

6. Main Business Indicators

6-1 Key Business Indicators (Non-Consolidated)

(Billions of yen unless specifically indicated)

As of/For the years ended March 31	2013	2014	2015	2016	2017
Ordinary income	¥ 11,834.9	¥ 11,233.9	¥ 10,169.2	¥ 9,605.8	¥ 8,659.4
Ordinary profit	529.3	463.5	493.1	413.0	279.3
Core profit	570.0	482.0	515.4	464.2	390.0
Net income	91.0	63.4	81.7	86.3	88.5
Capital stock (Number of shares issued: thousands of shares)	500.0 (20,000)	500.0 (20,000)	500.0 (20,000)	500.0 (600,000)	500.0 (600,000)
Total assets	90,462.3	87,088.6	84,911.9	81,543.6	80,336.4
Separate account	–	–	–	–	–
Policy reserves	81,401.9	77,745.4	75,112.6	72,362.5	70,175.2
Loans	12,691.5	11,020.5	9,977.3	8,978.4	8,060.9
Securities	72,558.1	69,378.9	66,277.2	63,610.8	63,486.2
Solvency margin ratio (%)	1,467.9%	1,623.4%	1,641.4%	1,568.1%	1,289.1%
Number of employees (persons)	6,789	6,948	7,153	7,378	7,424
Policy amount in force	31,675.3	37,179.5	42,774.9	47,882.7	53,229.1
Individual insurance	28,480.7	33,735.6	39,159.0	44,406.2	50,097.9
Individual annuities	3,194.6	3,443.8	3,615.9	3,476.4	3,131.1
Group insurance	–	–	–	–	–
Policy amount in force for group annuities	–	–	–	–	–

Notes:

1. The number of shares issued reflects the 30:1 stock split effective August 1, 2015.

2. "Policy amount in force" is the total of individual insurance, individual annuities and group insurance.

Figures for "individual annuities" are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.

6-2 Selected Financial Data and Other Information

(1) Policies in Force and New Policies

1) Policies in Force

(Number of policies, millions of yen, %)

As of March 31	2015				2016				2017			
	Number of policies		Policy amount		Number of policies		Policy amount		Number of policies		Policy amount	
		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison
Individual insurance	13,539,479	116.0%	¥ 39,159,046	116.1%	15,350,407	113.4%	¥ 44,406,257	113.4%	17,150,748	111.7%	¥ 50,097,987	112.8%
Individual annuities	1,318,287	110.4	3,615,908	105.0	1,367,445	103.7	3,476,492	96.1	1,363,121	99.7	3,131,186	90.1
Group insurance	—	—	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—	—	—

Note: Policy amounts for "individual annuities" are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.

2) New Policies

(Number of policies, millions of yen, %)

For the years ended March 31	2015					2016					2017				
	Number of policies		Policy amount			Number of policies		Policy amount			Number of policies		Policy amount		
		Year-on-year comparison		Year-on-year comparison	Net increase arising from the conversion		Year-on-year comparison		Year-on-year comparison	Net increase arising from the conversion		Year-on-year comparison		Year-on-year comparison	Net increase arising from the conversion
Individual insurance	2,381,977	106.6%	¥ 7,002,593	106.8%	—	2,397,286	100.6%	¥ 7,168,485	102.4%	—	2,441,232	101.8%	¥ 7,847,481	109.5%	—
Individual annuities	137,965	92.7	493,582	94.2	—	63,542	46.1	219,721	44.5	—	10,624	16.7	39,797	18.1	—
Group insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Note: Policy amounts for "individual annuities" are the total of the accumulated contribution payment as of the date of annuity payment commencement.

(2) Annualized Premiums

1) Policies in Force

(Millions of yen, %)

As of March 31	2015		2016		2017	
		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison
Individual insurance	¥ 2,526,861	115.3%	¥ 2,863,561	113.3%	¥ 3,207,988	112.0%
Individual annuities	673,838	101.9	656,079	97.4	569,359	86.8
Total	¥ 3,200,699	112.2	¥ 3,519,640	110.0	¥ 3,777,348	107.3
Medical coverage, living benefits and other	257,460	113.2	293,413	114.0	333,857	113.8

Notes:

- Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.
- "Medical coverage, living benefits and other" includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).

2) New Policies

(Millions of yen, %)

For the years ended March 31	2015		2016		2017	
		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison
Individual insurance	¥ 457,852	104.3%	¥ 485,374	106.0%	¥ 507,988	104.7%
Individual annuities	162,575	90.4	105,100	64.6	19,429	18.5
Total	¥ 620,427	100.2	¥ 590,474	95.2	¥ 527,417	89.3
Medical coverage, living benefits and other	41,120	83.6	49,588	120.6	55,739	112.4

Notes:

- Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.
- "Medical coverage, living benefits and other" includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits) and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).

(3) New Policies by Product

(Number of policies, millions of yen)

For the years ended March 31	2015		2016		2017	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	2,381,977	¥ 7,002,593	2,397,286	¥ 7,168,485	2,441,232	¥ 7,847,481
Ordinary whole life insurance	292,827	1,002,218	385,036	1,198,852	607,993	1,788,082
Fixed amount type	84,197	226,816	187,082	456,306	332,216	759,054
Increased amount type	208,630	775,402	197,954	742,546	275,777	1,029,027
Special whole life insurance	297,911	1,052,297	277,490	1,027,512	314,673	1,250,539
Ordinary term insurance	539	1,209	409	914	455	1,058
Ordinary endowment insurance	777,359	2,163,389	941,743	2,668,545	881,969	2,898,010
Special endowment insurance	344,033	1,380,944	310,548	1,214,803	288,389	1,164,671
Designated endowment insurance	1,400	1,738	1,033	1,299	802	1,020
Educational endowment insurance	930	992	–	–	–	–
Educational endowment insurance with scholarship annuity	112	125	–	–	–	–
Educational endowment insurance (H24)	666,866	1,399,677	481,027	1,056,557	346,951	744,099
Individual annuities	137,965	¥ 493,582	63,542	¥ 219,721	10,624	¥ 39,797
Immediate term annuity	29,758	101,282	15,172	51,411	2,251	7,933
Deferred term annuity	108,207	392,300	48,370	168,310	8,373	31,864
Asset-formation insurance	26	¥ 0	20	¥ 0	18	¥ 0
Asset-formation savings insurance	25	0	20	0	18	0
Asset-formation housing funding insurance	1	0	–	–	–	–
Asset-formation annuities	3	¥ 13	–	¥ –	1	¥ 4
Asset-formation whole life annuity	3	13	–	–	1	4

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of the accumulated contribution payment as of the date of annuity payment commencement.
- Policy amount for "asset-formation insurance" is the amount of the first premium payment.
- "Educational endowment insurance (H24)" includes educational endowment insurance (H24) (without premium protection agreement).

(4) Policies in Force by Product

(Number of policies, millions of yen)

As of March 31	2015		2016		2017	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	13,539,479	¥39,159,046	15,350,407	¥44,406,257	17,150,748	¥50,097,987
Ordinary whole life insurance	1,899,469	6,383,252	2,194,077	7,241,490	2,692,370	8,636,024
Fixed amount type	440,434	1,120,353	612,244	1,534,396	912,498	2,209,735
Increased amount type	1,459,035	5,262,898	1,581,833	5,707,093	1,779,872	6,426,288
Special whole life insurance	1,357,312	4,376,825	1,590,936	5,237,290	1,855,456	6,286,734
Whole life insurance with nursing care benefit	129	379	125	364	123	354
Ordinary term insurance	3,662	15,662	3,661	16,037	3,738	16,422
Ordinary endowment insurance	5,544,136	13,917,569	6,218,219	15,677,004	6,809,519	17,590,358
Special endowment insurance	2,723,853	11,003,909	2,909,065	11,676,158	3,069,931	12,288,755
Designated endowment insurance	71,809	128,600	67,638	124,761	64,307	119,025
Educational endowment insurance	1,183,928	1,784,974	1,150,421	1,857,689	1,120,418	1,897,421
Educational endowment insurance with scholarship annuity	93,014	155,717	90,494	161,289	88,373	164,273
Educational endowment insurance (H24)	661,691	1,390,168	1,125,323	2,412,328	1,446,081	3,096,843
Husband-and-wife insurance	75	183	73	175	70	169
Whole life insurance with whole life annuity	400	1,799	374	1,665	361	1,600
Husband-and-wife insurance with husband-and-wife annuity	1	3	1	3	1	3
Individual annuities	1,318,287	¥ 3,615,908	1,367,445	¥ 3,476,492	1,363,121	¥ 3,131,186
Immediate whole life annuity	1,034	4,528	1,030	4,294	1,020	4,048
Deferred whole life annuity	10,827	86,320	10,494	83,196	10,216	80,400
Whole life annuity with additional nursing annuity	5	51	5	51	5	51
Immediate term annuity	383,967	765,755	394,959	684,684	392,394	556,451
Deferred term annuity	922,442	2,759,172	960,945	2,704,185	959,474	2,490,157
Immediate husband-and-wife annuity	2	6	2	6	2	6
Deferred husband-and-wife annuity	10	72	10	72	10	71
Asset-formation insurance	216	¥ 175	168	¥ 136	132	¥ 114
Asset-formation savings insurance	208	165	161	126	125	102
Asset-formation housing funding insurance	8	10	7	9	7	12
Asset-formation annuities	12	¥ 51	12	¥ 51	13	¥ 56
Asset-formation whole life annuity	12	51	12	51	13	56

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.
- Policy amount for "asset-formation insurance" is the amount of policy reserves.
- "Educational endowment insurance (H24)" includes educational endowment insurance (H24) (without premium protection agreement).

