

## 4. Status of Financial Assets (Non-Consolidated)

### 4-1 Loans by Borrower Category

(Millions of yen, %)

As of March 31	2014	2015	2016
Bankrupt or quasi-bankrupt loans	¥ -	¥ -	¥ -
Doubtful loans	-	-	-
Substandard loans	-	-	-
Subtotal	-	-	-
(Percentage in total)	( -)	( -)	( -)
Normal loans	11,385,224	10,291,347	9,197,548
Total	11,385,224	10,291,347	9,197,548

Notes:

- Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or the petition for commencement of rehabilitation proceedings, and loans similar to these.
- Doubtful loans are loans which principal and interest are unlikely to be collected or received as stipulated in an agreement due to the borrower's deteriorating financial conditions and results even though the borrower is not fallen into bankruptcy.
- Substandard loans are past due loans for three months or more and restructured loans.  
"Past due loans for three months or more" are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date (excluding the loans noted in 1 and 2). "Restructured loans" are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business (excluding the loans noted in 1 and 2, and past due loans for three months or more).
- Normal loans are loans which do not fall under the loans noted in 1 to 3 above as there are no particular problems found with the borrower's financial conditions and results.

### 4-2 Status of Risk-Monitored Loans

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

### 4-3 Loans Concerning the Trusts with Contracts Indemnifying the Principal Amounts

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

## 4-4 Status of Insurance Claims Paying Ability (Solvency Margin Ratio)

(Millions of yen)

As of March 31	2014	2015	2016
Total amount of solvency margin (A)	¥ 5,130,031	¥ 5,697,257	¥ 5,541,363
Capital stock, etc.	1,332,862	1,386,560	1,439,299
Reserve for price fluctuations	614,233	712,167	782,268
Contingency reserve	2,588,798	2,498,711	2,374,846
General reserve for possible loan losses	91	77	71
(Net unrealized gains (losses) on available-for-sale securities (before taxes)-Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	238,976	703,549	505,374
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(3,465)	(10,077)	(3,474)
Excess of continued Zillmerized reserve	358,533	406,267	442,977
Capital raised through debt financing	–	–	–
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	–	–	–
Deductions	–	–	–
Other	–	–	–
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	632,004	694,176	706,716
Insurance risk R <sub>1</sub>	168,426	163,796	159,046
Underwriting risk of third-sector insurance R <sub>8</sub>	99,913	88,568	78,262
Anticipated yield risk R <sub>2</sub>	198,138	184,450	170,717
Minimum guarantee risk R <sub>7</sub>	–	–	–
Investment risk R <sub>3</sub>	355,852	443,294	476,159
Business management risk R <sub>4</sub>	16,446	17,602	17,683
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,623.4%	1,641.4%	1,568.1%

Note: These figures are calculated based on the provisions set forth in public notification No. 50 issued by the Ministry of Finance in 1996 and Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act.

For the above figures as of March 31, 2016, the total amount of solvency margin was partially amended in accordance with the Cabinet Office Ordinance No. 16 of 2016. (The figures as of March 31, 2014 and 2015 provided above were determined based on existing standards.)

## 4-5 Fair Value Information of Securities (Company Total)

### (1) Fair Value Information of Securities

#### 1) Net Valuation Gain/Loss of Trading Securities

The Company did not hold securities for trading as of March 31, 2014, 2015 and 2016.

#### 2) Fair Value Information of Securities (with Fair Value, Other than Trading Securities)

(Millions of yen)

