiscal year will support the increase in stock prices.

[Foreign currency]

- We anticipate the overall yen depreciation trend against the U.S. dollar will remain, given an increase in expectations of rise in interest rates in the U.S. after the tapering of quantitative easing measures by the FRB during 2014, while the BOJ is expected to enhance its monetary easing measures. However, taking into account a) concern over a potential slowdown in the emerging countries due to the tapering of monetary easing measures in the U.S. and b) growing geopolitical risks, we forecast highly volatile market trends.
- For euro-yen rates, while a deflationary concern and current account surplus trends in the Euro-zone create pressure for euro appreciation against the yen, the expectations for the additional monetary easing measures by the ECB are forecasted to increase. Therefore, we anticipate only a limited yen depreciation trend against the euro for the period.

(4) Investment Policies for the Fiscal Year Ending March 31, 2015

- 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	Increase when interest rates rise 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	Flat By continuing to actively fulfill the capital needs in growth areas, overall loan balance of the Company is expected to be flat. 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	Flexibly increase or decrease While intending to slightly decrease the exposure to domestic stocks for risk management purposes, the Company will flexibly change the allocation of domestic stocks, following market trends. Also, the Company will seek opportunities to improve the profitability of the portfolio by actively selecting companies and sectors based on competitiveness, growth potential, and/or the degree to which they are undervalued.
Foreign bonds	Flexibly increase or decrease While intending to maintain exposure to 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 will flexibly change the allocation of 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.
Foreign stocks	Increase Taking market trends into account, the Company will increase its exposure to foreign stocks. 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, 2013		As of March 31, 2014	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	710,026	2.2	827,414	2.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	283,103	0.9	275,818	0.8
Trading account securities	-	-	-	-
Money held in trust	24,071	0.1	34,699	0.1
Securities	26,079,870	81.7	26,905,478	82.0
Domestic bonds	16,427,398	51.5	16,120,309	49.1
Domestic stocks	2,557,413	8.0	2,862,186	8.7
Foreign securities	6,816,213	21.4	7,535,743	23.0
Foreign bonds	5,187,604	16.3	5,817,347	17.7
Foreign stocks and other securities	1,628,609	5.1	1,718,395	5.2
Other securities	278,845	0.9	387,238	1.2
Loans	3,139,671	9.8	3,023,173	9.2
Policy loans	480,229	1.5	452,938	1.4
Ordinary loans	2,659,441	8.3	2,570,235	7.8
Real estate	1,224,473	3.8	1,206,176	3.7
Real estate for rent	784,844	2.5	781,595	2.4
Deferred tax assets	65,570	0.2	11,163	0.0
Others	389,205	1.2	538,861	1.6
Reserve for possible loan losses	(4,109)	(0.0)	(2,753)	(0.0)
Total	31,911,883	100.0	32,820,032	100.0
Foreign currency-denominated assets	5,262,693	16.5	6,039,804	18.4

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, 2013	Year ended March 31, 2014
Cash, deposits, and call loans	269,052	117,388
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	(11,220)	(7,285)
Trading account securities	-	-
Money held in trust	3,398	10,627
Securities	1,765,171	825,607
Domestic bonds	885,746	(307,088)
Domestic stocks	272,551	304,772
Foreign securities	517,979	719,529
Foreign bonds	401,165	629,743
Foreign stocks and other securities	116,813	89,786
Other securities	88,894	108,393
Loans	(272,857)	(116,497)
Policy loans	(29,597)	(27,291)
Ordinary loans	(243,260)	(89,206)
Real estate	(24,627)	(18,297)
Real estate for rent	(25,393)	(3,249)
Deferred tax assets	(217,068)	(54,406)
Others	29,195	149,656
Reserve for possible loan losses	6,560	1,356
Total	1,547,603	908,148
Foreign currency-denominated assets	593,042	777,111

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, 2013		Year ended March 31, 2014	
	Amount	%	Amount	%
Interest and dividends	695,667	74.2	775,206	76.6
Interest from bank deposits	6,170	0.7	7,422	0.7
Interest and dividends from securities	541,982	57.8	620,515	61.3
Interest from loans	76,336	8.1	72,669	7.2
Rental income	63,359	6.8	66,327	6.6
Other interest and dividends	7,819	0.8	8,271	0.8
Gains on trading account securities	-	-	-	-
Gains on money held in trust	4,904	0.5	5,821	0.6
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	211,859	22.6	202,364	20.0
Gains on sale of domestic bonds	103,546	11.0	47,647	4.7
Gains on sale of domestic stocks	28,404	3.0	40,648	4.0
Gains on sale of foreign securities	79,908	8.5	114,065	11.3
Others	-	-	2	0.0
Gains on redemption of securities	3,887	0.4	25,127	2.5
Derivative transaction gains	-	-	-	-
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	898	0.1	1,334	0.1
Reversal of reserve for possible investment losses	-	-	-	-
Other investment income	20,649	2.2	2,568	0.3
Total	937,867	100.0	1,012,421	100.0

(5) Investment Expense (General Account)

(millions of yen)

	Year ended March 31, 2013		Year ended March 31, 2014	
	Amount	%	Amount	%
Interest expenses	18,849	9.1	19,041	8.9
Losses on trading account securities	-	-	-	-
Losses on money held in trust	-	-	-	-
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	66,196	32.1	67,303	31.5
Losses on sale of domestic bonds	3,158	1.5	6,576	3.1
Losses on sale of domestic stocks	22,832	11.1	9,027	4.2
Losses on sale of foreign securities	40,204	19.5	51,522	24.1
Others	-	-	176	0.1
Losses on valuation of securities	3,210	1.6	1,401	0.7
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	2,669	1.3	39	0.0
Losses on valuation of foreign securities	541	0.3	1,361	0.6
Others	-	-	-	-
Losses on redemption of securities	1,637	0.8	3,050	1.4
Derivative transaction losses	48,996	23.7	49,146	23.0
Foreign exchange losses	15,462	7.5	19,915	9.3
Provision for reserve for possible loan losses	-	-	-	-
Provision for reserve for possible investment losses	-	-	215	0.1
Write-down of loans	429	0.2	31	0.0
Depreciation of real estate for rent and others	14,606	7.1	14,198	6.6
Other investment expenses	37,124	18.0	39,623	18.5
Total	206,514	100.0	213,928	100.0

(6) Net Investment Income (General Account)

(millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Net investment income	731,352	798,493

(7) Other Information on Investments (General Account)

A. Rates of return (general account)

(%)

	Year ended March 31, 2013	Year ended March 31, 2014
Cash, deposits, and call loans	0.15	0.15
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	2.31	2.27
Trading account securities	-	-
Money held in trust	24.07	22.52
Securities	2.57	2.86
Domestic bonds	2.51	2.06
Domestic stocks	2.19	4.41
Foreign securities	2.78	4.08
Foreign bonds	3.01	3.99
Foreign stocks and other securities	2.07	4.35
Loans	2.95	2.45
Ordinary loans	2.63	2.05
Real estate	3.13	3.30
Total	2.42	2.59
Foreign investments	2.68	3.76

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, 2013	Year ended March 31, 2014
Cash, deposits, and call loans	437.8	641.0
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	273.3	265.0
Trading account securities	-	-
Money held in trust	20.3	25.8
Securities	24,078.6	24,581.4
Domestic bonds	15,710.2	16,011.9
Domestic stocks	1,960.7	1,936.3
Foreign securities	6,195.1	6,332.9
Foreign bonds	4,668.7	4,762.3
Foreign stocks and other securities	1,526.3	1,570.6
Loans	3,273.8	3,095.8
Ordinary loans	2,779.0	2,629.4
Real estate	797.8	792.0
Total	30,205.4	30,849.2
Foreign investments	6,525.6	6,937.6

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

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

(millions of yen)

	As of March 31, 2013		As of March 31, 2014	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	24,071	6,783	31,863	788
Trading account securities	-	-	-	-
Money held in trust	24,071	6,783	31,863	788

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, 2013					
Bonds held to maturity	142,267	147,965	5,698	5,698	-
Domestic bonds	95,131	99,341	4,210	4,210	-
Foreign bonds	47,135	48,623	1,487	1,487	-
Policy-reserve-matching bonds	10,499,119	11,705,797	1,206,678	1,206,821	143
Domestic bonds	10,499,119	11,705,797	1,206,678	1,206,821	143
Foreign bonds	-	-	-	-	-
Stocks of subsidiaries and affiliates	27,669	34,541	6,872	6,918	46
Securities available for sale	12,759,745	14,335,428	1,575,683	1,715,242	139,559
Domestic bonds	5,416,478	5,833,147	416,669	420,548	3,878
Domestic stocks	1,606,888	2,250,276	643,387	733,948	90,560
Foreign securities	5,266,542	5,743,653	477,111	519,232	42,121
Foreign bonds	4,725,795	5,140,468	414,672	440,625	25,952
Foreign stocks and other securities	540,746	603,185	62,438	78,607	16,168
Other securities	168,842	190,247	21,404	24,394	2,989
Monetary claims bought	265,993	283,103	17,110	17,118	7
Certificates of deposit	35,000	34,999	(0)	0	0
Money held in trust	-	-	-	-	-
Others	-	-	-	-	-
Total	23,428,801	26,223,733	2,794,931	2,934,681	139,749
Domestic bonds	16,010,728	17,638,286	1,627,557	1,631,580	4,022
Domestic stocks	1,606,888	2,250,276	643,387	733,948	90,560
Foreign securities	5,339,695	5,825,213	485,517	527,639	42,121
Foreign bonds	4,772,931	5,189,092	416,160	442,113	25,952
Foreign stocks and other securities	566,763	636,121	69,357	85,526	16,168
Other securities	170,495	191,853	21,358	24,394	3,036
Monetary claims bought	265,993	283,103	17,110	17,118	7
Certificates of deposit	35,000	34,999	(0)	0	0
Money held in trust	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2014					
Bonds held to maturity	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	-
Securities available for sale	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	-
Others	-	-	-	-	-
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	-
Others	-	-	-	-	-

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

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

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	340,397	418,119
Unlisted domestic stocks (except over-the-counter stocks)	182,680	201,171
Unlisted foreign stocks (except over-the-counter stocks)	148,716	172,743
Others	9,000	44,204
Other securities	1,052,494	966,677
Unlisted domestic stocks (except over-the-counter stocks)	124,456	123,314
Unlisted foreign stocks (except over-the-counter stocks)	833,550	775,099
Unlisted foreign bonds	0	0
Others	94,487	68,263
Total	1,392,891	1,384,797

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 19,556 million yen as of March 31, 2013 and gain of 15,280 million yen as of March 31, 2014.