(5) Policies in Force by Benefit Type

(Millions of yen)

As of March 31			Policy amount in force		
			2015	2016	2017
Death benefit	General death	Individual insurance	¥ 37,768,877	¥ 41,993,929	¥ 47,001,143
		Individual annuities	–	–	–
		Group insurance	–	–	–
		Group annuities	–	–	–
		Net, including others	88,291,510	84,007,365	81,178,001
	Accidental death	Individual insurance	[46,526,034]	[51,394,045]	[55,809,032]
		Individual annuities	[15,447]	[15,113]	[14,781]
		Group insurance	[–]	[–]	[–]
		Group annuities	[–]	[–]	[–]
		Net, including others	[132,584,532]	[124,324,080]	[117,065,108]
	Other conditional death	Individual insurance	[–]	[–]	[–]
		Individual annuities	[–]	[–]	[–]
		Group insurance	[–]	[–]	[–]
		Group annuities	[–]	[–]	[–]
		Net, including others	[–]	[–]	[–]
Survival benefit	Maturity/living benefits	Individual insurance	1,390,168	2,412,328	3,096,843
		Individual annuities	1,433,551	1,286,840	1,018,299
		Group insurance	–	–	–
		Group annuities	–	–	–
		Net, including others	5,717,790	6,229,815	6,352,313
	Annuities	Individual insurance	[22,062]	[21,450]	[20,956]
		Individual annuities	[470,687]	[488,335]	[487,045]
		Group insurance	[–]	[–]	[–]
		Group annuities	[–]	[–]	[–]
		Net, including others	[1,725,640]	[1,564,838]	[1,402,586]
	Others	Individual insurance	–	–	–
		Individual annuities	2,182,357	2,189,651	2,112,887
		Group insurance	–	–	–
		Group annuities	–	–	–
		Net, including others	11,927,372	11,692,836	11,402,938
Hospitalization benefit	Hospitalization due to accident	Individual insurance	[42,604]	[46,427]	[50,097]
		Individual annuities	[37]	[36]	[35]
		Group insurance	[–]	[–]	[–]
		Group annuities	[–]	[–]	[–]
		Net, including others	[114,039]	[107,383]	[101,209]
	Hospitalization due to illness	Individual insurance	[41,924]	[45,750]	[49,423]
		Individual annuities	[9]	[8]	[8]
		Group insurance	[–]	[–]	[–]
		Group annuities	[–]	[–]	[–]
		Net, including others	[112,858]	[106,359]	[100,315]
	Other conditional hospitalization	Individual insurance	[7,003]	[7,644]	[8,259]
		Individual annuities	[6]	[5]	[5]
		Group insurance	[–]	[–]	[–]
		Group annuities	[–]	[–]	[–]
		Net, including others	[13,543]	[13,129]	[13,016]

Notes:

- Figures within brackets “[]” are supplementary benefits of the basic policy and rider benefits.
- Policy amounts for “individual annuities” in the “maturity/living benefits” column in “survival benefit” are the accumulated contribution payments as of the date of annuity payment commencement for the annuity before payments commence.
- Policy amounts of “annuities” in survival benefit are the amounts of annuities to be paid annually.
- Policy amounts of “others” in survival benefit are the amounts of policy reserves for individual annuities (the annuity after payments have commenced).
- Policy amounts for “hospitalization benefits” are the amounts of daily hospitalization benefits.

(Number of policies)

As of March 31		Number of policies in force		
		2015	2016	2017
Disability benefit	Individual insurance	[9,451,508]	[10,199,136]	[10,758,476]
	Individual annuities	[4,181]	[4,091]	[4,008]
	Group insurance	[-]	[-]	[-]
	Group annuities	[-]	[-]	[-]
	Net, including others	[27,208,821]	[25,383,257]	[23,659,852]
Surgery benefit	Individual insurance	[10,343,759]	[11,485,819]	[12,577,107]
	Individual annuities	[6,755]	[6,606]	[6,462]
	Group insurance	[-]	[-]	[-]
	Group annuities	[-]	[-]	[-]
	Net, including others	[27,826,182]	[26,468,796]	[25,584,202]

Note: Figures within brackets “[]” are supplementary benefits of the basic policy and rider benefits.

(6) Policies in Force by Type of Policy of Individual Insurance and Individual Annuity

(Millions of yen)

As of March 31		Policy amount in force		
		2015	2016	2017
Death protection insurance	Whole life insurance	¥ 10,760,457	¥ 12,479,144	¥ 14,923,113
	Whole life insurance with term rider	–	–	–
	Term insurance	15,662	16,037	16,422
	Net, including others	10,777,922	12,496,850	14,941,139
Mixed insurance	Endowment insurance	25,050,079	27,477,924	29,998,139
	Endowment insurance with term rider	–	–	–
	Net, including others	26,990,955	29,497,078	32,060,004
Pure endowment insurance		1,390,168	2,412,328	3,096,843
Annuities	Individual annuities	3,615,908	3,476,492	3,131,186
Accident/illness riders	Accident rider	26,207,252	28,171,519	29,739,659
	Nursing care rider	243	232	225
	Accident hospitalization rider	42	38	36
	Illness hospitalization rider	1	1	1
	Illness and accident hospitalization rider	1,711	1,645	1,579
	Non-participating accident hospitalization rider	666	666	665
	Non-participating illness and accident hospitalization rider	40,221	44,112	47,852

Notes:

1. Policy amounts for “individual annuities” are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.
2. Policy amounts for “hospitalization riders” are the amounts of daily hospitalization benefits.

(7) Trend of Changes in Policies

1) Individual Insurance

(Number of policies, millions of yen, %)

For the years ended March 31	2015		2016		2017	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the fiscal year	11,668,254	¥ 33,735,661	13,539,479	¥ 39,159,046	15,350,407	¥ 44,406,257
New policies	2,381,977	7,002,593	2,397,286	7,168,485	2,441,232	7,847,481
Renewals	—	—	—	—	—	—
Reinstatements	10,739	29,138	11,025	30,100	12,132	33,118
Increase in coverage amount	[—]	—	[2]	0	[1]	0
Increase by conversion	—	—	—	—	—	—
Death	15,839	39,277	19,350	47,668	24,419	59,052
Maturity	4,733	5,913	6,907	8,794	9,763	12,160
Decrease in coverage amount	[58,691]	182,528	[74,484]	227,725	[88,130]	265,514
Decrease by conversion	—	—	—	—	—	—
Surrender	424,434	1,353,923	490,707	1,592,068	523,686	1,675,088
Lapse	74,557	220,088	75,747	223,992	76,953	226,414
Decrease by other changes	1,928	(193,385)	4,672	(148,873)	18,202	(49,361)
At the end of the fiscal year	13,539,479	39,159,046	15,350,407	44,406,257	17,150,748	50,097,987
[Increase ratio]	[16.0 %]	[16.1 %]	[13.4 %]	[13.4 %]	[11.7 %]	[12.8 %]
Net increase	1,871,225	5,423,385	1,810,928	5,247,211	1,800,341	5,691,729
[Increase ratio]	[4.2 %]	[3.2 %]	[(3.2)%]	[(3.2)%]	[(0.6)%]	[8.5 %]

Notes:

- The policy amounts are the total of policy amounts for the main part of death protection insurance, mixed insurance and pure endowment insurance.
- Numbers of policies for "increase in coverage amount" and "decrease in coverage amount" are not included in "at the end of the fiscal year" or in "net increase."
- Policy amount for "increase in coverage amount" includes the amount of policy amount increase agreements, similar type policy amount increase agreements, policy term extension agreements and payment period extension agreements.

2) Individual Annuities

(Number of policies, millions of yen, %)

For the years ended March 31	2015		2016		2017	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the fiscal year	1,194,072	¥ 3,443,863	1,318,287	¥ 3,615,908	1,367,445	¥ 3,476,492
New policies	137,965	493,582	63,542	219,721	10,624	39,797
Reinstatements	87	370	93	383	92	418
Increase by conversion	—	—	—	—	—	—
Death	5,183	13,072	5,987	13,968	7,373	14,745
Full payment	—	—	—	—	—	—
Decrease in coverage amount	[251]	802	[254]	807	[244]	679
Decrease by conversion	—	—	—	—	—	—
Surrender	8,145	27,139	8,009	25,903	7,256	23,094
Lapse	414	1,509	411	1,575	337	1,342
Decrease by other changes	95	279,384	70	317,267	74	345,659
At the end of the fiscal year	1,318,287	3,615,908	1,367,445	3,476,492	1,363,121	3,131,186
[Increase ratio]	[10.4 %]	[5.0 %]	[3.7 %]	[(3.9)%]	[(0.3)%]	[(9.9)%]
Net increase	124,215	172,045	49,158	(139,416)	(4,324)	(345,305)
[Increase ratio]	[(8.7)%]	[(31.0)%]	[(60.4)%]	[—]	[—]	[—]

Notes:

- Policy amounts for "individual annuities" are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.
- Number of policies for "decrease in coverage amount" is not included in "at the end of the fiscal year" or in "net increase."