As of March 31	2014					2015					2016				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	Gains			Losses		
Held-to-maturity bonds	¥ 45,257,324	¥ 48,427,090	¥ 3,169,765	¥3,174,107	¥ 4,342	¥ 43,695,559	¥ 48,232,675	¥ 4,537,116	¥4,537,655	¥ 539	¥ 42,239,821	¥ 49,752,914	¥ 7,513,092	¥7,513,093	¥ 0
Policy-reserve-matching bonds	17,953,667	19,052,820	1,099,152	1,100,453	1,300	15,493,208	16,668,447	1,175,238	1,175,453	214	13,563,423	15,062,160	1,498,737	1,498,737	-
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	7,148,598	7,414,127	265,529	278,007	12,478	9,411,484	10,193,205	781,721	784,470	2,748	9,918,112	10,479,639	561,527	658,164	96,636
Corporate and government bonds	4,927,726	5,025,535	97,809	100,097	2,287	5,105,394	5,203,999	98,605	99,163	558	4,012,950	4,115,794	102,844	103,597	752
Domestic stocks	337,777	412,261	74,484	78,011	3,527	713,204	996,906	283,701	285,545	1,844	1,065,422	1,202,513	137,091	195,326	58,235
Foreign securities	1,072,516	1,164,581	92,065	98,718	6,652	1,850,911	2,248,231	397,319	397,666	346	3,682,785	4,001,136	318,351	355,894	37,542
Foreign corporate and government bonds	917,500	1,001,464	83,964	90,616	6,652	1,537,712	1,863,492	325,779	326,126	346	3,299,371	3,590,822	291,450	319,363	27,912
Foreign stocks and other securities	155,016	163,117	8,101	8,101	-	313,198	384,738	71,539	71,539	-	383,413	410,314	26,901	36,531	9,630
Other securities	-	-	-	-	-	-	-	-	-	-	100,000	100,044	44	150	105
Monetary claims bought	106,278	107,448	1,170	1,181	11	446,973	449,068	2,095	2,095	-	426,954	430,150	3,195	3,195	-
Negotiable certificates of deposit	704,300	704,300	-	-	-	1,295,000	1,295,000	-	-	-	630,000	630,000	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>70,359,590</b>	<b>74,894,037</b>	<b>4,534,446</b>	<b>4,552,568</b>	<b>18,121</b>	<b>68,600,251</b>	<b>75,094,328</b>	<b>6,494,077</b>	<b>6,497,580</b>	<b>3,502</b>	<b>65,721,357</b>	<b>75,294,714</b>	<b>9,573,357</b>	<b>9,669,994</b>	<b>96,637</b>
Corporate and government bonds	68,040,718	72,403,664	4,362,946	4,370,876	7,930	64,196,162	70,003,228	5,807,066	5,808,378	1,312	59,718,195	68,828,482	9,110,287	9,111,040	753
Domestic stocks	337,777	412,261	74,484	78,011	3,527	713,204	996,906	283,701	285,545	1,844	1,065,422	1,202,513	137,091	195,326	58,235
Foreign securities	1,170,516	1,266,362	95,846	102,499	6,652	1,948,911	2,350,125	401,213	401,560	346	3,780,785	4,103,523	322,738	360,281	37,542
Foreign corporate and government bonds	1,015,500	1,103,245	87,745	94,397	6,652	1,635,712	1,965,386	329,673	330,020	346	3,397,371	3,693,209	295,837	323,750	27,912
Foreign stocks and other securities	155,016	163,117	8,101	8,101	-	313,198	384,738	71,539	71,539	-	383,413	410,314	26,901	36,531	9,630
Other securities	-	-	-	-	-	-	-	-	-	-	100,000	100,044	44	150	105
Monetary claims bought	106,278	107,448	1,170	1,181	11	446,973	449,068	2,095	2,095	-	426,954	430,150	3,195	3,195	-
Negotiable certificates of deposit	704,300	704,300	-	-	-	1,295,000	1,295,000	-	-	-	630,000	630,000	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- This table includes the handling of securities under the Financial Instruments and Exchange Act.
- This table includes money held in trust other than trading securities and its book value was ¥1,448,835 million with net unrealized gains of ¥163,992 million as of March 31, 2016, ¥1,026,403 million with net unrealized gains of ¥355,241 million as of March 31, 2015 and ¥492,793 million with net unrealized gains of ¥82,585 million as of March 31, 2014.