(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 on 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, 2013					
Bonds held to maturity	142,267	147,965	5,698	5,698	-
Domestic bonds	95,131	99,341	4,210	4,210	-
Foreign bonds	47,135	48,623	1,487	1,487	-
Policy-reserve-matching bonds	10,499,119	11,705,797	1,206,678	1,206,821	143
Domestic bonds	10,499,119	11,705,797	1,206,678	1,206,821	143
Foreign bonds	-	-	-	-	-
Stocks of subsidiaries and affiliates	368,066	393,851	25,784	30,653	4,868
Domestic stocks	182,680	182,680	-	-	-
Foreign stocks	181,349	207,180	25,830	30,653	4,822
Other securities	4,036	3,990	(46)	-	46
Securities available for sale	13,812,239	15,388,567	1,576,327	1,715,887	139,559
Domestic bonds	5,416,478	5,833,147	416,669	420,548	3,878
Domestic stocks	1,731,345	2,374,733	643,387	733,948	90,560
Foreign securities	6,109,972	6,587,728	477,755	519,877	42,121
Foreign bonds	4,725,795	5,140,468	414,672	440,625	25,952
Foreign stocks and other securities	1,384,176	1,447,260	63,083	79,252	16,168
Other securities	253,450	274,854	21,404	24,394	2,989
Monetary claims bought	265,993	283,103	17,110	17,118	7
Certificates of deposit	35,000	34,999	(0)	0	0
Money held in trust	-	-	-	-	-
Others	-	-	-	-	-
Total	24,821,693	27,636,181	2,814,488	2,959,060	144,572
Domestic bonds	16,010,728	17,638,286	1,627,557	1,631,580	4,022
Domestic stocks	1,914,025	2,557,413	643,387	733,948	90,560
Foreign securities	6,338,457	6,843,532	505,074	552,018	46,944
Foreign bonds	4,772,931	5,189,092	416,160	442,113	25,952
Foreign stocks and other securities	1,565,526	1,654,440	88,914	109,905	20,991
Other securities	257,487	278,845	21,358	24,394	3,036
Monetary claims bought	265,993	283,103	17,110	17,118	7
Certificates of deposit	35,000	34,999	(0)	0	0
Money held in trust	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2014					
Bonds held to maturity	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	-
Securities available for sale	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	-
Others	-	-	-	-	-
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	-
Others	-	-	-	-	-

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 value on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2013	24,071	24,071	6,783	9,666	2,883
As of March 31, 2014	34,699	34,699	1,036	6,681	5,645

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, 2013		As of March 31, 2014	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	24,071	6,783	31,863	788

* 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, 2013					As of March 31, 2014				
	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	-

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

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
Securities	2,814,488	3,005,664
Domestic bonds	1,627,557	1,381,322
Domestic stocks	643,387	931,802
Foreign securities	505,074	642,251
Foreign bonds	416,160	484,915
Foreign stocks and other securities	88,914	157,336
Other securities	21,358	36,332
Others	17,110	13,955
Real estate	21,464	48,264
Total (including others not listed above)	2,833,955	3,050,515

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, 2013	As of March 31, 2014		As of March 31, 2013	As of March 31, 2014
(ASSETS)			(LIABILITIES)		
Cash and deposits	363,601	573,973	Policy reserves and others	29,168,377	29,744,001
Cash	309	220	Reserves for outstanding claims	138,570	150,709
Bank deposits	363,292	573,752	Policy reserves	28,637,045	29,199,269
Call loans	365,800	334,500	Reserve for policyholder dividends	392,761	394,022
Monetary claims bought	283,103	275,818	Reinsurance payable	727	657
Money held in trust	24,071	34,699	Subordinated bonds	154,584	107,562
Securities	27,161,984	28,005,170	Other liabilities	1,413,825	1,498,375
Government bonds	14,323,032	14,169,860	Collateral for securities lending transactions	568,433	773,937
Local government bonds	290,628	235,000	Long-term debt and other borrowings	359,019	327,060
Corporate bonds	2,137,606	2,044,589	Corporate income tax payable	56,612	63,523
Stocks	2,842,790	3,136,437	Accounts payable	89,424	117,445
Foreign securities	7,165,487	7,938,499	Accrued expenses	46,281	45,760
Other securities	402,437	480,783	Unearned revenue	1,046	743
Loans	3,139,671	3,023,173	Deposits received	53,883	53,445
Policy loans	480,229	452,938	Guarantee deposits received	31,935	33,396
Ordinary loans	2,659,441	2,570,235	Derivatives	188,880	68,662
Tangible fixed assets	1,236,034	1,215,576	Lease liabilities	7,545	6,018
Land	794,387	796,436	Asset retirement obligations	2,855	2,831
Buildings	429,561	408,390	Suspense receipt	7,857	5,473
Leased assets	7,588	6,133	Other liabilities	48	76
Construction in progress	524	1,349	Reserve for employees' retirement benefits	437,514	407,170
Other tangible fixed assets	3,972	3,266	Reserve for retirement benefits of directors, executive officers and corporate auditors	2,327	2,141
Intangible fixed assets	100,909	88,549	Reserve for possible reimbursement of prescribed claims	700	800
Software	68,665	65,824	Reserve for price fluctuations	88,453	116,453
Other intangible fixed assets	32,243	22,725	Deferred tax liabilities for land revaluation	94,842	91,595
Reinsurance receivable	14,096	11,046	Acceptances and guarantees	33,446	88,225
Other assets	288,309	369,894	**Total liabilities**	**31,394,799**	**32,056,983**
Accounts receivable	69,311	88,330	(NET ASSETS)		
Prepaid expenses	13,811	13,425	Capital stock	210,207	210,224
Accrued revenue	125,805	140,570	Capital surplus	210,207	210,262
Deposits	40,102	52,276	Legal capital surplus	210,207	210,224
Margin money for futures trading	7,119	33,596	Other capital surplus	-	37
Differential account for futures trading	80	2	Retained earnings	216,541	287,286
Derivatives	12,928	19,128	Legal retained earnings	5,600	5,600
Suspense payment	8,895	13,713	Other retained earnings	210,941	281,686
Other assets	10,255	8,850	Fund for risk allowance	43,120	43,120
Deferred tax assets	65,570	11,163	Fund for price fluctuation allowance	65,000	65,000
Customers' liabilities for acceptances and guarantees	33,446	88,225	Reserve for tax basis adjustments of real estate	20,838	23,534
Reserve for possible loan losses	(4,109)	(2,753)	Retained earnings brought forward	81,982	150,031
Reserve for possible investment losses	-	(215)	Treasury stock	(13,431)	(11,500)
			Total shareholders' equity	623,524	696,272
			Net unrealized gains (losses) on securities, net of tax	1,092,583	1,315,890
			Deferred hedge gains (losses)	(1,801)	(2,586)
			Reserve for land revaluation	(36,995)	(38,320)
			Total of valuation and translation adjustments	1,053,786	1,274,983
			Subscription rights to shares	379	583
			Total net assets	**1,677,691**	**1,971,839**
Total assets	**33,072,490**	**34,028,823**	**Total liabilities and net assets**	**33,072,490**	**34,028,823**

5. Unaudited Non-Consolidated Statement of Earnings

(millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
ORDINARY REVENUES	**4,315,957**	**4,384,670**
Premium and other income	2,921,863	2,868,061
Premium income	2,921,183	2,867,246
Reinsurance income	680	815
Investment income	1,104,462	1,161,432
Interest and dividends	695,667	775,206
Interest from bank deposits	6,170	7,422
Interest and dividends from securities	541,982	620,515
Interest from loans	76,336	72,669
Rental income	63,359	66,327
Other interest and dividends	7,819	8,271
Gains on money held in trust	4,904	5,821
Gains on sale of securities	211,859	202,364
Gains on redemption of securities	3,887	25,127
Reversal of reserve for possible loan losses	898	1,334
Other investment income	20,649	2,568
Gains on investments in separate accounts	166,594	149,010
Other ordinary revenues	289,631	355,176
Fund receipt for annuity rider of group insurance	692	768
Fund receipt for claim deposit payment	273,136	298,358
Reversal of reserve for employees' retirement benefits	-	30,998
Other ordinary revenues	15,802	25,051
ORDINARY EXPENSES	**4,142,150**	**4,077,058**
Benefits and claims	2,467,768	2,439,165
Claims	762,305	715,702
Annuities	554,669	574,517
Benefits	505,888	453,389
Surrender values	519,955	525,941
Other refunds	123,603	168,288
Ceding reinsurance commissions	1,346	1,325
Provision for policy reserves and others	642,751	583,309
Provision for reserves for outstanding claims	8,184	12,138
Provision for policy reserves	625,396	562,223
Provision for interest on policyholder dividends	9,170	8,946
Investment expenses	206,514	213,928
Interest expenses	18,849	19,041
Losses on sale of securities	66,196	67,303
Losses on valuation of securities	3,210	1,401
Losses on redemption of securities	1,637	3,050
Derivative transaction losses	48,996	49,146
Foreign exchange losses	15,462	19,915
Provision for reserve for possible investment losses	-	215
Write-down of loans	429	31
Depreciation of real estate for rent and others	14,606	14,198
Other investment expenses	37,124	39,623
Operating expenses	408,876	410,515
Other ordinary expenses	416,239	430,140
Claim deposit payments	341,855	331,778
National and local taxes	23,228	22,260
Depreciation	37,372	36,028
Provision for reserve for employees' retirement benefits	5,314	-
Other ordinary expenses	8,467	40,071
ORDINARY PROFIT	**173,806**	**307,612**
EXTRAORDINARY GAINS	**8,877**	**3,618**
Gains on disposal of fixed assets	8,877	3,618
EXTRAORDINARY LOSSES	**23,502**	**66,415**
Losses on disposal of fixed assets	6,197	13,870
Impairment losses on fixed assets	3,128	23,890
Provision for reserve for price fluctuations	14,000	28,000
Other extraordinary losses	176	654
Provision for reserve for policyholder dividends	**86,000**	**94,000**
Income before income taxes	**73,182**	**150,815**
Corporate income taxes-current	**76,190**	**112,720**
Corporate income taxes-deferred	**(54,473)**	**(47,449)**
Total of corporate income taxes	**21,716**	**65,270**
Net income for the year	**51,465**	**85,544**