3) Group Insurance

Not applicable.

4) Group Annuities

Not applicable.

(8) Embedded Value (“EV”)

Since the end of the year ended March 31, 2013, we have been disclosing EV calculated on the basis of the European Embedded Value Principles (“EEV Principles”).

Notes:

The EEV Principles and Guidance were published in May 2004 by the CFO Forum, a group representing the Chief Financial Officers of major European insurance companies, in order to improve consistency and transparency in EV calculation and reporting.

1) EV Results

(Billions of yen)

As of March 31	2015 (Restated (Note 1))	2016 (Restated (Note 1))	2017	
			2017	Increase (Decrease)
EV	¥ 3,613.7	¥ 3,151.0	¥ 3,355.6	¥ 204.6
Adjusted net worth	1,739.6	1,894.3	1,965.2	70.9
Total net assets on the balance sheet (Note 2)	1,412.0	1,472.4	1,527.4	54.9
Reserve for price fluctuations (Note 3)	85.3	146.4	140.2	(6.1)
Contingency reserve (Note 3)	315.8	363.1	415.2	52.0
Others (Note 4)	59.3	76.4	52.6	(23.7)
Tax effect on the above	(132.8)	(164.1)	(170.3)	(6.1)
Value of in-force covered business	1,874.0	1,256.7	1,390.4	133.6
Certainty equivalent present value of future profits	2,219.2	1,875.1	1,960.1	85.0
Time value of financial options and guarantees	(223.4)	(417.2)	(408.2)	8.9
Cost of holding required capital	(0.1)	(0.0)	(0.0)	(0.0)
Allowance for non-hedgeable risk	(121.5)	(201.1)	(161.4)	39.6

For the years ended March 31	2015 (Restated (Note 1))	2016 (Restated (Notes 1 and 5))	2017 (Note 5)	
			2017	Increase (Decrease)
Value of new business	¥ 154.9	¥ 192.7	¥ 36.8	¥ (155.8)
Certainty equivalent present value of future profits	182.5	201.2	97.0	(104.2)
Time value of financial options and guarantees	(17.2)	(8.5)	(41.7)	(33.2)
Cost of holding required capital	(3.2)	(0.0)	(0.0)	(0.0)
Allowance for non-hedgeable risk	(7.1)	(0.0)	(18.3)	(18.3)

Notes:

- The EV as of March 31, 2016 and the value of new business for the year ended March 31, 2016 have been restated by using an extrapolation approach for risk-free rates at longer durations, which uses an ultimate forward rate instead of the previous method of setting the assumed forward rate to be constant at and beyond the last duration for which market data are available. For consistency, the EV as of March 31, 2015 and the value of new business for the year ended March 31, 2015 have been restated by using a method after making the same changes. For details, please refer to “4) Main EV Assumptions (i).”
- The total net assets are the total net assets as on the consolidated balance sheet, excluding the total amount of accumulated other comprehensive income.
In addition, the board benefit trust reported as treasury stock has been added at book value.
- Excluding amounts in respect of the Postal Life Insurance policies that are included in the VIF.
- Unrealized gains/losses on securities, loans, and general reserve for possible loan losses (excluding those related to insurance policies) and unfunded retirement benefit obligations (unrecognized prior service cost and unrecognized actuarial differences).
- We have changed the method of calculating the value of new business for the year ended March 31, 2017 from a stand-alone approach to a marginal approach. For a stand-alone approach, the value of new business is calculated based on the profit and loss of new business alone, independently from the in-force covered business. For a marginal approach, the value of new business is based on the difference between the EV calculated on the basis of the profit and loss of all in-force covered business if new business had been obtained and that if new business had not been obtained.
For consistency, the value of new business for the year ended March 31, 2016 has been restated by using a method after making the same changes. For details, please refer to “5) Notes on the Use of Results (ii).”

2) Movement Analysis

(Billions of yen)

	Adjusted net worth	Value of in-force covered business	EV
Values as of March 31, 2016	¥ 1,894.3	¥ 1,256.7	¥ 3,151.0
(1) Opening adjustments	(33.6)	—	(33.6)
Values as of March 31, 2016 after adjustment	¥ 1,860.7	¥ 1,256.7	¥ 3,117.4
(2) Value of new business	—	36.8	36.8
(3) Expected existing business contribution (risk-free rate)	(2.2)	90.0	87.7
(4) Expected existing business contribution (in excess of risk-free rate)	0.8	20.9	21.8
(5) Expected transfer from value of in-force covered business to adjusted net worth	137.9	(137.9)	—
On in-force at the beginning of the fiscal year	165.0	(165.0)	—
On new business	(27.1)	27.1	—
(6) Non-economic experience variances	(3.6)	(13.3)	(17.0)
(7) Non-economic assumption changes	—	22.7	22.7
(8) Economic variances	(28.3)	114.3	85.9
Values as of March 31, 2017	¥ 1,965.2	¥ 1,390.4	¥ 3,355.6

3) Sensitivities

(Billions of yen)

Assumptions	EV		Value of new business	
		Change in EV		Change in value of new business
Base Scenario March 31, 2017	¥ 3,355.6	¥ —	¥ 36.8	¥ —
Sensitivity 1 50bp increase in risk-free rate (Note 1)	3,560.7	205.0	165.0	128.1
Sensitivity 2 50bp decrease in risk-free rate (Notes 1 and 2)	2,942.7	(412.9)	(156.8)	(193.7)
Sensitivity 3 10% decrease in equity and real estate value	3,269.6	(86.0)	36.8	—
Sensitivity 4 10% decrease in maintenance expenses	3,513.3	157.6	65.8	29.0
Sensitivity 5 10% decrease in surrender and lapse rates	3,382.2	26.5	43.5	6.6
Sensitivity 6 5% decrease in claim incidence rates for life business	3,465.9	110.3	45.8	9.0
Sensitivity 7 5% decrease in claim incidence rates for annuity business	3,233.0	(122.6)	36.8	(0.0)
Sensitivity 8 Change the required capital to statutory minimum	3,355.6	0.0	36.8	—
Sensitivity 9 25% increase in implied volatilities of equity and real estate values	3,299.0	(56.6)	30.0	(6.7)
Sensitivity 10 25% increase in implied volatilities of swaptions	3,216.4	(139.2)	36.5	(0.2)

Notes:

- For the long-duration risk-free rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.
- The 50bp decrease is applied to both positive and negative risk-free rates, without a floor.

4) Main EV Assumptions

(i) Economic Assumptions

Based on the assets held by Japan Post Insurance, the risk-free rates for use in the certainty equivalent calculation have been determined based on Japanese government bonds as of the valuation date.

The table on the right shows, for selected terms, the risk-free rates (converted to spot rates) used for the calculation. For interest rates at longer durations, for which reference rates are not available, we take an extrapolation approach utilizing an ultimate forward rate assumed to converge over a period of time to a fixed ultimate level, commonly set based on macroeconomic or other methods.

We have assumed an ultimate forward rate of 3.5%, and as the market of Japanese government bonds beyond 30 years is not considered deep and liquid, we have determined the extrapolation entry term as 30 years. For the forward rate for year 31 and later years, we have applied the Smith-Wilson approach with convergence to the ultimate forward rate over 30 years.

Term (Years)	For calculation of the value of in-force covered business		For calculation of the value of new business	
	March 31, 2016	March 31, 2017	September 30, 2015	September 30, 2016
1	(0.154)%	(0.254)%	0.010%	(0.318)%
2	(0.206)%	(0.204)%	0.015%	(0.289)%
3	(0.229)%	(0.179)%	0.018%	(0.286)%
4	(0.205)%	(0.148)%	0.037%	(0.265)%
5	(0.190)%	(0.124)%	0.062%	(0.249)%
10	(0.048)%	0.068%	0.352%	(0.083)%
15	0.209%	0.375%	0.785%	0.144%
20	0.454%	0.663%	1.203%	0.376%
25	0.601%	0.828%	1.431%	0.465%
30	0.571%	0.881%	1.497%	0.472%
40	0.965%	1.271%	1.795%	0.909%
50	1.431%	1.682%	2.107%	1.387%
60	1.768%	1.978%	2.334%	1.732%

Source: Analysis of Ministry of Finance data

(ii) Non-Economic Assumptions

All cash flows (premiums, expenses, claims and benefits, cash surrender values, taxes, etc.) are projected applying the best estimate assumptions up to the termination of the policies. Best estimate assumptions are specified by product group, considering recent experience and expected future prospects.