## ○ Held-to-maturity bonds

(Millions of yen)

As of March 31	2014			2015			2016		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Those for which fair value exceeds the balance sheet amount	¥44,523,542	¥47,697,650	¥ 3,174,107	¥43,624,994	¥48,162,650	¥ 4,537,655	¥42,239,421	¥49,752,514	¥ 7,513,093
Corporate and government bonds	44,425,542	47,595,869	3,170,326	43,526,994	48,060,756	4,533,761	42,141,421	49,650,127	7,508,706
Foreign securities	98,000	101,781	3,781	98,000	101,894	3,894	98,000	102,387	4,387
Other	-	-	-	-	-	-	-	-	-
Those for which fair value does not exceed the balance sheet amount	733,781	729,439	(4,342)	70,564	70,025	(539)	400	399	(0)
Corporate and government bonds	733,781	729,439	(4,342)	70,564	70,025	(539)	400	399	(0)
Foreign securities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-

## ○ Policy-reserve-matching bonds

(Millions of yen)

As of March 31	2014			2015			2016		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Those for which fair value exceeds the balance sheet amount	¥17,610,495	¥18,710,949	¥ 1,100,453	¥15,462,719	¥16,638,173	¥ 1,175,453	¥13,563,423	¥15,062,160	¥ 1,498,737
Corporate and government bonds	17,610,495	18,710,949	1,100,453	15,462,719	16,638,173	1,175,453	13,563,423	15,062,160	1,498,737
Foreign securities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Those for which fair value does not exceed the balance sheet amount	343,171	341,870	(1,300)	30,488	30,273	(214)	-	-	-
Corporate and government bonds	343,171	341,870	(1,300)	30,488	30,273	(214)	-	-	-
Foreign securities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-

## ○ Available-for-sale securities

(Millions of yen)

As of March 31	2014			2015			2016		
	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference
Those for which the balance sheet amount exceeds book value	¥ 5,351,840	¥ 5,543,735	¥ 191,894	¥ 6,252,670	¥ 6,680,055	¥ 427,384	¥ 6,365,429	¥ 6,791,735	¥ 426,306
Corporate and government bonds	4,554,372	4,654,469	100,097	4,768,988	4,868,151	99,163	3,660,820	3,764,417	103,597
Domestic stocks	-	-	-	-	-	-	-	-	-
Foreign securities	775,889	866,505	90,616	1,455,693	1,781,819	326,126	2,602,654	2,922,017	319,363
Other securities	-	-	-	-	-	-	75,000	75,150	150
Monetary claims bought	21,578	22,759	1,181	27,989	30,084	2,095	26,954	30,150	3,195
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Those for which the balance sheet amount does not exceed book value	1,303,964	1,295,013	(8,951)	2,132,410	2,131,505	(904)	2,103,847	2,075,076	(28,770)
Corporate and government bonds	373,353	371,066	(2,287)	336,406	335,848	(558)	352,130	351,377	(752)
Domestic stocks	-	-	-	-	-	-	-	-	-
Foreign securities	141,610	134,958	(6,652)	82,019	81,673	(346)	696,717	668,804	(27,912)
Other securities	-	-	-	-	-	-	25,000	24,894	(105)
Monetary claims bought	84,700	84,688	(11)	418,983	418,983	-	399,999	399,999	-
Negotiable certificates of deposit	704,300	704,300	-	1,295,000	1,295,000	-	630,000	630,000	-
Other	-	-	-	-	-	-	-	-	-

• The book values of securities for which the fair values are deemed extremely difficult to determine are as follows.

(Millions of yen)

As of March 31	2014	2015	2016
Held-to-maturity bonds	¥ -	¥ -	¥ -
Unlisted foreign bonds	-	-	-
Other	-	-	-
Policy-reserve-matching bonds	-	-	-
Equities of subsidiaries and affiliates	984	984	984
Available-for-sale securities	140,000	20,000	-
Unlisted domestic stocks (excluding OTC traded equities)	-	-	-
Unlisted foreign stocks (excluding OTC traded equities)	140,000	20,000	-
Unlisted foreign bonds	-	-	-
Other	-	-	-
<b>Total</b>	<b>140,984</b>	<b>20,984</b>	<b>984</b>

## (2) Data on Fair Value of Money Held in Trust

(Millions of yen)

As of March 31	2014					2015					2016				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	Gains			Losses		
Money held in trust	¥ 581,627	¥ 581,627	¥ -	¥ -	¥ -	¥1,434,943	¥1,434,943	¥ -	¥ -	¥ -	¥1,644,547	¥1,644,547	¥ -	¥ -	¥ -

### 1) Money Held in Trust for Trading Purposes

The Company did not have money held in trust for trading purposes as of March 31, 2014, 2015 and 2016.