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

Year ended March 31, 2013

(millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	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	210,200	210,200	-	210,200	5,600	43,120	65,000	19,352	73,630
Changes for the year									
Issuance of new shares - exercise of subscription rights to shares	7	7		7					
Dividends				-					(15,818)
Net income for the year				-					51,465
Disposal of treasury stock			(1,090)	(1,090)					
Transfer from retained earnings to capital surplus			1,090	1,090					(1,090)
Transfer to reserve for tax basis adjustments of real estate				-				1,621	(1,621)
Transfer from reserve for tax basis adjustments of real estate				-				(135)	135
Transfer from reserve for land revaluation				-					(24,718)
Net changes of items other than shareholders' equity									
Total changes for the year	7	7	-	7	-	-	-	1,486	8,351
Balance at the end of the year	210,207	210,207	-	210,207	5,600	43,120	65,000	20,838	81,982

(millions of yen)

	Shareholders' equity			Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Retained earnings								
	Total 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		
Balance at the beginning of the year	206,703	(16,703)	610,399	479,490	(44)	(61,616)	417,829	150	1,028,379
Changes for the year									
Issuance of new shares - exercise of subscription rights to shares	-		14						14
Dividends	(15,818)		(15,818)						(15,818)
Net income for the year	51,465		51,465						51,465
Disposal of treasury stock	-	3,272	2,182						2,182
Transfer from retained earnings to capital surplus	(1,090)		-						-
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	(24,718)		(24,718)						(24,718)
Net changes of items other than shareholders' equity				613,092	(1,757)	24,621	635,957	229	636,186
Total changes for the year	9,837	3,272	13,124	613,092	(1,757)	24,621	635,957	229	649,311
Balance at the end of the year	216,541	(13,431)	623,524	1,092,583	(1,801)	(36,995)	1,053,786	379	1,677,691

Year ended March 31, 2014

(millions of yen)

	Shareholders' equity: Capital stock	Shareholders' equity: Capital surplus: Legal capital surplus	Capital surplus: Other capital surplus	Capital surplus: Total capital surplus	Retained earnings: Legal retained earnings	Other retained earnings: Fund for risk allowance	Other retained earnings: Fund for price fluctuation allowance	Other retained earnings: Reserve for tax basis adjustments of real estate	Other retained earnings: 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
Changes for the year									
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					
Transfer from retained earnings to capital surplus				-					
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: Retained earnings: Total retained earnings	Shareholders' equity: Treasury stock	Shareholders' equity: Total shareholders' equity	Valuation and translation adjustments: Net unrealized gains (losses) on securities, net of tax	Valuation and translation adjustments: Deferred hedge gains (losses)	Valuation and translation adjustments: Reserve for land revaluation	Valuation and translation adjustments: Total of valuation and translation adjustments	Subscription rights to shares	Total net assets
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
Changes for the year									
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
Transfer from retained earnings to capital surplus	-		-						-
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

I. NOTES TO THE UNAUDITED NON-CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2014

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, 2014 (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, 2014 was ¥11,726,939 million and ¥12,799,665 million, respectively.

(2) Risk Management Policy

The Company categorizes its insurance products into sub-groups according to 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 the 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, 2014 was ¥20,257 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, 2014 was ¥637,470 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, 2014. Stocks of non-consolidated 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, 2014 was ¥67 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, 2014.

(1) Allocation of estimated retirement benefits

Estimated retirement benefits are allocated under the straight-line method over the period ended March 31, 2014.

(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 Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

10. 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.

11. 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.

12. Reserve for Price Fluctuations

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

13. 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 issued on March 10, 2008). 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.

14. 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.

15. 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, 2014 was ¥126,720 million.

16. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheets. The total balance of securities lent as of March 31, 2014 was ¥1,138,159 million.

17. Problem Loans

As of March 31, 2014, 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 ¥8,828 million. The amount of credits to bankrupt borrowers was ¥4,329 million, the amount of delinquent loans was ¥4,463 million, the Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥35 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 ¥6 million and ¥60 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 ¥1,243,437 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 ¥70,667 million and ¥4,585 million, respectively.

20. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2014

(Unit: million yen)

Deferred tax assets:	
Insurance policy reserve	408,593
Reserve for employees' retirement benefits	151,343
Reserve for price fluctuations	35,727
Losses on valuation of securities	17,414
Impairment losses	11,590
Others	28,957
Subtotal	653,626
Valuation allowances	(31,374)
Total	622,252
Net unrealized gains on securities, net of tax	(576,387)
Reserve for tax basis adjustments of real estate	(10,416)
Dividend receivable from domestic stocks	(7,093)
Others	(17,191)
Total	(611,088)
Net deferred tax assets	11,163

(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, 2014

Statutory tax rate	33.23 %
(Adjustments)	
Difference in tax rate associated with special corporate tax for reconstruction	4.62 %
Decrease in deferred tax assets in relation to changes in tax rates	3.29 %
Increase in valuation allowances	1.47 %
Others	0.67 %
Actual effective tax rate after considering deferred taxes	43.28 %

(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. 10 of 2014) and "the Cabinet Order on the Partial Revision of the Cabinet Order Regarding the Special Corporate Tax for Reconstruction" (Cabinet Order No. 151 of 2014), the Company changed its effective statutory tax rate for calculating its deferred tax assets and liabilities from 33.23% to 30.68% effective the fiscal year starting from April 1, 2014 .

As a result, its deferred tax assets decreased by ¥4,925 million and corporate income taxes-deferred increased by ¥4,964 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, 2014………………...	392,761
Dividends paid during the fiscal year ended March 31, 2014 ………….........	(101,686)
Interest accrual during the fiscal year ended March 31, 2014 ………….........	8,946
Provision for reserve for policyholder dividends………………………………....	94,000
Balance as of March 31, 2014 ………………………………………………...	394,022

23. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies the Company held as of March 31, 2014 was ¥446,574 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) …………………………	748,497
Securities (Foreign securities) …………………………..	4,149
Cash and deposits ……………………………………….	86
Securities, cash and deposits pledged as collateral ……...	752,733

The amounts of secured liabilities were as follows:

(Unit: million yen)

Cash collateral for securities lending transactions ……..	773,937
Loans payable …………………………………………..	3
Secured liabilities ……………………………………….	773,941

"Securities (Government bonds)" pledged for collateral for securities lending transactions with cash collateral as of March 31, 2014 was ¥726,832 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 ¥4 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 ¥1,986.52.

The Company conducted a 1:100 share split on October 1, 2013. The above figure reflects the split as if the Company conducted the split at the beginning of the fiscal year ended March 31, 2014.

28. Asset Retirement Obligations

(1) Overview of Asset Retirement Obligation

The 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 the asset retirement obligation.

(2) Calculation of Asset Retirement Obligation

The Company calculated the asset retirement obligation 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 Obligation

The following table shows the increase and decrease in asset retirement obligations for the fiscal year ended March 31, 2014:

	(Unit: million yen)
Beginning balance ……………………………………..	2,855
Time progress adjustments……………………………....	41
Others ………………………………………………....	(65)
Ending balance ………………………………………….	2,831

29. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2014, the market value of the securities borrowed which were not sold or pledged was ¥35,402 million, among which no securities were pledged as collateral.

30. Commitment Line

There were unused commitment line agreements under which the Company is the lender of ¥27,767 million.

31. Subordinated Debt

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

32. Subordinated Bonds

Subordinated bonds of ¥107,562 million shown in liabilities included foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

33. 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 ¥53,689 million as of March 31, 2014. These obligations will be recognized as operating expenses in the period in which they are paid.

II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2014

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 ¥13,852 million and ¥27,951 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 ¥47,647 million, ¥40,648 million and ¥114,065 million and ¥2 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities and other securities of ¥6,576 million, ¥9,027 million, ¥51,522 million and ¥176 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥39 million and ¥1,361 million, respectively.

3. Reinsurance

In calculating the provision for reserves for outstanding claims, a reversal of reserves for outstanding claims reinsured of ¥6 million was added. In calculating the provision for policy reserves, a provision for policy reserves reinsured of ¥0 million was subtracted.

4. Gains/Losses on Money Held in Trust

Gains on money held in trust included gains on valuation of securities of ¥789 million.

5. Derivative Transaction Gains/Losses

Derivative transaction losses included valuation gains of ¥361 million.

6. Net Income and Diluted Net Income per Share

Net income per share for the fiscal year ended March 31, 2014 was ¥86.26. Diluted net income per share for the same period was ¥86.21.

The Company conducted a 1:100 share split on October 1, 2013. The above figures are calculated as if the Company conducted the split at the beginning of the fiscal year ended March 31, 2014.