5) Notes on the Use of Results

- (i) As the profits arising from the release of the contingency reserve and reserve for price fluctuations related to the Postal Life Insurance policies form a part of the reinsurance dividend paid to the Management Organization, the EV calculations take into consideration the profits net of this reinsurance dividend. Therefore, the contingency reserve and reserve for price fluctuations related to these policies are included in the VIF, rather than the ANW, as it is assumed that these reserves will be released in the future.
- (ii) For Japan Post Insurance, the actual level of policyholder dividends is determined based on the profit and loss of all in-force business, not on profit and loss for new business alone. Therefore, we have changed the method of calculating the value of new business for the year ended March 31, 2017 from a stand-alone approach to a marginal approach. For a stand-alone approach, the value of new business is calculated based on the profit and loss of new business alone, independently from the in-force covered business. For a marginal approach, the value of new business is based on the difference between the EV calculated on the basis of the profit and loss of all in-force covered business if new business had been obtained and that if new business had not been obtained. As a result of applying the marginal approach, effects such as a reduction of risk due to diversification associated with the sale of new business are also included in the value of new business.
The change of the calculation method of the value of new business does not have any effect on the EV at the end of the fiscal year.
For consistency, the value of new business for the year ended March 31, 2016 has been restated by using the same method.
- (iii) The calculation of EV is based on many assumptions, including future outlook, which involves certain risks and uncertainties. Since actual performance may differ materially from these assumptions, we strongly recommend that users exercise caution.
- (iv) We requested an independent actuarial firm to review the assumptions and the calculation of the Company's EV results and obtained a written opinion verifying the validity. For further details of this written opinion and the Company's EV, please refer to the Company's website (http://www.jp-life.japanpost.jp/en/news/2017/en_news_id000060.html).

6-3 Insurance Policy Indicators

(1) Policies in Force and New Policies

1) Policies in Force

(Number of policies, millions of yen, %)

As of March 31	2015				2016				2017			
	Number of policies		Policy amount		Number of policies		Policy amount		Number of policies		Policy amount	
		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease
Individual insurance	13,539,479	16.0%	¥ 39,159,046	16.1%	15,350,407	13.4%	¥ 44,406,257	13.4%	17,150,748	11.7%	¥ 50,097,987	12.8%
Death protection insurance	3,260,973	17.0	10,777,922	17.8	3,789,174	16.2	12,496,850	15.9	4,552,049	20.1	14,941,139	19.6
Mixed insurance	9,616,815	8.3	26,990,955	9.8	10,435,910	8.5	29,497,078	9.3	11,152,618	6.9	32,060,004	8.7
Pure endowment insurance	661,691	—	1,390,168	—	1,125,323	70.1	2,412,328	73.5	1,446,081	28.5	3,096,843	28.4
Individual annuities	1,318,287	10.4	3,615,908	5.0	1,367,445	3.7	3,476,492	(3.9)	1,363,121	(0.3)	3,131,186	(9.9)
Group insurance	—	—	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—	—	—
Asset-formation insurance	216	(16.3)	175	(19.4)	168	(22.2)	136	(22.3)	132	(21.4)	114	(15.6)
Asset-formation annuities	12	20.0	51	20.9	12	0.0	51	0.0	13	8.3	56	8.5

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.
- Policy amount for "asset-formation insurance" is the amount of policy reserves.

2) New Policies

(Number of policies, millions of yen, %)

For the years ended March 31	2015				2016				2017			
	Number of policies		Policy amount		Number of policies		Policy amount		Number of policies		Policy amount	
		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease
Individual insurance	2,381,977	6.6%	¥ 7,002,593	6.8%	2,397,286	0.6%	¥ 7,168,485	2.4%	2,441,232	1.8%	¥ 7,847,481	9.5%
Death protection insurance	591,277	(10.0)	2,055,726	(5.7)	662,935	12.1	2,227,279	8.3	923,121	39.2	3,039,679	36.5
Mixed insurance	1,123,834	(28.7)	3,547,189	(19.0)	1,253,324	11.5	3,884,648	9.5	1,171,160	(6.6)	4,063,701	4.6
Pure endowment insurance	666,866	—	1,399,677	—	481,027	(27.9)	1,056,557	(24.5)	346,951	(27.9)	744,099	(29.6)
Individual annuities	137,965	(7.3)	493,582	(5.8)	63,542	(53.9)	219,721	(55.5)	10,624	(83.3)	39,797	(81.9)
Group insurance	—	—	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—	—	—
Asset-formation insurance	26	(23.5)	0	(24.8)	20	(23.1)	0	(18.8)	18	(10.0)	0	(41.5)
Asset-formation annuities	3	0.0	13	5.3	—	(100.0)	—	(100.0)	1	—	4	—

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of the accumulated contribution payment as of the date of annuity payment commencement.
- Policy amount for "asset-formation insurance" is the amount of the first premium payment.

(2) Average Policy Amount of New Policies and Policies in Force (individual insurance)

(Thousands of yen)

Items	New Policies			Policies in Force		
	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017
Individual insurance	¥ 2,939	¥ 2,990	¥ 3,214	¥ 2,892	¥ 2,892	¥ 2,921
Death protection insurance	3,476	3,359	3,292	3,305	3,298	3,282
Mixed insurance	3,156	3,099	3,469	2,806	2,826	2,874
Pure endowment insurance	2,098	2,196	2,144	2,100	2,143	2,141

(3) Ratio of New Policies (against the policy in force at the beginning of fiscal year)

(%)

For the years ended March 31	2015	2016	2017
Individual insurance	20.8%	18.3%	17.7%
Individual annuities	14.3	6.1	1.1
Group insurance	—	—	—

Note: This refers to the ratio of the policy amount of new policies against the policy amount in force at the beginning of fiscal year.

(4) Ratio of Surrender and Lapse (against the policy in force at the beginning of fiscal year)

(%)

For the years ended March 31	2015	2016	2017
Individual insurance	5.1%	5.1%	4.8%
Individual annuities	1.5	1.4	1.3
Group insurance	—	—	—

Notes:

- Ratio of surrender and lapse is calculated based on the policy amount associated with surrenders and lapses as modified by decrease or increase in policy amount, as well as the amount of the policy reinstatement.
- Ratio of surrender and lapse for "individual annuities" is based on the annuity before payments commence.

(5) Average Premium for New Policies of Individual Insurance (monthly payment agreement)

(Yen)

For the years ended March 31	2015	2016	2017
Individual insurance	¥ 242,088	¥ 259,071	¥ 272,661

Note: These are annual premiums for the policies involving monthly payment agreement.

(6) Mortality Rates (basic policies in individual insurance)

(‰)

For the years ended March 31	2015	2016	2017
In terms of number of policies	1.26‰	1.34‰	1.50‰
In terms of policy amount	1.08	1.14	1.25

Notes:

- Mortality rates are calculated by dividing the number of/policy amount for policies filing death claim by the number of/policy amount for policies exposed to risk.
- Number of/policy amount for policies exposed to risk is calculated by the formula as follows:
(Number of/policy amount for policies in force at the beginning of fiscal year + number of/policy amount for policies in force at the end of fiscal year + the number of/policy amount for policies filing death claim) ÷ 2

(7) Ratio of Riders Filing Claim (individual insurance)

(%)

For the years ended March 31		2015	2016	2017
Accident death benefit	In terms of number of policies	0.09%	0.10%	0.10%
	In terms of policy amount	0.07	0.08	0.09
Disability benefit	In terms of number of policies	0.14	0.15	0.17
	In terms of policy amount	0.04	0.05	0.05
Accident hospitalization benefit	In terms of number of policies	3.94	4.28	4.62
	In terms of policy amount	0.13	0.13	0.14
Illness hospitalization benefit	In terms of number of policies	34.78	37.52	39.31
	In terms of policy amount	0.72	0.78	0.81
Accident surgery benefit	In terms of number of policies	2.68	2.80	3.00
	In terms of policy amount	0.04	0.05	0.05
Illness surgery benefit	In terms of number of policies	21.13	22.77	24.08
	In terms of policy amount	0.54	0.57	0.61
Accident outpatient benefit	In terms of number of policies	0.37	0.41	0.43
	In terms of policy amount	0.00	0.01	0.00
Illness outpatient benefit	In terms of number of policies	1.28	1.42	1.65
	In terms of policy amount	0.02	0.02	0.02
Nursing care benefit	In terms of number of policies	0.00	0.00	0.00
	In terms of policy amount	0.00	0.00	0.00
Accident long-term hospitalization benefit	In terms of number of policies	0.08	0.09	0.10
	In terms of policy amount	0.00	0.00	0.00
Illness long-term hospitalization benefit	In terms of number of policies	0.70	0.75	0.87
	In terms of policy amount	0.02	0.02	0.02

Notes:

- Ratio of the number of/policy amount for riders filing claim is calculated by dividing the number of/policy amount for riders filing claim by the number of/policy amount for policies exposed to risk.
- Number of/policy amount for policies exposed to risk is calculated by the formula as follows:

$$(\text{Number of/policy amount for policies in force at the beginning of fiscal year} + \text{number of/policy amount for policies in force at the end of fiscal year} + \text{the number of/policy amount for policies filing full-paid rider claim}) \div 2$$

(8) Ratio of Operating Expenses (against premium revenues)

(%)

For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
8.61%	9.93%	11.13%

(9) In the Cases Where Insurance Policies are Reinsured, Number of Principal Insurance Companies Accepting Reinsurance