### 2) Assets Held-to-Maturity in Trust/Assets Held for Reserves in Trust/Other Money Held in Trust

(Millions of yen)

As of March 31	2014					2015					2016				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	Gains			Losses		
Assets held-to-maturity in trust	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other money held in trust	499,042	581,627	82,585	86,112	3,527	1,079,701	1,434,943	355,241	357,085	1,844	1,480,555	1,644,547	163,992	231,857	67,865
Domestic stock fund	342,583	417,067	74,484	78,011	3,527	765,237	1,048,938	283,701	285,545	1,844	1,090,727	1,227,819	137,091	195,326	58,235
Foreign stock fund	55,742	60,755	5,013	5,013	-	158,944	195,510	36,565	36,565	-	228,532	235,713	7,180	16,811	9,630
Foreign bond fund	100,716	103,804	3,087	3,087	-	155,519	190,493	34,974	34,974	-	161,295	181,015	19,720	19,720	-

### **(3) Combined Fair Value of Derivative Transactions (with or without Hedge Accounting)**

#### **1) Qualitative Information**

##### **(i) Detail of the transactions**

The main derivative transactions used by the Company are as follows:

- Interest rate related: Interest rate swaps
- Currency related: Foreign exchange contracts

##### **(ii) Policy for using derivative transactions**

The Company uses derivative transactions for the purpose of hedging interest rate risk and foreign exchange fluctuation risk to our investment assets. The Company limits the use of derivative transactions to the purpose of hedging in principle and their use is not meant for speculative purposes.

##### **(iii) Purposes of the use of derivative transactions**

The main purposes of the use of derivative transactions for the Company are as follows:

- Interest rate swaps are used for converting floating interest rate loans of the Company into fixed interest rate loans.
- Foreign exchange contracts are used to determine the yen value of the foreign currency cash flows associated with the purchase, sale and redemption of foreign-currency-denominated assets, as well as for hedging foreign exchange fluctuation risk for a portion of foreign-currency-denominated assets.

Of the above transactions, for the interest rate swaps used for converting floating interest rate loans into fixed interest rate loans, the Company applies the exceptional treatment and deferred hedge accounting for interest rate swaps, and applies fair value hedge accounting for the foreign exchange contracts used for hedging foreign exchange fluctuation risk for a portion of foreign-currency-denominated assets.

##### **(iv) Description of the risks**

Derivative transactions used by the Company are exposed to market risk (risks due to fluctuations in interest rates and foreign exchange rates) and credit risk (risks of transaction partners' default, including bankruptcy).

The Company uses derivative transactions for the purpose, in principle, of hedging the risks of our investment assets, and therefore it believes that the market-related risk of derivative transactions is reduced and limited.

Meanwhile, as we select transaction partners with superior creditworthiness based on their

ratings and other factors, the credit risk of derivative transactions is believed to be limited. The Company conducts derivative transactions over the counter.

##### **(v) Risk management framework**

The Company has formulated the Basic Risk Management Policy, whereby the investment policies of derivative transactions are provided, limiting the use of derivative transactions to the purpose of hedging and prohibiting their use for speculative purposes.

In addition, we prevent risks by setting credit limits for each transaction partner selected on the basis of superior creditworthiness verified by their ratings and other factors.

The Risk Management Department is in place as an organizational unit responsible for comprehensively managing all types of risks, as part of an effort to reinforce our internal management system.

##### **(vi) Additional notes about quantitative information**

- Additional notes about credit risk  
We calculate the credit risk amount associated with derivative transactions by using the current exposure method.

- Additional notes about the calculation of fair value

We calculate fair value on the following basis:

[Interest rate swaps]

Theoretical values are calculated by discounting the difference in future cash flows to present values based on the published market interest rate.

[Foreign exchange contracts]

Fair value is calculated using the forward foreign exchange rate as of the fiscal year-end date.

- Additional notes about net unrealized gains (losses)

We use derivative transactions as a means to hedge the market risk of our investment assets in principle, and there are no so-called transactions for trading purposes.

Profit or loss from derivative transactions and the hedged investments is recognized on a combined basis, whereby the effect of a reduction in interest rate risk and foreign exchange fluctuation risk has been verified.