7. Impairment Losses on Fixed Assets

Details on impairment losses on fixed assets for the fiscal year ended March 31, 2014 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 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 for rent	Shinjuku City, Tokyo Metropolitan Prefecture and others	2	2,682	6,495	6,154	15,332
Real estate not in use	Okayama City, Okayama Prefecture and others	28	3,461	2,718	2,378	8,557
Total		30	6,144	9,213	8,532	23,890

(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 2.66% 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.

III. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2014

1. Treasury Stock

(Unit: thousands of shares)

	Number of shares of treasury stock outstanding at the beginning of the fiscal year ended March 31, 2014	Increase in treasury stock	Decrease in treasury stock	Number of treasury stock outstanding as of March 31, 2014
Treasury stock Shares of Common Stock	90	8,255	602	7,743

Note.

1. The Company conducted a 1:100 share split on October 1, 2013.
2. The 8,255 thousand share increase in treasury stock resulted from the share split.
3. The 602 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, 2013	Year ended March 31, 2014
Fundamental revenues		4,098,954	4,175,507
Premium and other income		2,921,863	2,868,061
Investment income		887,459	952,268
[Interest and dividends]		695,667	775,206
Other ordinary revenues		289,631	355,176
Fundamental expense		3,784,399	3,775,693
Benefits and claims		2,467,768	2,439,165
Provision for policy reserves and others		419,296	419,958
Investment expenses		72,218	75,914
Operating expenses		408,876	410,515
Other ordinary expenses		416,239	430,140
Fundamental profit	***A***	314,555	399,813
Capital gains		216,764	208,186
Gains on money held in trust		4,904	5,821
Gains on investments in trading securities		-	-
Gains on sale of securities		211,859	202,364
Derivative transaction gains		-	-
Foreign exchange gains		-	-
Others		-	-
Capital losses		133,866	137,767
Losses on money held in trust		-	-
Losses on investments in trading securities		-	-
Losses on sale of securities		66,196	67,303
Losses on valuation of securities		3,210	1,401
Derivative transaction losses		48,996	49,146
Foreign exchange losses		15,462	19,915
Others		-	-
Net capital gains	***B***	82,898	70,418
Fundamental profit plus net capital gains	***A* + *B***	397,453	470,232
Other one-time gains		238	977
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		238	977
Others		-	-
Other one-time losses		223,885	163,598
Ceding reinsurance commissions		-	-
Provision for contingency reserve		72,000	36,000
Provision for specific reserve for possible loan losses		-	-
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		429	31
Others		151,455	127,566
Other one-time profits	***C***	(223,646)	(162,620)
Ordinary profit	***A* + *B* + *C***	173,806	307,612

Note 1: "Others" in "Other one-time losses" for the fiscal year ended March 31, 2013 represents the amount of the additional policy reserves provi (151,455 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

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

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
Claims against bankrupt and quasi-bankrupt obligors	4,161	4,362
Claims with collection risk	4,651	4,431
Claims for special attention	957	63
Subtotal	9,770	8,857
[Percentage]	[0.25%]	[0.21%]
Claims against normal obligors	3,912,721	4,258,174
Total	3,922,491	4,267,031

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, 2013	As of March 31, 2014
Credits to bankrupt borrowers	4,132	4,329
Delinquent loans	4,679	4,463
Loans past due for three months or more	-	-
Restructured loans	926	35
Total	9,738	8,828
[Percentage of total loans]	[0.31%]	[0.29%]

Not 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, 2013 and March 31, 2014 were 407 million yen and 6 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2013 and March 31, 2014 were 65 million yen and 60 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, 2013	As of March 31, 2014
Total solvency margin ***(A)***	4,178,263	4,770,380
Common stock, etc. [*1]	607,904	676,855
Reserve for price fluctuations	88,453	116,453
Contingency reserve	495,093	531,093
General reserve for possible loan losses	1,751	1,394
Net unrealized gains on securities (before tax) × 90% [*2]	1,418,695	1,708,436
Net unrealized gains (losses) on real estate × 85% [*2]	18,245	19,155
Policy reserves in excess of surrender values	1,609,462	1,731,450
Qualifying subordinated debt	427,562	427,562
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(411,842)	(397,689)
Excluded items	(169,507)	(169,507)
Others	92,446	125,176
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ ***(B)***	1,168,327	1,235,660
Insurance risk R_1	90,521	82,252
3rd sector insurance risk R_8	160,847	166,728
Assumed investment yield risk R_2	269,273	256,233
Guaranteed minimum benefit risk R_7 [*3]	5,261	4,347
Investment risk R_3	838,472	920,520
Business risk R_4	27,287	28,601
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	715.2%	772.1%

*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, 2014

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
Individual variable insurance	50,718	53,284
Individual variable annuities	143,755	112,848
Group annuities	1,036,304	1,077,304
Separate account total	1,230,778	1,243,437

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2013		As of March 31, 2014	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	183	904	175	871
Variable insurance (whole life)	46,136	286,137	45,376	280,932
Total	46,319	287,041	45,551	281,804

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen)

	As of March 31, 2013		As of March 31, 2014	
	Amount	%	Amount	%
Cash, deposits, and call loans	8	-	7	0.0
Securities	46,187	91.1	49,898	93.6
Domestic bonds	14,034	27.7	15,088	28.3
Domestic stocks	15,966	31.5	17,197	32.3
Foreign securities	16,186	31.9	17,613	33.1
Foreign bonds	5,839	11.5	6,178	11.6
Foreign stocks and other securities	10,346	20.4	11,434	21.5
Other securities	-	-	-	-
Loans	-	-	-	-
Others	4,522	8.9	3,378	6.3
Reserve for possible loan losses	-	-	-	-
Total	50,718	100.0	53,284	100.0

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

(millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Interest and dividends	877	973
Gains on sale of securities	3,288	6,525
Gains on redemption of securities	-	8
Gains on valuation of securities	7,975	7,749
Foreign exchange gains	162	116
Derivative transaction gains	6	15
Other investment income	-	-
Losses on sale of securities	1,874	498
Losses on redemption of securities	3	-
Losses on valuation of securities	2,891	7,593
Foreign exchange losses	158	124
Derivative transaction losses	9	10
Other investment expenses	1	-
Net investment income	7,371	7,163

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, 2013		As of March 31, 2014	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	46,187	5,083	49,898	156

* Fair value information on money held in trust

The Company had no balance as of March 31, 2013 or March 31, 2014.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2013		As of March 31, 2014	
	Number	Amount	Number	Amount
Individual variable annuities	36,424	132,371	29,822	107,174

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, 2013		As of March 31, 2014	
	Amount	%	Amount	%
Cash, deposits, and call loans	1,797	1.3	1,394	1.2
Securities	139,125	96.8	109,852	97.3
Domestic bonds	5,386	3.7	5,846	5.2
Domestic stocks	4,202	2.9	4,780	4.2
Foreign securities	5,944	4.1	5,680	5.0
Foreign bonds	1,911	1.3	1,832	1.6
Foreign stocks and other securities	4,032	2.8	3,848	3.4
Other securities	123,592	86.0	93,544	82.9
Loans	-	-	-	-
Others	2,832	2.0	1,601	1.4
Reserve for possible loan losses	-	-	-	-
Total	143,755	100.0	112,848	100.0

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

(millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Interest and dividends	2,350	11,916
Gains on sales of securities	781	1,276
Gains on redemption of securities	-	-
Gains on valuation of securities	32,548	26,491
Foreign exchange gains	7	9
Derivative transaction gains	-	-
Other investment income	0	-
Losses on sales of securities	430	106
Losses on redemption of securities	-	-
Losses on valuation of securities	7,832	22,056
Foreign exchange losses	7	9
Derivative transaction losses	-	-
Other investment expenses	2,118	244
Net investment income	25,298	17,277

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, 2013		As of March 31, 2014	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	139,125	24,716	109,852	4,434

* Fair value information on money held in trust

The Company had no balance as of March 31, 2013 or March 31, 2014.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Ordinary revenues	5,283,989	6,044,955
Ordinary profit	157,294	304,750
Net income for the year	32,427	77,931
Comprehensive income	670,675	300,180

	As of March 31, 2013	As of March 31, 2014
Total assets	35,694,411	37,705,176
Solvency margin ratio	702.4%	756.9%

(2) Scope of Consolidation and Application of Equity Method

	Year ended March 31, 2013	Year ended March 31, 2014
Number of consolidated subsidiaries	15	21
Number of non-consolidated subsidiaries accounted for under the equity method	0	0
Number of affiliates accounted for under the equity method	29	32

(3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
ASSETS		
Cash and deposits	457,517	698,594
Call loans	391,200	362,800
Monetary claims bought	285,082	281,859
Money held in trust	56,251	66,400
Securities	29,390,963	31,203,581
Loans	3,140,990	3,024,702
Tangible fixed assets	1,236,270	1,215,895
Land	794,387	796,436
Buildings	429,573	408,402
Leased assets	7,600	6,141
Construction in progress	524	1,349
Other tangible fixed assets	4,183	3,566
Intangible fixed assets	215,457	210,053
Software	67,479	65,040
Goodwill	69,103	77,108
Other intangible fixed assets	78,874	67,904
Reinsurance receivable	32,861	33,867
Other assets	390,844	516,436
Deferred tax assets	67,636	5,734
Customers' liabilities for acceptances and guarantees	33,446	88,225
Reserve for possible loan losses	(4,110)	(2,759)
Reserve for possible investment losses	-	(215)
Total assets	**35,694,411**	**37,705,176**