(Number of companies)

For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
1	3	3

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

(10) In the Cases Where Insurance Policies are Reinsured, Ratio of Reinsurance Premiums Paid to the Top Five Reinsurers in Terms of the Volume of Reinsurance Premiums Paid, Against Reinsurance Premiums Paid to All Reinsurers Accepting Reinsurance

(%)

For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
100.0%	100.0%	100.0%

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

(11) In the Cases Where Insurance Policies are Reinsured, Ratio of Reinsurance Premiums Paid, of Each Group of Principal Reinsurers Accepting Reinsurance, Where the Grouping is Done Based on Ratings by a Rating Agency

(%)

Category of credit ratings	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
A or superior	100.0%	100.0%	100.0%
BBB or superior	–	–	–
Other	–	–	–

Notes:

- The above ratings are based on the ratings provided by S&P (Standard & Poor's) at each fiscal year-end, where "A or superior" represents A- or superior, while "BBB or superior" represents the range from BBB- to less than A-.
- This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

(12) Amount of Reinsurance Proceeds Yet to be Recovered

(Millions of yen)

As of March 31, 2015	As of March 31, 2016	As of March 31, 2017
¥ 627	¥ 1,177	¥ 1,866

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

(13) Ratio of the Insurance Amount Paid Against Earned Premiums by Reason of Benefit or Class of Insurance in Third-Sector Insurance

(%)

For the years ended March 31	2015	2016	2017
Claim-filing ratio in third-sector insurance	42.6%	42.5%	42.5%
Medical (Illness)	33.1	33.0	32.8
Cancer	–	–	–
Nursing care	49.7	42.2	49.0
Other	92.0	93.0	93.3

6-4 Accounting Data

(1) Reserve for Outstanding Claims

(Millions of yen)

As of March 31		2015	2016	2017
Insurance claims	Death benefits	¥ 14,602	¥ 9,975	¥ 10,075
	Accidental benefits	1,786	1,602	1,925
	Serious disability benefits	424	298	1,105
	Maturity benefits	437	560	655
	Other	670,870	587,905	523,185
	Subtotal	688,122	600,342	536,947
Annuity payments		4,486	4,916	5,830
Benefits		12,483	13,886	15,934
Surrender benefits		10,916	13,596	16,365
Deferred insurance benefits payment		—	—	—
Net, including other reserve for outstanding claims		718,156	635,167	577,376

(2) Policy Reserves

(Millions of yen)

As of March 31		2015	2016	2017
Policy reserves [excluding contingency reserve]	Individual insurance	¥ 17,002,000	¥ 19,917,093	¥ 22,871,669
	[General account]	[17,002,000]	[19,917,093]	[22,871,669]
	[Separate account]	[—]	[—]	[—]
	Individual annuities	3,454,976	3,358,246	3,038,767
	[General account]	[3,454,976]	[3,358,246]	[3,038,767]
	[Separate account]	[—]	[—]	[—]
	Group insurance	—	—	—
	[General account]	[—]	[—]	[—]
	[Separate account]	[—]	[—]	[—]
	Group annuities	—	—	—
	[General account]	[—]	[—]	[—]
	[Separate account]	[—]	[—]	[—]
	Other	52,156,913	46,712,315	42,010,770
	[General account]	[52,156,913]	[46,712,315]	[42,010,770]
[Separate account]	[—]	[—]	[—]	
Subtotal	72,613,890	69,987,656	67,921,206	
[General account]	[72,613,890]	[69,987,656]	[67,921,206]	
[Separate account]	[—]	[—]	[—]	
Contingency reserve		2,498,711	2,374,846	2,254,027
Total		75,112,601	72,362,503	70,175,234
[General account]	[75,112,601]	[72,362,503]	[70,175,234]	
[Separate account]	[—]	[—]	[—]	

Note: "Other" includes asset-formation insurance, asset-formation annuities and receiving reinsurance.

(3) Balance of Policy Reserves

(Millions of yen)

	Insurance premium reserves	Unearned premiums	Reserve for refunds	Contingency reserve	Total
As of March 31, 2015	¥ 60,938,274	¥ 11,675,615	¥ —	¥ 2,498,711	¥ 75,112,601
As of March 31, 2016	58,405,526	11,582,129	—	2,374,846	72,362,503
As of March 31, 2017	56,550,856	11,370,350	—	2,254,027	70,175,234

(4) Reserving Method, Reserve Ratio and Reserve Balance for Policy Reserves in Individual Insurance and Individual Annuities (by contract year)

1) Reserving Method and Reserve Ratio for Policy Reserves

As of March 31		2015	2016	2017
Reserving method	Contracts subject to the standard policy reserves	The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves)	The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves)	The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves)
	Contracts outside the scope of the standard policy reserves	—	—	—
Reserve ratio (excluding contingency reserve)		100.0%	100.0%	100.0%

Notes:

- Individual insurance and individual annuities are subject to the reserving method and the reserve ratio. Asset-formation insurance, asset-formation annuities and reinsurance contracts from the Management Organization are not included here, while they are computed based on the net level premium method.
- Reserve ratios here are the ratios against insurance premium reserves and unearned premiums as calculated by the method prescribed by the public notification No. 48 issued by the Ministry of Finance in 1996.

2) Balance of Policy Reserves (by contract year)

(Millions of yen)

Contract year	Balance of policy reserves	Assumed rates of return
For the years ended March 31, 2008 to 2011	¥ 9,204,172	1.00%-1.50%
For the year ended March 31, 2012	3,047,893	0.80%-1.50%
For the year ended March 31, 2013	3,058,659	0.70%-1.50%
For the year ended March 31, 2014	2,939,966	0.70%-1.00%
For the year ended March 31, 2015	3,118,315	0.55%-1.00%
For the year ended March 31, 2016	2,506,304	0.50%-1.00%
For the year ended March 31, 2017	2,035,125	0.50%-1.00%

Notes:

- Balance of policy reserves includes policy reserves for individual insurance and individual annuities (excluding policy reserves in the separate account and the contingency reserve).
- Assumed rates of return here refer to the main assumed rates of return applicable to policy reserves by contract year.

(5) Balance of Policy Reserves in General Account Associated with Insurance Policies Involving a Separate Account with a Guarantee for Minimum Insurance Claims and Others, Their Calculation Methods and the Multiplier Used in Such Calculation

Not applicable as of March 31, 2015, 2016 and 2017.

(6) Rationality and Adequacy of the Confirmation under Article 121, Paragraph 1, Item 1 of the Insurance Business Act (limited to the confirmation pertaining to third-sector insurance)

1) Principles for Ensuring Appropriateness of Reserving Practice for Policy Reserves in Third-sector Insurance

We carry out the liability adequacy test and stress test as required by laws and regulations in order to ensure a sufficient level of policy reserves.

The scope of the stress test includes the applicable products of Postal Life Insurance.

2) Rationality and Adequacy of Risk Frequency and Others Assumed for the Purpose of the Liability Adequacy Test and Stress Test

For the purpose of assuming the risk frequency, we calculate the occurrence ratio that covers the fluctuations of payment of hospitalization benefits and others with a certain probability (99% and 97.7%) during the next 10 years, based on the historical actual payment of hospitalization benefits and others.

3) Results of the Liability Adequacy Test and Stress Test

We have verified as a result of the stress test that there is no need for an additional provision of contingency reserve or policy reserves in third-sector insurance, as the expected occurrence ratio we assumed beforehand adequately covers the risks expected to materialize in the future.

(7) Reserve for Policyholder Dividends

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance Asset-formation annuities	Other insurance	Total
For the year ended March 31, 2015							
Balance at the beginning of the fiscal year	¥ 55,117	¥ 1,317	¥ -	¥ -	¥ -	¥ 2,166,325	¥ 2,222,759
Interest accrual	179	4	-	-	-	1,313	1,497
Reduction due to policyholder dividends paid	1,788	17	-	-	-	347,881	349,687
Reduction due to the acquisition of additional annuity	-	3	-	-	-	369	372
Provision for reserve for policyholder dividends	10,361	(3)	-	-	-	190,363	200,722
Balance at the end of the fiscal year	63,869	1,297	-	-	-	2,009,752	2,074,919
	[52,991]	[1,295]	[-]	[-]	[-]	[-]	[54,287]
For the year ended March 31, 2016							
Balance at the beginning of the fiscal year	63,869	1,297	-	-	-	2,009,752	2,074,919
Interest accrual	129	3	-	-	-	-	132
Reduction due to policyholder dividends paid	2,395	18	-	-	-	313,832	316,246
Reduction due to the acquisition of additional annuity	-	2	-	-	-	313	315
Provision for reserve for policyholder dividends	7,544	0	-	-	-	170,458	178,004
Balance at the end of the fiscal year	69,148	1,280	-	-	-	1,866,065	1,936,494
	[61,238]	[1,279]	[-]	[-]	[-]	[-]	[62,518]
For the year ended March 31, 2017							
Balance at the beginning of the fiscal year	69,148	1,280	-	-	-	1,866,065	1,936,494
Interest accrual	24	0	-	-	-	-	25
Reduction due to policyholder dividends paid	2,543	14	-	-	-	313,793	316,351
Reduction due to the acquisition of additional annuity	-	1	-	-	-	281	283
Provision for reserve for policyholder dividends	15,617	1	-	-	-	137,061	152,679
Balance at the end of the fiscal year	82,247	1,266	-	-	-	1,689,052	1,772,565
	[66,346]	[1,264]	[-]	[-]	[-]	[-]	[67,610]

Note: Figures within brackets “[]” are accumulated dividends. Meanwhile, the reserve for policyholder dividends associated with the reinsurance from the Management Organization (¥2,009,752 million for the year ended March 31, 2015, ¥1,866,065 million for the year ended March 31, 2016 and ¥1,689,052 million for the year ended March 31, 2017) is scheduled to be distributed/paid to the Management Organization, based on the reinsurance contract.