## 2) Quantitative information

### (i) Breakdown of net unrealized gains (losses) (breakdown of portions with hedge accounting applied and not applied)

(Millions of yen)

	Interest rate related	Currency related	Stock related	Bond related	Others	Total
As of March 31, 2014	¥ 326	¥ (15,655)	¥ –	¥ –	¥ –	¥ (15,328)
Portion with hedge accounting applied	326	(15,655)	–	–	–	(15,328)
Portion with hedge accounting not applied	–	–	–	–	–	–
As of March 31, 2015	971	493	–	–	–	1,465
Portion with hedge accounting applied	971	493	–	–	–	1,465
Portion with hedge accounting not applied	–	–	–	–	–	–
<b>As of March 31, 2016</b>	<b>2,060</b>	<b>4,644</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,704</b>
<b>Portion with hedge accounting applied</b>	<b>2,060</b>	<b>4,644</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,704</b>
<b>Portion with hedge accounting not applied</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Notes:

1. Of the hedge accounting applied as of March 31, 2014, the portion with hedge accounting (the fair value hedge method) applied to the net loss (currency related ¥15,655 million) is accrued in the statement of income
2. Of the hedge accounting applied as of March 31, 2015, the portion with hedge accounting (the fair value hedge method) applied to the net gain (currency related ¥493 million) is accrued in the statement of income.
3. Of the hedge accounting applied as of March 31, 2016, the portion with hedge accounting (the fair value hedge method) applied to the net gain (currency related ¥4,644 million) is accrued in the statement of income.

### Derivative transactions to which hedge accounting is not applied

#### (ii) Interest rate-related derivatives

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

#### (iii) Currency-related derivatives

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

#### (iv) Stock-related derivatives

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

#### (v) Bond-related derivatives

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

#### (vi) Others

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

## Derivative transactions to which hedge accounting is applied

### (ii) Interest rate-related derivatives

(Millions of yen)

Hedge accounting method	Type	Major hedged item	As of March 31, 2014			As of March 31, 2015			As of March 31, 2016		
			Contract amount		Fair value	Contract amount		Fair value	Contract amount		Fair value
				Contract amount due after 1 year			Contract amount due after 1 year			Contract amount due after 1 year	
Deferred hedge method	Interest rate swaps Receivable fixed rate / Payable floating rate	Loans	¥ 9,950	¥ 9,950	¥ 16	¥ 13,750	¥13,750	¥ 32	¥ 13,750	¥13,750	¥ 197
Exceptional treatment for interest rate swaps	Interest rate swaps Receivable fixed rate / Payable floating rate	Loans	102,780	85,400	310	88,200	65,500	938	65,500	46,050	1,862
Total					326			971			2,060

Note: Fair value (current value) of interest rate swaps is represented by net unrealized gains (losses).

### Reference: Outstanding balances of interest rate swaps by contractual maturity date

(Millions of yen, %)

Category	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
<b>As of March 31, 2014</b>	¥ 17,380	¥ 42,150	¥ 24,550	¥ 7,500	¥ 11,150	¥ 10,000	¥ 112,730
Fixed receipt swap notional principal	17,380	42,150	24,550	7,500	11,150	10,000	112,730
Average fixed interest receipt	0.82	0.53	0.39	0.55	0.93	1.05	0.63
Average floating interest payment	0.36	0.23	0.20	0.26	0.28	0.28	0.25
Fixed payment swap notional principal	–	–	–	–	–	–	–
Average fixed interest payment	–	–	–	–	–	–	–
Average floating interest receipt	–	–	–	–	–	–	–
<b>As of March 31, 2015</b>	22,700	25,750	22,300	10,050	16,150	5,000	101,950
Fixed receipt swap notional principal	22,700	25,750	22,300	10,050	16,150	5,000	101,950
Average fixed interest receipt	0.55	0.44	0.45	0.48	0.94	1.12	0.58
Average floating interest payment	0.17	0.16	0.18	0.20	0.24	0.24	0.19
Fixed payment swap notional principal	–	–	–	–	–	–	–
Average fixed interest payment	–	–	–	–	–	–	–
Average floating interest receipt	–	–	–	–	–	–	–
<b>As of March 31, 2016</b>	19,450	24,550	8,400	8,600	13,250	5,000	79,250
Fixed receipt swap notional principal	19,450	24,550	8,400	8,600	13,250	5,000	79,250
Average fixed interest receipt	0.50	0.39	0.52	0.61	0.94	1.12	0.59
Average floating interest payment	0.09	0.05	0.11	0.15	0.10	0.13	0.09
Fixed payment swap notional principal	–	–	–	–	–	–	–
Average fixed interest payment	–	–	–	–	–	–	–
Average floating interest receipt	–	–	–	–	–	–	–