	As of March 31, 2013	As of March 31, 2014
LIABILITIES		
Policy reserves and others	31,703,858	33,327,552
Reserves for outstanding claims	298,557	358,606
Policy reserves	31,012,539	32,574,923
Reserve for policyholder dividends	392,761	394,022
Reinsurance payable	16,541	27,677
Subordinated bonds	154,584	107,562
Other liabilities	1,496,592	1,593,272
Reserve for employees' retirement benefits	439,734	-
Net defined benefit liabilities	-	385,436
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,350	2,163
Reserve for possible reimbursement of prescribed claims	700	800
Reserve for price fluctuations	89,228	118,167
Deferred tax liabilities	13,511	15,108
Deferred tax liabilities for land revaluation	94,842	91,595
Acceptances and guarantees	33,446	88,225
Total liabilities	**34,045,391**	**35,757,563**
NET ASSETS		
Capital stock	210,207	210,224
Capital surplus	210,207	210,262
Retained earnings	156,357	219,552
Treasury stock	(13,431)	(11,500)
Total shareholders' equity	563,340	628,538
Net unrealized gains (losses) on securities, net of tax	1,099,351	1,322,731
Deferred hedge gains (losses)	(1,801)	(2,586)
Reserve for land revaluation	(36,995)	(38,320)
Foreign currency translation adjustments	18,229	19,756
Accumulated remeasurements of defined benefit plans	-	16,854
Total accumulated other comprehensive income	1,078,784	1,318,435
Subscription rights to shares	379	583
Minority interests	6,514	55
Total net assets	**1,649,020**	**1,947,613**
Total liabilities and net assets	**35,694,411**	**37,705,176**

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

(millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
ORDINARY REVENUES	5,283,989	6,044,955
Premium and other income	3,646,831	4,353,229
Investment income	1,335,120	1,320,066
Interest and dividends	709,592	797,309
Gains on investments in trading securities	19,492	20,659
Gains on sale of securities	226,587	210,417
Gains on redemption of securities	3,887	25,418
Foreign exchange gains	18,704	-
Reversal of reserve for possible loan losses	912	1,329
Other investment income	20,649	2,568
Gains on investments in separate accounts	335,295	262,363
Other ordinary revenues	302,037	371,659
ORDINARY EXPENSES	5,126,695	5,740,205
Benefits and claims	2,795,355	2,903,587
Claims	798,773	772,715
Annuities	556,474	576,951
Benefits	540,349	497,867
Surrender values	652,870	693,785
Other refunds	246,886	362,267
Provision for policy reserves and others	1,191,953	1,634,864
Provision for reserves for outstanding claims	53,489	61,004
Provision for policy reserves	1,129,293	1,564,912
Provision for interest on policyholder dividends	9,170	8,946
Investment expenses	221,738	234,950
Interest expenses	20,046	20,005
Losses on money held in trust	14,009	13,356
Losses on sale of securities	66,203	67,494
Losses on valuation of securities	3,210	1,407
Losses on redemption of securities	1,637	3,050
Derivative transaction losses	63,369	61,093
Foreign exchange losses	-	13,233
Provision for reserve for possible investment losses	-	215
Write-down of loans	429	31
Depreciation of real estate for rent and others	14,606	14,198
Other investment expenses	38,224	40,862
Operating expenses	486,419	517,566
Other ordinary expenses	431,227	449,236
Ordinary profit	157,294	304,750
EXTRAORDINARY GAINS	8,882	3,634
Gains on disposal of fixed assets	8,880	3,624
Other extraordinary gains	2	10
EXTRAORDINARY LOSSES	24,054	67,374
Losses on disposal of fixed assets	6,350	13,890
Impairment losses on fixed assets	3,128	23,890
Provision for reserve for price fluctuations	14,397	28,939
Other extraordinary losses	179	654
Provision for reserve for policyholder dividends	86,000	94,000
Income before income taxes and minority interests	56,122	147,010
Corporate income taxes-current	80,625	117,221
Corporate income taxes-deferred	(54,086)	(46,467)
Total of corporate income taxes	26,538	70,753
Income before minority interests	29,583	76,256
Minority interests in loss of subsidiaries	2,843	1,674
Net income for the year	32,427	77,931

[Unaudited Consolidated Statement of Comprehensive Income]

(millions of yen)

	Year ended March 31,2013	Year ended March 31,2014
Income before minority interests	29,583	76,256
Other comprehensive income	641,091	223,924
Net unrealized gains (losses) on securities, net of tax	615,900	224,078
Deferred hedge gains (losses)	(1,757)	(784)
Reserve for land revaluation	(97)	(269)
Foreign currency translation adjustments	23,904	(4,131)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	3,141	5,031
Comprehensive income	670,675	300,180
Attributable to shareholders of the parent company	673,243	301,783
Attributable to minority interests	(2,568)	(1,603)

(5) Unaudited Consolidated Statement of Cash Flows

(millions of yen)

	Year ended March 31,2013	Year ended March 31,2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes and minority interests	56,122	147,010
Depreciation of real estate for rent and others	14,606	14,198
Depreciation	39,992	38,278
Impairment losses on fixed assets	3,128	23,890
Amortization of goodwill	3,839	4,490
Increase (decrease) in reserves for outstanding claims	43,517	64,445
Increase (decrease) in policy reserves	1,134,919	1,563,285
Provision for interest on policyholder dividends	9,170	8,946
Provision for (reversal of) reserve for policyholder dividends	86,000	94,000
Increase (decrease) in reserve for possible loan losses	(1,469)	(1,351)
Increase (decrease) in reserve for possible investment losses	(142)	215
Write-down of loans	429	31
Increase (decrease) in reserve for employees’ retirement benefits	5,941	-
Increase (decrease) in net defined benefit liabilities	-	(29,962)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(188)	(186)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(300)	100
Increase (decrease) in reserve for price fluctuations	14,397	28,939
Interest and dividends	(709,592)	(797,309)
Securities related losses (gains)	(514,210)	(446,907)
Interest expenses	20,046	20,005
Foreign exchange losses (gains)	(18,704)	13,233
Losses (gains) on disposal of fixed assets	(2,530)	9,764
Equity in losses (income) of affiliates	(2,652)	(5,359)
Decrease (increase) in reinsurance receivable	10,016	(993)
Decrease (increase) in other assets unrelated to investing and financing activities	(16,705)	(73,269)
Increase (decrease) in reinsurance payable	2,184	11,554
Increase (decrease) in other liabilities unrelated to investing and financing activities	27,947	(31,334)
Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan	-	22,133
Others, net	96,361	115,120
Subtotal	302,125	792,970
Interest and dividends received	738,053	837,102
Interest paid	(19,846)	(19,722)
Policyholder dividends paid	(90,280)	(101,686)
Others, net	(408,429)	(297,517)
Corporate income taxes paid	(33,918)	(117,175)
Net cash flows provided by (used in) operating activities	487,703	1,093,970
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(20,800)	(33,040)
Proceeds from sale and redemption of monetary claims bought	28,701	32,924
Purchases of money held in trust	(23,500)	(23,287)
Proceeds from decrease in money held in trust	1,477	-
Purchases of securities	(8,441,421)	(8,698,928)
Proceeds from sale and redemption of securities	7,837,464	7,680,239
Origination of loans	(402,048)	(612,363)
Proceeds from collection of loans	687,176	728,934
Others, net	162,616	205,504
Total of net cash provided by (used in) investment transactions	(170,335)	(720,015)
Total of net cash provided by (used in) operating activities and investment transactions	317,368	373,955
Acquisition of tangible fixed assets	(34,178)	(38,333)
Proceeds from sale of tangible fixed assets	32,592	15,058
Acquisition of intangible fixed assets	(20,322)	(19,249)
Proceeds from sale of intangible fixed assets	89	18
Acquisition of stock of subsidiaries and affiliates resulting in change in scope of consolidation	-	(2,236)
Acquisition of stock of subsidiaries and affiliates	-	(18,501)
Payments for execution of assets retirement obligations	-	(3)
Net cash flows provided by (used in) investing activities	(192,153)	(783,262)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,210)	(31,959)
Redemption of bonds	-	(51,624)
Repayment of financial lease obligations	(1,338)	(1,735)
Proceeds from disposal of treasury stock	2,165	1,932
Cash dividends paid	(15,746)	(15,787)
Others, net	(8)	(14)
Net cash flows provided by (used in) financing activities	(17,138)	(99,189)
Effect of exchange rate changes on cash and cash equivalents	5,919	1,157
Net increase (decrease) in cash and cash equivalents	284,330	212,676
Cash and cash equivalents at the beginning of the year	564,387	848,717
Cash and cash equivalents at the end of the year	848,717	1,061,394

(6) Unaudited Consolidated Statement of Changes in Net Assets

Year ended March 31, 2013

(millions of yen)

	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	210,200	210,200	165,557	(16,703)	569,253	483,446	(44)
Changes for the year							
Issuance of new shares - exercise of subscription rights to shares	7	7			14		
Dividends			(15,818)		(15,818)		
Net income for the year			32,427		32,427		
Disposal of treasury stock		(1,090)		3,272	2,182		
Transfer from retained earnings to capital surplus		1,090	(1,090)		-		
Transfer from reserve for land revaluation			(24,718)		(24,718)		
Others			0		0		
Net changes of items other than shareholders' equity						615,905	(1,757)
Total changes for the year	7	7	(9,199)	3,272	(5,912)	615,905	(1,757)
Balance at the end of the year	210,207	210,207	156,357	(13,431)	563,340	1,099,351	(1,801)

(millions of yen)

	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	(61,616)	(8,535)	-	413,249	150	9,091	991,745
Changes for the year							
Issuance of new shares - exercise of subscription rights to shares							14
Dividends							(15,818)
Net income for the year							32,427
Disposal of treasury stock							2,182
Transfer from retained earnings to capital surplus							-
Transfer from reserve for land revaluation							(24,718)
Others							0
Net changes of items other than shareholders' equity	24,621	26,765	-	665,534	229	(2,577)	663,187
Total changes for the year	24,621	26,765	-	665,534	229	(2,577)	657,274
Balance at the end of the year	(36,995)	18,229	-	1,078,784	379	6,514	1,649,020

Year ended March 31, 2014

(millions of yen)

	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)
Changes for the year							
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 retained earnings to capital surplus					-		
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)

(millions of yen)

	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
Changes for the year							
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 retained earnings to capital surplus							-
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

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2014

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, 2014: 21

The twenty-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.,
- Dai-ichi Life Insurance Company of Vietnam, Limited ("DLVN"), and
- TAL Dai-ichi Life Australia Pty Ltd ("TDLA")

Effective the fiscal year ended March 31, 2014, seven new subsidiaries of TDLA and one new subsidiary of DLVN are included in the scope of consolidation.