(8) Reserves

(Millions of yen)

For the years ended March 31		2015			2016			2017		
		Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes in the fiscal year	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes in the fiscal year	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes in the fiscal year
Reserve for Possible Loan Losses	General reserve for possible loan losses	¥ 91	¥ 77	¥ (14)	¥ 77	¥ 71	¥ (6)	¥ 71	¥ 59	¥ (11)
	Specific reserve for possible loan losses	944	865	(78)	865	701	(164)	701	598	(102)
	Reserve for specific foreign loans	—	—	—	—	—	—	—	—	—
Reserve for possible claim payments		1,881	—	(1,881)	—	—	—	—	—	—
Reserve for employees' retirement benefits		64,489	65,645	1,156	65,645	66,675	1,030	66,675	67,040	365
Reserve for management board benefit trust		—	—	—	—	—	—	—	76	76
Reserve for price fluctuations		614,233	712,167	97,934	712,167	782,268	70,100	782,268	788,712	6,444

Note: Reason for reserving and its calculation method are omitted here as they are stated in the notes to non-consolidated financial statements.

(9) Provision for Reserve for Specific Foreign Loans

Not applicable for the years ended March 31, 2015, 2016 and 2017.

(10) Capital Stock, etc.

(Millions of yen)

		Balance at the beginning of the year ended March 31, 2017	Increase in the fiscal year	Decrease in the fiscal year	Balance at the end of the year ended March 31, 2017	Remarks
Capital stock		¥ 500,000	¥ —	¥ —	¥ 500,000	
Of which shares issued	[Common stock]	[600,000 thousand shares]	—	—	[600,000 thousand shares]	
		500,000	—	—	500,000	
	Total	500,000	—	—	500,000	
Capital surplus	[Legal capital surplus]	405,044	—	—	405,044	
	[Other capital surplus]	95,000	—	—	95,000	
	Total	500,044	—	—	500,044	

(11) Premiums

(Millions of yen)

For the years ended March 31	2015	2016	2017
Individual insurance	¥ 3,771,275	¥ 3,827,844	¥ 3,964,238
(Lump-sum payment)	—	—	—
(Annual payment)	—	—	—
(Semi-annual payment)	—	—	—
(Monthly payment)	3,771,275	3,827,844	3,964,238
Individual annuities	486,361	259,398	66,956
(Lump-sum payment)	321,477	226,117	41,042
(Annual payment)	—	—	—
(Semi-annual payment)	—	—	—
(Monthly payment)	164,883	33,281	25,913
Group insurance	—	—	—
Group annuities	—	—	—
Net, including other premiums	5,954,839	5,409,598	5,034,273

Note: "Net, including other premiums" includes asset-formation insurance, asset-formation annuities and reinsurance.

• Premiums by Income Year

(Millions of yen)

For the years ended March 31		2015	2016	2017
Individual insurance	First-year premiums	¥ 908,172	¥ 793,045	¥ 672,791
	Premiums for the following years	3,349,464	3,294,197	3,358,403
Individual annuities	Subtotal	4,257,637	4,087,242	4,031,194
Group insurance	First-year premiums	—	—	—
	Premiums for the following years	—	—	—
Group annuities	Subtotal	—	—	—
Net, including other premiums	First-year premiums	908,178	793,050	673,021
	Premiums for the following years	5,046,661	4,616,548	4,361,251
	Total	5,954,839	5,409,598	5,034,273

Note: "Net, including other premiums" includes asset-formation insurance, asset-formation annuities and reinsurance.

(12) Insurance Claims**1) Insurance Claims (amounts)**

(Millions of yen)

	Death benefits	Accidental benefits	Serious disability benefits	Maturity benefits	Other	Total
For the year ended March 31, 2015						
Individual insurance	¥ 36,089	¥ 3,125	¥ 775	¥ 5,710	¥ –	¥ 45,701
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	73	–	73
Other insurance	–	–	–	–	8,208,198	8,208,198
Total	36,089	3,125	775	5,784	8,208,198	8,253,973
For the year ended March 31, 2016						
Individual insurance	44,905	3,636	1,080	8,670	–	58,293
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	66	–	66
Other insurance	–	–	–	–	7,518,791	7,518,791
Total	44,905	3,636	1,080	8,736	7,518,791	7,577,151
For the year ended March 31, 2017						
Individual insurance	55,474	4,712	1,201	12,061	–	73,449
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	48	–	48
Other insurance	–	–	–	–	6,413,769	6,413,769
Total	55,474	4,712	1,201	12,109	6,413,769	6,487,267

Note: "Other insurance" includes reinsurance.

2) Insurance Claims (number of benefits)

(Number of benefits)

	Death benefits	Accidental benefits	Serious disability benefits	Maturity benefits	Other	Total
For the year ended March 31, 2015						
Individual insurance	14,747	1,412	291	4,603	–	21,053
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	42	–	42
Other insurance	–	–	–	–	22,599,566	22,599,566
Total	14,747	1,412	291	4,645	22,599,566	22,620,661
For the year ended March 31, 2016						
Individual insurance	18,342	1,651	420	6,813	–	27,226
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	45	–	45
Other insurance	–	–	–	–	20,119,804	20,119,804
Total	18,342	1,651	420	6,858	20,119,804	20,147,075
For the year ended March 31, 2017						
Individual insurance	22,633	2,120	476	9,411	–	34,640
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	28	–	28
Other insurance	–	–	–	–	17,229,430	17,229,430
Total	22,633	2,120	476	9,439	17,229,430	17,264,098

Note: "Other insurance" includes reinsurance.

(13) Annuities

(Millions of yen)

For the year ended March 31, 2015						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 29	¥ 304,067	¥ –	¥ –	¥ –	¥ –	¥ 304,096

For the year ended March 31, 2016						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 44	¥ 340,859	¥ –	¥ –	¥ –	¥ –	¥ 340,904

For the year ended March 31, 2017						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 62	¥ 371,154	¥ -	¥ -	¥ -	¥ -	¥ 371,216

(14) Benefits

1) Benefits (amounts)

(Millions of yen)

	Death benefits	Hospitalization benefits	Surgery benefits	Disability benefits	Living benefits	Other	Total
For the year ended March 31, 2015							
Individual insurance	¥ 1	¥ 22,782	¥ 15,545	¥ 1,012	¥ 1,606	¥ 560	¥ 41,509
Individual annuities	-	20	8	-	-	0	29
Group insurance	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-
Asset-formation insurance, asset-formation annuities	-	-	-	-	-	-	-
Other insurance	-	-	-	-	-	-	-
Total	1	22,802	15,553	1,012	1,606	561	41,538
For the year ended March 31, 2016							
Individual insurance	13	26,621	18,131	1,243	2,475	665	49,150
Individual annuities	-	27	10	3	-	0	41
Group insurance	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-
Asset-formation insurance, asset-formation annuities	-	-	-	-	-	-	-
Other insurance	-	-	-	-	-	-	-
Total	13	26,648	18,142	1,246	2,475	666	49,192
For the year ended March 31, 2017							
Individual insurance	22	30,405	20,858	1,438	3,543	799	57,068
Individual annuities	-	22	8	10	-	1	43
Group insurance	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-
Asset-formation insurance, asset-formation annuities	-	-	-	-	-	-	-
Other insurance	-	-	-	-	-	-	-
Total	22	30,428	20,866	1,448	3,543	800	57,111

2) Benefits (number of benefits)

(Number of benefits)

	Death benefits	Hospitalization benefits	Surgery benefits	Disability benefits	Living benefits	Other	Total
For the year ended March 31, 2015							
Individual insurance	38	372,041	211,756	1,239	8,722	8,004	601,800
Individual annuities	–	150	91	–	–	6	247
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	38	372,191	211,847	1,239	8,722	8,010	602,047
For the year ended March 31, 2016							
Individual insurance	110	441,230	251,830	1,480	12,833	9,498	716,981
Individual annuities	–	176	112	1	–	3	292
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	110	441,406	251,942	1,481	12,833	9,501	717,273
For the year ended March 31, 2017							
Individual insurance	130	497,059	286,092	1,716	17,909	11,715	814,621
Individual annuities	–	152	91	2	–	10	255
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	130	497,211	286,183	1,718	17,909	11,725	814,876

(15) Surrender Benefits

(Millions of yen)

For the year ended March 31, 2015						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 274,490	¥ 16,778	¥ –	¥ –	¥ 20	¥ –	¥ 291,290