**(iii) Currency-related derivatives**

(Millions of yen)

Hedge accounting method	Type	Major hedged item	As of March 31, 2014			As of March 31, 2015			As of March 31, 2016		
			Contract amount		Fair value	Contract amount		Fair value	Contract amount		Fair value
				Contract amount due after 1 year			Contract amount due after 1 year			Contract amount due after 1 year	
Fair value hedge accounting	Foreign exchange contracts	Available-for-sale securities	¥ 404,257	¥ -	¥ (15,655)	¥ 363,120	¥ -	¥ 493	¥1,693,683	¥ -	¥ 4,644
	Sold										
	U.S. dollars		270,312	-	(6,817)	172,008	-	(12,843)	392,081	-	5,408
	Euros		133,944	-	(8,837)	191,112	-	13,337	1,301,602	-	(764)
	Purchased		-	-	-	-	-	-	-	-	
Total					(15,655)			493		4,644	

Notes:

1. Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
2. Fair value of foreign exchange contracts is represented by net unrealized gains (losses).

**(iv) Stock-related derivatives**

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

**(v) Bond-related derivatives**

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

**(vi) Others**

There were no such outstanding balances as of March 31, 2014, 2015 and 2016.

## 4-6 Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

For the years ended March 31		2014	2015	2016
Core profit	A	¥ 482,052	¥ 515,417	¥ 464,285
Capital gains		82,269	94,683	46,180
Gains on money held in trust		9,736	32,762	44,939
Gains on trading securities		–	–	–
Gains on sales of securities		71,074	61,908	1,241
Gains on derivative financial instruments		–	–	–
Gains on foreign exchanges		1,452	12	–
Other capital gains		5	–	–
Capital losses		20,493	30,527	41,748
Losses on money held in trust		–	–	–
Losses on trading securities		–	–	–
Losses on sales of securities		10,205	4,963	1,592
Losses on valuation of securities		–	–	–
Losses on derivative financial instruments		2,161	773	1,511
Losses on foreign exchanges		–	–	402
Other capital losses		8,126	24,790	38,242
Net capital gains (losses)	B	61,776	64,156	4,432
Core profit including net capital gains (losses)	A+B	543,828	579,573	468,717
Other one-time gains		94,807	90,087	123,864
Reinsurance income		–	–	–
Reversal of contingency reserve		94,807	90,087	123,864
Reversal of specific reserve for possible loan losses		–	–	–
Other		–	–	–
Other one-time losses		175,129	176,491	179,558
Reinsurance premiums		–	–	–
Provision for contingency reserve		–	–	–
Provision for specific reserve for possible loan losses		–	–	–
Provision for reserve for specific foreign loans		–	–	–
Write-off of loans		–	–	–
Other		175,129	176,491	179,558
Other one-time profits (losses)	C	(80,322)	(86,403)	(55,694)
Ordinary profit	A+B+C	463,506	493,169	413,023

Notes:

1. Amount equivalent to income gains associated with money held in trust (¥8,126 million for 2014, ¥24,790 million for 2015 and ¥38,242 million for 2016) is recognized as "other capital losses" and included in core profit.
2. Amount equivalent to capital gains of other investment income (¥5 million for 2014) is not included in core profit, but recorded under "other capital gains."
3. Amount equivalent to capital losses of other investment expenses (¥0 million for 2014) is not included in core profit, but recorded under "other capital losses."
4. "Other" in "other one-time losses" includes the amount of additional policy reserve accumulated pursuant to Article 69, Paragraph 5, of the Ordinance for Enforcement of the Insurance Business Act (¥175,129 million for 2014, ¥176,491 million for 2015 and ¥179,558 million for 2016).