Effective the fiscal year ended March 31, 2014, 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, 2014: 15

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Business Service K.K and First U Anonymous Association. The fifteen 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, 2014: 0

(2) Number of affiliated companies under the equity method for the fiscal year ended March 31, 2014: 32

The thirty-two affiliated companies of the Parent Company include:

- DIAM Co., Ltd.
- Mizuho-DL Financial Technology Co., Ltd.
- Japan Real Estate Asset Management 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, 2014, one subsidiary of Janus Capital Group Inc., PT Panin Internasional and its subsidiary are newly accounted for under the equity method.

(3) Non-consolidated subsidiaries and affiliated companies

The non-consolidated subsidiaries (Dai-ichi Seimei Sogo Service K.K., Dai-ichi Seimei Business Service K.K., First U Anonymous Association and others), as well as affiliated companies (CVC No.1 Investment Limited Partnership, CVC No.2 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.

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, 2014

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, 2014 (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.

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, 2014 was ¥12,461,047 million and ¥13,539,746 million, respectively.

(2) Risk Management Policy

The Parent Company and its certain subsidiary categorize their insurance products into sub-groups according to 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 the 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) Addition of Sub-Group

In order to conduct appropriate duration control that accounts for the debt situation, and thus promote more sophisticated asset liability management, or ALM, a certain subsidiary of the Parent Company added individual life insurance and individual annuity (yen-denominated, long-term) as a new sub-group of the life insurance products subject to the application of policy-reserve-matching bonds, effective the fiscal year ended March 31, 2014. This addition did not have any impact on profits and losses for the fiscal year ended March 31, 2014.

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, 2014 was ¥20,257 million, which included ¥2,032 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 four 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, 2014 was ¥638,112 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, 2014. 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, 2014 was ¥67 million.

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Parent Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

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 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.

10. 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.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2014.

(1) Allocation of estimated retirement benefits

Estimated retirement benefits are allocated under the straight-line method over the period ended March 31, 2014.

(2) Amortization of actuarial differences and past service cost

Past service cost is amortized under the straight-line method through a certain period (three years) within the employees' average remaining service period.

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.

12. Reserve for Price Fluctuations

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

13. 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 issued on March 10, 2008). 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.

14. 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.

15. 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.

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, 2014 was ¥126,720 million.

16. Application of Accounting Standard for Retirement Benefits

Effective the fiscal year ended March 31, 2014, the Parent Company and its domestic consolidated subsidiaries applied “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (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 May 17, 2012, hereinafter “the Guidance”), except for provisions stipulated in Paragraph 35 of the Standard and Paragraph 67 of the Guidance.

As the Parent Company changed the calculation method of net defined benefit liabilities by recording the projected benefit obligations minus pension assets, the unrecognized actuarial differences and unrecognized past service cost were recorded as net defined benefit liabilities.

As the application of the Standard and Guidance conforms to the tentative measure stipulated in Paragraph 37 of the Standard, for the fiscal year ended March 31, 2014, the impact of the change is included in the accumulated remeasurements of defined benefit plans as a component of the accumulated other comprehensive income.

As a result, the Parent Company recorded ¥385,436 million net defined benefit liabilities. And consolidated accumulated other comprehensive income of the Parent Company as of March 31, 2014 was ¥16,854 million higher than it would have been if calculated using the previous method.

17. 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 Retirement Benefits” (ASBJ Statement No. 26 issued on May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on May 17, 2012)

(1) Overview

From the viewpoint of improvements to financial reporting and promoting international convergence, ASBJ revised the standard and guidance to improve accounting of unrecognized actuarial differences and unrecognized gains (losses) on plan amendments and calculation of projected benefit obligations and service costs and to enhance related disclosure.

(2) Scheduled date for application

The Parent Company will apply the revised method for calculating projected benefit obligations and service cost effective the fiscal year beginning April 1, 2014.

(3) Impact of applying the standard and guidance

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

18. 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 has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base and to invest such capital in growth areas. To avoid impacts 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 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 issued on March 10, 2008), 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 develops 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) <u>Fair Value of Financial Instruments</u>

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2014 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, 2014	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)	
(1) Cash and deposits	698,594	698,606	12
(2) Call loans	362,800	362,800	-
(3) Monetary claims bought	281,859	281,859	-
(4) Money held in trust	66,400	66,400	-
(5) Securities			
a. Trading securities	3,170,435	3,170,435	-
b. Held-to-maturity bonds	45,109	48,862	3,753
c. Policy-reserve-matching bonds	12,461,047	13,539,746	1,078,698
d. Stock of subsidiaries and affiliate companies	37,348	44,116	6,768
e. Available-for-sale securities	14,408,024	14,408,024	-
(6) Loans	3,024,702		
Reserve for possible loan losses (*1)	(1,846)		
	3,022,855	3,136,544	113,688
Total assets	34,554,474	35,757,395	1,202,920
(1) Bonds payable	107,562	127,995	20,433
(2) Long-term borrowings	348,335	353,867	5,531
Total liabilities	455,897	481,862	25,965
Derivative transactions (* 2)			
a. Hedge accounting not applied	2,904	2,904	-
b. Hedge accounting applied	[51,825]	[51,315]	509
Total derivative transactions	[48,921]	[48,411]	509

(*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” on page 55.

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, 2014. 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 (subordinated bonds)

The fair value of bonds issued by the Parent Company 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, 2014	Carrying amount
	(Unit: million yen)
1. Unlisted domestic stocks (*1)(*2) …………………	156,509
2. Unlisted foreign stocks (*1)(*2)……………………	31,046
3. Other foreign securities (*1)(*2) …………………	798,089
4. Other securities (*1)(*2) ……………………………	95,972
Total	1,081,617

(*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 ¥5 million for the fiscal year ended March 31, 2014.

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

As of March 31, 2014	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…………………..	698,394	200	-	-
Call loans………………………….	362,800	-	-	-
Monetary claims bought………….	-	23,585	-	244,561
Money held in trust (*1)………….	-	2,730	-	-
Securities				
Held-to-maturity securities (bonds)………………………….	-	-	47,900	-
Policy-reserve-matching bonds (bonds)……………………...	317,982	342,117	450,759	10,884,519
Policy-reserve-matching bonds (foreign securities)……………..	300	55,175	274,173	107,557
Available-for-sale securities with maturities (bonds)……………...	390,398	1,260,570	701,335	1,992,102
Available-for-sale securities with maturities (foreign securities)….	183,597	2,031,333	1,511,424	2,010,915
Available-for-sale securities with maturities (other securities)…….	236	70,353	89,810	210
Loans (*2)……………………………...	255,599	1,028,760	754,427	514,774

(*1) ¥63,565 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 ¥6,266 million were not included. Also, ¥464,467 million of loans without maturities were not included.

(Note 4) Scheduled maturities of long-term borrowings

As of March 31, 2014	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)		
Long-term borrowings(*)	1	21,275	0	0	0	0

(*) ¥327,057 million of long term borrowings without maturities were not included.

(3) <u>Securities</u>

a) Trading securities:

	As of March 31, 2014
	(Unit: million yen)
Gains (losses) on valuation of trading securities………………	118,922

b) Held-to-maturity Securities:

As of March 31, 2014	Carrying amount	Fair value	Unrealized gains (losses)
		(Unit: million yen)	
Held-to-maturity securities with unrealized gains:			
(1) Bonds	45,109	48,862	3,753
a. Government bonds	45,109	48,862	3,753
b. Local government bonds	-	-	-
c. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
a. Foreign bonds	-	-	-
Subtotal	45,109	48,862	3,753
Held-to-maturity securities with unrealized losses:			
(1) Bonds	-	-	-
a. Government bonds	-	-	-
b. Local government bonds	-	-	-
c. Corporate bonds	-	-	-
(2) Foreign securities	-	-	-
a. Foreign bonds	-	-	-
Subtotal	-	-	-
Total	45,109	48,862	3,753

c) Policy-reserve-matching Bonds:

As of March 31, 2014	Carrying amount	Fair value	Unrealized gains (losses)
		(Unit: million yen)	
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	11,926,910	13,003,053	1,076,142
a. Government bonds	11,233,673	12,287,943	1,054,269
b. Local government bonds	138,689	144,601	5,912
c. Corporate bonds	554,547	570,508	15,960
(2) Foreign securities	343,307	347,758	4,450
a. Foreign bonds	343,307	347,758	4,450
Subtotal	12,270,218	13,350,811	1,080,593
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	95,679	95,447	(232)
a. Government bonds	70,510	70,479	(31)
b. Local government bonds	-	-	-
c. Corporate bonds	25,169	24,967	(201)
(2) Foreign securities	95,149	93,487	(1,661)
a. Foreign bonds	95,149	93,487	(1,661)
Subtotal	190,829	188,934	(1,894)
Total	12,461,047	13,539,746	1,078,698

d) Available-for-sale Securities:

As of March 31, 2014	Carrying amount	Purchase cost	Unrealized gains (losses)
		(Unit: million yen)	
Available-for-sale securities with gains:			
(1) Bonds	4,520,051	4,202,729	317,321
a. Government bonds	2,861,998	2,608,822	253,176
b. Local government bonds	104,111	100,523	3,588
c. Corporate bonds	1,553,941	1,493,383	60,557
(2) Domestic stocks	2,331,534	1,345,838	985,695
(3) Foreign securities	6,248,424	5,586,906	661,518
a. Foreign bonds	5,649,038	5,119,855	529,183
b. Other foreign securities	599,385	467,050	132,334
(4) Other securities	586,839	535,163	51,676
Subtotal	13,686,849	11,670,637	2,016,212
Available-for-sale securities with losses:			
(1) Bonds	150,575	151,927	(1,352)
a. Government bonds	51,947	52,299	(352)
b. Local government bonds	105	105	(0)
c. Corporate bonds	98,523	99,522	(999)
(2) Domestic stocks	206,165	260,058	(53,892)
(3) Foreign securities	604,037	630,623	(26,586)
a. Foreign bonds	475,347	496,017	(20,669)
b. Other foreign securities	128,690	134,606	(5,916)
(4) Other securities	57,255	58,514	(1,259)
Subtotal	1,018,033	1,101,124	(83,090)
Total	14,704,883	12,771,761	1,933,121