For the year ended March 31, 2016						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 362,654	¥ 16,188	¥ –	¥ –	¥ 18	¥ –	¥ 378,862

For the year ended March 31, 2017						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 417,380	¥ 15,660	¥ –	¥ –	¥ 11	¥ –	¥ 433,053

(16) Depreciation and Amortization

(Millions of yen, %)

	Cost	Depreciation and amortization in the fiscal year	Accumulated depreciation and amortization	Balance at the end of the fiscal year	Accumulated depreciation percentage
For the year ended March 31, 2015					
Tangible fixed assets	¥ 117,097	¥ 5,750	¥ 63,535	¥ 53,562	54.3
Buildings	51,541	2,070	17,365	34,176	33.7
Leased assets	3,138	438	1,167	1,970	37.2
Other tangible fixed assets	62,417	3,241	45,001	17,415	72.1
Intangible fixed assets	325,147	29,770	167,566	157,580	51.5
Others	294	31	128	166	43.7
Total	442,539	35,552	231,230	211,308	52.3
For the year ended March 31, 2016					
Tangible fixed assets	134,865	6,672	63,808	71,056	47.3
Buildings	68,688	2,946	19,379	49,308	28.2
Leased assets	2,978	472	1,248	1,730	41.9
Other tangible fixed assets	63,198	3,253	43,181	20,017	68.3
Intangible fixed assets	382,704	30,465	193,835	188,868	50.6
Others	634	61	189	445	29.9
Total	518,204	37,199	257,834	260,370	49.6
For the year ended March 31, 2017					
Tangible fixed assets	138,024	12,347	75,624	62,400	54.8
Buildings	69,820	5,903	25,337	44,483	36.3
Leased assets	3,700	457	1,695	2,004	45.8
Other tangible fixed assets	64,503	5,986	48,592	15,911	75.3
Intangible fixed assets	415,947	35,200	226,137	189,809	54.4
Others	634	60	250	384	39.4
Total	554,607	47,607	302,012	252,594	54.5

Notes:

1. "Buildings" is booked as the sum total of buildings, facilities and structures.
2. "Intangible fixed assets" includes software in progress.

(17) Operating Expenses

(Millions of yen)

For the years ended March 31	2015	2016	2017
Sales activity expenses	¥ 182,243	¥ 191,078	¥ 201,199
Sales administration expenses	17,147	18,041	20,618
General administration expenses	313,025	327,968	338,388
Total	512,417	537,087	560,206

Note: "General administration expenses" include the contributions to the Life Insurance Policyholders Protection Corporation of Japan (¥1,636 million for the year ended March 31, 2015, ¥1,923 million for the year ended March 31, 2016 and ¥2,069 million for the year ended March 31, 2017), pursuant to Article 259 of the Insurance Business Act.

(18) Taxes

(Millions of yen)

For the years ended March 31	2015	2016	2017
National taxes	¥ 37,213	¥ 37,537	¥ 40,699
Consumption tax	30,479	32,941	36,171
Special local corporation tax	5,801	3,820	3,773
Stamp duty	773	773	754
Registration license tax	156	1	0
Other national taxes	2	0	0
Local taxes	17,024	19,359	20,256
Local consumption tax	8,224	8,888	9,760
Enterprise tax	7,504	9,160	9,055
Fixed property tax	868	1,015	1,201
Real estate acquisition tax	176	2	–
Business office tax	249	291	239
Other local taxes	0	0	–
Total	54,238	56,896	60,956

Note: "Fixed property tax" includes city planning tax.

(19) Lease Transactions

Lease transactions (as lessee)

[Finance lease transactions without transfer of ownership that apply accounting treatment equivalent to those for operating lease transactions]

Not applicable for the years ended March 31, 2015, 2016 and 2017.

(20) Borrowings by Maturity Date

(Millions of yen)

	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
As of March 31, 2015							
Payables under securities lending transactions	¥ 3,658,492	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 3,658,492
Total	3,658,492	–	–	–	–	–	3,658,492
As of March 31, 2016							
Payables under securities lending transactions	3,648,478	–	–	–	–	–	3,648,478
Total	3,648,478	–	–	–	–	–	3,648,478
As of March 31, 2017							
Payables under securities lending transactions	4,889,066	–	–	–	–	–	4,889,066
Total	4,889,066	–	–	–	–	–	4,889,066

6-5 Indicators Related to Asset Management (General Account)

(1) Portfolio Trends

Asset Structure, Increase/Decrease in Assets

(Millions of yen, %)

As of March 31	2015			2016			2017		
	Amount	Percentage	Increase/ decrease	Amount	Percentage	Increase/ decrease	Amount	Percentage	Increase/ decrease
Cash, deposits, call loans	¥ 2,651,397	3.1	¥ 757,796	¥ 2,216,037	2.7	¥ (435,359)	¥ 1,510,137	1.9	¥ (705,900)
Receivables under resale agreements	-	-	-	-	-	-	-	-	-
Receivables under securities borrowing transactions	2,720,856	3.2	(101,332)	3,008,591	3.7	287,734	3,520,722	4.4	512,131
Monetary claims bought	449,068	0.5	341,619	430,150	0.5	(18,918)	27,561	0.0	(402,588)
Trading account securities	-	-	-	-	-	-	-	-	-
Money held in trust	1,434,943	1.7	853,315	1,644,547	2.0	209,604	2,127,042	2.6	482,494
Securities	66,277,244	78.1	(3,101,731)	63,610,890	78.0	(2,666,354)	63,486,273	79.0	(124,616)
Corporate and government bonds	64,294,767	75.7	(3,843,759)	59,821,039	73.4	(4,473,728)	57,658,115	71.8	(2,162,924)
Domestic stocks	984	0.0	-	984	0.0	-	59,305	0.1	58,321
Foreign securities	1,981,492	2.3	742,028	3,688,822	4.5	1,707,329	4,351,731	5.4	662,908
Foreign corporate and government bonds	1,961,492	2.3	862,028	3,688,822	4.5	1,727,329	4,346,732	5.4	657,910
Foreign stocks and other securities	20,000	0.0	(120,000)	-	-	(20,000)	4,998	0.0	4,998
Other securities	-	-	-	100,044	0.1	100,044	1,417,122	1.8	1,317,077
Loans	9,977,345	11.8	(1,043,239)	8,978,437	11.0	(998,907)	8,060,902	10.0	(917,534)
Policy loans	74,097	0.1	19,825	95,629	0.1	21,532	118,141	0.1	22,511
Industrial and commercial loans	806,259	0.9	42,961	829,027	1.0	22,768	873,720	1.1	44,693
Loans to the Management Organization	9,096,988	10.7	(1,106,026)	8,053,780	9.9	(1,043,208)	7,069,040	8.8	(984,739)
Real estate	112,286	0.1	36,624	123,747	0.2	11,460	119,011	0.1	(4,735)
Investment property	-	-	-	-	-	-	-	-	-
Deferred tax assets	548,210	0.6	(44,455)	712,615	0.9	164,405	852,263	1.1	139,647
Other	741,537	0.9	124,629	819,378	1.0	77,841	633,157	0.8	(186,221)
Reserve for possible loan losses	(943)	(0.0)	92	(772)	(0.0)	170	(658)	(0.0)	114
General account total	84,911,946	100.0	(2,176,680)	81,543,623	100.0	(3,368,322)	80,336,414	100.0	(1,207,209)
Foreign currency denominated assets	2,196,349	2.6	1,067,568	3,949,417	4.8	1,753,068	4,753,649	5.9	804,231

Notes:

1. "Loans to the Management Organization" includes lending to the Management Organization (Postal Life Insurance Account).
2. "Real estate" is booked as the sum total of land, buildings and construction in progress.

(2) Yield

(%)

For the years ended March 31	2015	2016	2017
Cash, deposits and call loans	0.05%	0.05%	0.00%
Receivables under resale agreements	–	–	–
Receivables under securities borrowing transactions	–	–	–
Monetary claims bought	0.32	0.26	0.23
Trading account securities	–	–	–
Money held in trust	3.54	3.37	3.49
Securities	1.73	1.66	1.52
Corporate and government bonds	1.70	1.63	1.59
Domestic stocks	–	–	5.23
Foreign securities	2.87	2.10	0.61
Loans	2.25	2.19	2.10
Industrial and commercial loans	1.53	1.51	1.30
Real estate	–	–	–
General account total	1.70	1.62	1.50
Overseas loans and investments	2.88	2.22	0.82

Notes:

1. Yields are calculated by dividing investment income less investment expenses by the daily average balance based on book value.
2. "General account total" includes assets related to securities trusts.
3. "Overseas loans and investments" is the total of assets denominated in foreign currencies and yen-denominated assets.