Note:

Figures in the table above include certificates of deposits (purchase cost: ¥15,000 million; carrying amount: ¥15,000 million) and trust beneficiary rights (purchase cost: ¥268,110 million; carrying amount: ¥281,859 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, 2014.

f) Policy-reserve-matching Bonds Sold:

Policy-reserve-matching bonds sold during the fiscal year ended March 31, 2014 were as follows:

Year ended March 31, 2014	Amounts sold	Realized gains	Realized losses
		(Unit: million yen)	
i) Bonds	-	-	-
a. Government bonds	-	-	-
b. Local government bonds	-	-	-
c. Corporate bonds	-	-	-
ii) Foreign securities	14,093	2,119	-
a. Foreign bonds	14,093	2,119	-
b. Other foreign securities	-	-	-
Total	14,093	2,119	-

g) Available-for-sale Securities Sold:

Available-for-sale securities sold during the year ended March 31, 2014 were as follows:

Year ended March 31, 2014	Amounts sold	Realized gains	Realized losses
		(Unit: million yen)	
i) Bonds	1,692,240	48,416	6,656
a. Government bonds…………………	1,424,135	41,570	5,247
b. Local Government bonds…………	890	197	-
c. Corporate bonds……………………	267,215	6,648	1,408
ii) Domestic stocks………………………	154,113	40,648	9,027
iii) Foreign securities……………………	3,566,085	119,230	51,633
a. Foreign bonds………………………	3,493,369	103,435	47,827
b. Other foreign securities……………	72,715	15,795	3,806
iv) Other securities………………………	1,436	2	176
Total………………………………	5,413,876	208,298	67,494

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, 2014 was ¥1,401 million.

(4) Money Held in Trust

a) Money held in trust for Investment Purpose:

As of March 31, 2014	(Unit: million yen)
Carrying amount on the consolidated balance sheet ………………	63,565
Gains (losses) on valuation of money held in trust …………………	(18,389)

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, 2014	(Unit: million yen)
Carrying amount on the consolidated balance sheet ………………	2,835
Purchase cost…………………………………………………………	2,587
Unrealized gains (losses)………………...…………………………	247
Unrealized gains………………...…………………………………	247
Unrealized losses………………...…………………………………	-

19. 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, 2014, net rental income from such real estate for rent was ¥26,116 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 ¥19,196 million for impairment loss on real estate for rent.

The carrying amount, net change during the fiscal year ended March 31, 2014, and the fair value of real estate for rent were as follows:

Fiscal year ended March 31, 2014	(Unit: million yen)
Carrying amount	
Beginning balance	814,007
Net change during the period	(10,914)
Ending balance	803,093
Fair value	792,311

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 ¥40,155 million, sale of real estate for rent of ¥21,790 million, impairment losses on fixed assets of ¥19,196 million, the depreciation expense of ¥14,184 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 the internal but reasonable estimates.

20. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2014 was ¥1,148,500 million.

21. Problem Loans

As of March 31, 2014, 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 ¥8,828 million. The amount of credits to bankrupt borrowers was ¥4,329 million, the amount of delinquent loans was ¥4,463 million, the Parent Company held no amount of loans past due for three months or more, and the amount of restructured loans was ¥35 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 ¥6 million and ¥60 million, respectively.

22. 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 ¥3,052,249 million. Separate account liabilities were the same amount as the separate account assets.

23. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2014

	(Unit: million yen)
Deferred tax assets:	
Insurance policy reserve	443,531
Net defined benefit liabilities	144,801
Reserve for price fluctuations	36,255
Losses on valuation of securities	17,414
Tax losses carried forward	13,389
Others	46,216
Subtotal	701,608
Valuation allowances	(76,227)
Total	625,381

	(Unit: million yen)
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(579,931)
Other intangible fixed assets	(13,623)
Reserve for tax basis adjustments of real estate	(10,416)
Dividend receivable from domestic stocks	(7,093)
Others	(23,690)
Total	(634,755)
Net deferred tax liabilities	(9,374)

(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, 2014

Statutory tax rate	33.23%
(Adjustments)	
Increase in valuation allowances	5.39%
Difference in tax rate associated with special corporate tax for reconstruction	4.78%
Decrease in deferred tax assets in relation to changes in tax rates	3.40%
Others	1.32%
Actual effective tax rate after considering deferred taxes	48.13%

(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. 10 of 2014) and “the Cabinet Order on the Partial Revision of the Cabinet Order Regarding the Special Corporate Tax for Reconstruction” (Cabinet Order No. 151 of 2014), the Company changed its effective statutory tax rate for calculating its deferred tax assets and liabilities from 33.23% to 30.68% effective the fiscal year starting from April 1, 2014 .

As a result, its deferred tax assets decreased by ¥4,925 million and corporate income taxes-deferred increased by ¥4,964 million.

24. 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.

25. 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, 2014	392,761
Dividends paid during the fiscal year ended March 31, 2014	(101,686)
Interest accrual during the fiscal year ended March 31, 2014	8,946
Provision for reserve for policyholder dividends	94,000
Balance as of March 31, 2014	394,022

26. 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, 2014 was as follows:

(Unit: million yen)

Stocks	98,916
Capital	40,026
Total	138,942

27. 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.

28. 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)	752,581
Securities (Foreign securities)	4,149
Securities (Corporate bonds)	527
Cash and deposits	86
Securities, cash and deposits pledged as collateral	757,345

The amounts of secured liabilities were as follows:

(Unit: million yen)

Cash collateral for securities lending transactions	773,937
Loans payable	3
Secured liabilities	773,941

"Securities (Government bonds)" pledged as collateral for securities lending transactions with cash collateral as of March 31, 2014 was ¥726,832 million.

29. 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, was ¥5 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations was ¥12,262 million.

30. Net Assets per Share

The amount of net assets per share of the Parent Company as of March 31, 2014 was ¥1,962.05.

The Parent Company conducted a 1:100 share split on October 1, 2013. The amount of net assets per share is calculated as if the Parent Company conducted the split at the beginning of the fiscal year ended March 31, 2014.

31. 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, 2014
Operating expenses: ¥238 million

(2) Details of the stock options granted for the fiscal year ended March 31, 2014

a) Details of stock options

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd 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
Granted date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested on the above granted date.	The acquisition rights are vested on the above granted date.	The acquisition rights are vested on the above granted 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.

(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

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Before vesting			
Outstanding at the end of prior fiscal year	-	-	-
Granted	-	-	183,700
Forfeited	-	-	-
Vested	-	-	183,700
Outstanding at the end of the fiscal year	-	-	-
After vesting			
Outstanding at the end of prior fiscal year	153,200	318,700	-
Vested	-	-	183,700
Exercised	15,400	28,000	-
Forfeited	-	-	-

Outstanding at the end of the fiscal year	137,800	290,700	183,700

(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

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,277	¥1,277	-
Fair value at the granted date	¥885	¥766	¥1,300

(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

	3rd Series of Stock Acquisition Rights
Expected volatility (*1)	40.280%
Expected durations (*2)	3 years
Expected dividends (*3)	¥20
Risk-free interest rate (*4)	0.142%

(*1) Computed based on the closing prices of common stock in each trading day from April 1, 2010 to August 15, 2013.

(*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, 2014. As the Parent Company conducted a 1:100 share split on October 1, 2013, the amount of above-described expected dividends is calculated as if the Parent Company conducted the split.

(*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.

32. 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 maintain their benefit plan consisting of defined benefit corporate pension and retirement lump sum grants.

As of April 1, 2013, the Parent Company transferred certain of its retirement lump sum grants to defined contribution pension.

(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	664,459
b.	Service cost	24,559
c.	Interest cost	10,740
d.	Accrued actuarial differences	419
e.	Retirement benefit payment	(34,726)
f.	Impact of transfer to defined contribution pension	(30,794)
g.	Ending balance of projected benefit obligations (a + b + c + d + e + f)	634,657

The amount transferred to the defined pension plan by the Parent Company for the fiscal year ended March 31, 2014 was ¥31,393 million. The Parent Company plans to complete the transfer over four years. The amount of ¥ 22,133 million not yet transferred is recorded in other liabilities.

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

(Unit: million yen)

a.	Beginning balance of pension assets	235,369
b.	Estimated investment return	1,935
c.	Accrued actuarial differences	12,949
d.	Employer contribution	7,569
e.	Retirement benefit payment	(8,265)
f.	Ending balance of pension assets (a + b + c + d + e)	249,559

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	302
b.	Retirement benefit expenses	104
c.	Retirement benefit payment	(68)
d.	Others	0
e.	Ending balance of pension assets (a + b + c + d)	338

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	349,797
b.	Pension assets	(249,559)
c.	Subtotal (a + b)	100,237
d.	Projected benefit obligations for unfunded pensions	285,198
e.	Net defined benefit assets / liabilities in the consolidated balance sheet (c + d)	385,436
f.	Net defined benefit liabilities	385,436
g.	Net defined benefit assets	-
h.	Net defined benefit assets / liabilities in the consolidated balance sheet (f + g)	385,436

e) Breakdown of retirement benefit expenses

(Unit: million yen)

a.	Service cost	24,559
b.	Interest cost	10,740
c.	Estimated investment return	(1,935)
d.	Amortization of unrecognized actuarial differences	1,404
e.	Amortization of unrecognized gains/losses on plan amendments	2
f.	Retirement benefit expenses calculated under the simplified method	104
g.	Others	654
h.	Retirement benefit expenses for defined benefit plan (a + b + c + d + e + f + g)	35,530

f) Accumulated remeasurements of defined benefit plans

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

(Unit: million yen)

a.	Unrecognized actuarial differences	(24,336)
b.	Total	(24,336)

g) Information on pension assets

i) Breakdown of pension assets

The allocation of total pension assets is as follows:

Stocks	58%
General Account of life insurance contracts	17%
Bonds	16%
Others	9%
Total	100%

Pension assets include 51% 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.

h) Actuarial assumptions

Major actuarial assumptions for the fiscal year ended March 31, 2014 are as follows:

Discount rate	1.1% or 1.7%
Long-term estimated return on investment	
Defined benefit corporate pension	1.0% or 1.7%
Retirement benefit trust	0.0%

(3) Defined Contribution Plan

The amount of necessary contribution to the defined contribution plan from the Parent Company is ¥1,536 million.

33. 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, 2014:

(Unit: million yen)

Beginning balance	2,855
Time progress adjustments	41
Others	(65)
Ending balance	2,831

34. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2014, the market value of the securities borrowed which were not sold or pledged was ¥43,418 million, among which no securities were pledged as collateral.

35. Commitment Line

There were unused commitment line agreements under which the Parent Company is the lender of ¥27,767 million.

36. Subordinated Debt

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

37. Subordinated Bonds

Subordinated bonds of ¥107,562 million shown in liabilities included foreign currency-denominated subordinated bonds, the repayment of which is subordinated to other obligations.

38. 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 ¥55,825 million as of March 31, 2014. These obligations will be recognized as operating expenses in the period in which they are paid.

III. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2014

1. Net Income per Share

Net income per share for the fiscal year ended March 31, 2014 was ¥78.58. Diluted net income per share for the same period was ¥78.54.

The Parent Company conducted a 1:100 share split on October 1, 2013. The above figures reflect the split as if the Parent Company conducted the split at the beginning of the fiscal year ended March 31, 2014.

2. Impairment Losses on Fixed Assets

Details on the Parent Company's impairment losses on fixed assets for the fiscal year ended March 31, 2014 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:

(Unit: million yen)

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasehold Rights	Buildings	Total
Real estate for rent	Shinjuku City, Tokyo Metropolitan Prefecture and others	2	2,682	6,495	6,154	15,332
Real estate not in use	Okayama City, Okayama Prefecture and others	28	3,461	2,718	2,378	8,557
Total		30	6,144	9,213	8,532	23,890

(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 2.66% 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, 2014

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, 2014	468,991
Amount reclassified	(145,882)
Before tax adjustment	323,109
Tax effect	(99,031)
Net unrealized gains (losses) on securities, net of tax	224,078
Deferred hedge gains (losses)	
Amount incurred during the fiscal year ended March 31, 2014	(2,435)
Amount reclassified	(143)
Amount adjusted for asset acquisition cost	1,437
Before tax adjustment	(1,141)
Tax effect	356
Deferred hedge gains (losses)	(784)
Reserve for land revaluation	
Amount incurred during the fiscal year ended March 31, 2014	-
Amount reclassified	-
Before tax adjustment	-
Tax effect	(269)
Reserve for land revaluation	(269)
Foreign currency translation adjustments	
Amount incurred during the fiscal year ended March 31, 2014	(4,131)
Amount reclassified	-
Before tax adjustment	(4,131)
Tax effect	-
Foreign currency translation adjustments	(4,131)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	
Amount incurred during the fiscal year ended March 31, 2014	5,136
Amount reclassified	(104)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	5,031
Total other comprehensive income	223,924

V. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED MARCH 31, 2014

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, 2014 was as follows:

(Unit: million yen)

Cash and deposits (a)	698,594
Call loans (b)	362,800
Cash and cash equivalents (a + b)	1,061,394

VI. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2014

1. Type and Number of Shares Outstanding

	At the beginning of the fiscal year ended March 31, 2014	Increase	Decrease	As of March 31, 2014
	(Unit: thousands shares)			
Common stock …………………………	10,000	990,059	-	1,000,060
Treasury stock …………………………	90	8,255	602	7,743

Note:

1. The Parent Company conducted a 1:100 share split on October 1, 2013.
2. The 990,059 thousand share increase in common stock represents the sum of (1) 0 thousand share increase due to the exercise of stock acquisition rights (stock options) and (2) 990,059 thousand share increase resulted from the share split.
3. The 8,255 thousand share increase in treasury stock resulted from the share split.
4. The 602 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	583

3. Dividends on Common Stocks

(1) Dividends Paid During the Fiscal Year Ended March 31, 2014

Date of resolution	June 24, 2013 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥15,855 million
Dividends per share	¥1,600
Record date	March 31, 2013
Effective date	June 25, 2013
Dividend resource	Retained earnings

Note: Total dividends did not include ¥145 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.

(2) Dividends, the Record Date of Which was March 31, 2014, to Be Paid Out in the Year Ending March 31, 2015

Date of resolution	June 24, 2014 (at the Annual General Meeting of Shareholders to be held)
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

Note:

1. 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.
2. 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.

(7) Risk-Monitored Loans

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
Credits to bankrupt borrowers	4,132	4,329
Delinquent loans	4,679	4,463
Loans past due for three months or more	-	-
Restructured loans	926	35
Total	9,738	8,828
[Percentage of total loans]	[0.31%]	[0.29%]

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, 2013 and March 31, 2014 were 407 million yen and 6 million yen, respectively. The write-offs relating to delinquent loans in the fiscal years ended March 31, 2013 and March 31, 2014 were 65 million yen and 60 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.

(Reference) Disclosed claims based on categories of obligors

(millions of yen)

	As of March 31, 2013	As of March 31, 2014
Claims against bankrupt and quasi-bankrupt obligors	4,161	4,362
Claims with collection risk	4,651	4,431
Claims for special attention	957	63
Subtotal	9,770	8,857
Claims against normal obligors	3,924,496	4,270,050
Total	3,934,266	4,278,907

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.

(8) Consolidated Solvency Margin Ratio

(millions of yen)

		As of March 31, 2013	As of March 31, 2014
Total solvency margin	***(A)***	4,131,402	4,681,499
Common stock, etc. [*1]		436,330	484,305
Reserve for price fluctuations		89,228	118,167
Contingency reserve		587,497	638,368
Catastrophe loss reserve		-	-
General reserve for possible loan losses		1,752	1,400
Net unrealized gains on securities (before tax) × 90% [*2]		1,428,115	1,718,809
Net unrealized gains (losses) on real estate × 85% [*2]		18,245	19,155
Sum of unrecognized actuarial differences and unrecognized past service cost		-	24,336
Policy reserves in excess of surrender values		1,669,231	1,801,440
Qualifying subordinated debt		427,562	427,562
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(550,006)	(551,240)
Excluded items		(68,999)	(125,982)
Others		92,446	125,176
Total risk $\sqrt{\left(\sqrt{R_1^2+R_5^2}+R_8+R_9\right)^2+\left(R_2+R_3+R_7\right)^2}+R_4+R_6$	***(B)***	1,176,246	1,236,978
Insurance risk	R_1	103,425	94,016
General insurance risk	R_5	-	-
Catastrophe risk	R_6	-	-
3rd sector insurance risk	R_8	168,895	176,074
Small amount and short-term insurance risk	R_9	-	-
Assumed investment yield risk	R_2	273,604	269,173
Guaranteed minimum benefit risk	R_7 [*3]	28,747	28,091
Investment risk	R_3	813,382	880,182
Business risk	R_4	27,761	28,950
Solvency margin ratio $\dfrac{(A)}{(1/2)\times(B)}\times 100$		702.4%	756.9%

*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:
1. 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.
2. The figures as of March 31, 2014 are calculated, including the sum of a) unrecognized actuarial differences and b) unrecognized past service cost (the figures as of March 31, 2013 are calculated based on previous standards).

(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, 2013	As of March 31, 2014
Total solvency margin	***(A)***	219,637	229,705
Common stock, etc.		57,269	40,367
Reserve for price fluctuations		775	1,714
Contingency reserve		92,403	107,274
General reserve for possible loan losses		1	8
Net unrealized gains on securities (before tax) × 90% *		9,420	10,350
Net unrealized gains (losses) on real estate × 85% *		-	-
Policy reserves in excess of surrender values		59,768	69,990
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)***	46,798	68,429
Insurance risk	R_1	5	34
3rd sector insurance risk	R_8	-	-
Assumed investment yield risk	R_2	4,330	12,939
Guaranteed minimum benefit risk	R_7	22,493	22,812
Investment risk	R_3	18,611	30,683
Business risk	R_4	1,363	1,994
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		938.6%	671.3%

*: Multiplied by 100% if losses.

Note 1. The figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.
2. Guaranteed minimum benefit risk is calculated by standard method.

(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	141,861,584	48,766,631	6,146,172	-	-
Policies in force at the end of the fiscal year	136,893,201	48,357,148	6,353,439	-	-
Net increase in policies in force	(4,968,382)	(409,483)	207,266	-	-
Ordinary revenues	-	-	-	-	4,384,670
a. Premium and other income	1,858,756	148,616	821,392	39,295	2,868,061
Premium	1,858,737	147,820	821,392	39,295	2,867,246
b. Ordinary revenues other than a. above	-	-	-	-	1,516,609
Ordinary expenses	-	-	-	-	4,077,058
c. Benefits and claims	1,538,331	75,589	774,876	50,367	2,439,165
Claims	622,960	73,148	11,510	8,082	715,702
Annuities	229,024	991	336,111	8,389	574,517
Benefits	183,959	179	265,854	3,396	453,389
Surrender values	449,784	78	45,686	30,391	525,941
d. Ordinary expenses other than c. above	-	-	-	-	1,637,893
Provision for policy reserves	326,775	294	207,266	(8,113)	562,223
Ordinary profit	-	-	-	-	307,612

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.