(3) Average Balance on Primary Assets

(Millions of yen)

For the years ended March 31	2015	2016	2017
Cash, deposits and call loans	¥ 697,545	¥ 957,918	¥ 908,816
Receivables under resale agreements	–	–	–
Receivables under securities borrowing transactions	–	–	–
Monetary claims bought	213,732	265,032	219,220
Trading account securities	–	–	–
Money held in trust	932,276	1,336,401	1,622,160
Securities	68,089,151	65,745,089	63,807,097
Corporate and government bonds	66,560,265	62,636,408	58,887,577
Domestic stocks	984	984	19,215
Foreign securities	1,527,902	3,068,762	4,198,112
Loans	10,738,264	9,686,940	8,783,153
Industrial and commercial loans	780,733	793,687	895,898
Real estate	100,636	119,810	122,386
General account total	85,268,102	83,153,764	80,580,478
Overseas loans and investments	1,820,170	3,412,008	4,651,791

Notes:

1. "General account total" includes assets related to securities trusts.
2. "Real estate" is booked as the sum total of land, buildings and construction in progress.
3. "Overseas loans and investments" is the total of assets denominated in foreign currencies and yen-denominated assets.

(4) Investment Income

(Millions of yen)

For the years ended March 31	2015	2016	2017
Interest and dividend income	¥ 1,365,796	¥ 1,308,679	¥ 1,226,193
Gains on trading account securities	–	–	–
Gains on money held in trust	32,762	44,939	56,535
Gains on trading securities	–	–	–
Gains on sales of securities	61,908	1,241	85,142
Gains on redemption of securities	36	36	33
Gains on derivative financial instruments	–	–	–
Gains on foreign exchanges	12	–	–
Reversal of reserve for possible loan losses	14	6	11
Other investment income	215	63	21
Total	1,460,745	1,354,966	1,367,937

(5) Investment Expenses

(Millions of yen)

For the years ended March 31	2015	2016	2017
Interest expenses	¥ 4,298	¥ 4,370	¥ 2,218
Losses on trading account securities	–	–	–
Losses on money held in trust	–	–	–
Losses on trading securities	–	–	–
Losses on sales of securities	4,963	1,592	124,734
Losses on valuation of securities	–	–	–
Losses on redemption of securities	44	664	7,480
Losses on derivative financial instruments	773	1,511	20,599
Losses on foreign exchanges	–	402	3,362
Provision for reserve for possible loan losses	–	–	–
Write-off loans	–	–	–
Depreciation of real estate for lease and other assets	–	–	–
Other investment expenses	915	1,209	2,018
Total	10,994	9,749	160,414

(6) Interest, Dividends and Other Income

(Millions of yen)

For the years ended March 31	2015	2016	2017
Interest on deposits	¥ 694	¥ 692	¥ 22
Interest and dividends on securities	1,119,333	1,090,551	1,037,359
Interest on corporate and government bonds	1,074,732	1,023,237	934,895
Domestic stock dividends	–	–	727
Interest and dividends on foreign securities	44,600	67,313	97,953
Interest on loans	13,489	14,017	14,037
Interest on loans to the Management Organization	227,682	198,205	170,098
Rent revenue from real estate	–	–	–
Net, including other income	1,365,796	1,308,679	1,226,193

(7) Gains on Sales of Securities

(Millions of yen)

For the years ended March 31	2015	2016	2017
Japanese government bonds and other bonds	¥ 56,869	¥ 8	¥ 1,384
Domestic stocks and other securities	–	–	352
Foreign securities	5,038	1,233	83,406
Net, including other gains on sales of securities	61,908	1,241	85,142

(8) Losses on Sales of Securities

(Millions of yen)

For the years ended March 31	2015	2016	2017
Japanese government bonds and other bonds	¥ –	¥ –	¥ 147
Domestic stocks and other securities	–	–	53
Foreign securities	4,963	1,592	124,533
Net, including other losses on sales of securities	4,963	1,592	124,734

(9) Losses on Valuation of Securities

Not applicable as of March 31, 2015, 2016 and 2017.

(10) Proprietary Trading Securities

Not applicable as of March 31, 2015, 2016 and 2017.

(11) Proceeds on Sales of Proprietary Trading Securities

Not applicable as of March 31, 2015, 2016 and 2017.

(12) Securities Composition

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Corporate and government bonds	¥ 64,294,767	97.0	¥ 59,821,039	94.0	¥ 57,658,115	90.8
Japanese government bonds	48,086,445	72.6	44,178,631	69.5	42,732,364	67.3
Japanese local government bonds	9,555,857	14.4	9,405,494	14.8	9,226,804	14.5
Japanese corporate bonds	6,652,464	10.0	6,236,913	9.8	5,698,945	9.0
Public entity bonds	4,240,887	6.4	4,151,928	6.5	3,808,315	6.0
Domestic stocks	984	0.0	984	0.0	59,305	0.1
Foreign securities	1,981,492	3.0	3,688,822	5.8	4,351,731	6.9
Foreign corporate and government bonds	1,961,492	3.0	3,688,822	5.8	4,346,732	6.8
Foreign stocks and other securities	20,000	0.0	–	–	4,998	0.0
Other securities	–	–	100,044	0.2	1,417,122	2.2
Total	66,277,244	100.0	63,610,890	100.0	63,486,273	100.0

(13) Securities by Maturity Date

(Millions of yen)

	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
As of March 31, 2015	¥ 8,033,323	¥12,094,811	¥ 7,044,877	¥ 5,252,746	¥ 6,849,337	¥28,746,217	¥68,021,312
Securities	6,319,339	12,094,811	7,044,877	5,252,746	6,849,337	28,716,133	66,277,244
Japanese government bonds	5,239,170	8,108,693	3,493,485	1,753,254	2,784,240	26,707,601	48,086,445
Japanese local government bonds	435,823	1,809,681	2,126,745	2,127,428	2,056,248	999,930	9,555,857
Japanese corporate bonds	644,345	1,966,464	1,273,042	899,062	930,926	938,622	6,652,464
Stocks	-	-	-	-	-	984	984
Foreign securities	-	209,972	151,603	473,000	1,077,921	68,994	1,981,492
Foreign corporate and government bonds	-	209,972	151,603	473,000	1,077,921	48,994	1,961,492
Foreign stocks and other securities	-	-	-	-	-	20,000	20,000
Other securities	-	-	-	-	-	-	-
Monetary claims bought	418,983	-	-	-	-	30,084	449,068
Negotiable certificates of deposit	1,295,000	-	-	-	-	-	1,295,000
Other	-	-	-	-	-	-	-
As of March 31, 2016	6,240,545	11,176,068	5,296,948	5,377,509	6,684,076	29,895,893	64,671,040
Securities	5,210,545	11,176,068	5,296,948	5,377,509	6,684,076	29,865,742	63,610,890
Japanese government bonds	3,398,766	6,939,719	1,723,155	2,162,625	2,994,719	26,959,644	44,178,631
Japanese local government bonds	858,586	2,189,881	2,120,597	1,797,979	1,397,692	1,040,757	9,405,494
Japanese corporate bonds	953,191	1,798,271	984,814	1,024,778	490,802	985,054	6,236,913
Stocks	-	-	-	-	-	984	984
Foreign securities	-	248,195	468,380	392,126	1,800,861	779,257	3,688,822
Foreign corporate and government bonds	-	248,195	468,380	392,126	1,800,861	779,257	3,688,822
Foreign stocks and other securities	-	-	-	-	-	-	-
Other securities	-	-	-	-	-	100,044	100,044
Monetary claims bought	399,999	-	-	-	-	30,150	430,150
Negotiable certificates of deposit	630,000	-	-	-	-	-	630,000
Other	-	-	-	-	-	-	-
As of March 31, 2017	7,005,851	7,185,453	5,437,276	4,819,396	6,133,670	33,282,186	63,863,835
Securities	6,655,851	7,185,453	5,437,276	4,819,396	6,133,670	33,254,624	63,486,273
Japanese government bonds	4,701,876	3,483,857	1,734,510	1,923,244	3,589,153	27,299,722	42,732,364
Japanese local government bonds	949,161	2,145,869	2,297,098	1,627,623	1,087,674	1,119,376	9,226,804
Japanese corporate bonds	994,794	1,240,631	990,973	787,845	455,534	1,229,165	5,698,945
Stocks	-	-	-	-	-	59,305	59,305
Foreign securities	10,018	315,095	414,694	480,682	1,001,307	2,129,932	4,351,731
Foreign corporate and government bonds	10,018	315,095	414,694	480,682	1,001,307	2,124,934	4,346,732
Foreign stocks and other securities	-	-	-	-	-	4,998	4,998
Other securities	-	-	-	-	-	1,417,122	1,417,122
Monetary claims bought	-	-	-	-	-	27,561	27,561
Negotiable certificates of deposit	350,000	-	-	-	-	-	350,000
Other	-	-	-	-	-	-	-

Note: Includes the handling of securities based on the Accounting Standard for Financial Instruments and its Implementation Guidance (ASBJ Statement No. 10).

(14) Bond Term-End Balance Yield

(%)

As of March 31	2015	2016	2017
Corporate and government bonds	1.62%	1.64%	1.57%
Foreign corporate and government bonds	2.46	2.17	2.08

(15) Breakdown of Local Government Bonds by Region

(Millions of yen)

As of March 31	2015	2016	2017
Hokkaido	¥ 216,261	¥ 212,169	¥ 219,534
Tohoku	79,880	81,034	86,774
Kanto	2,258,807	2,164,978	2,070,417
Chubu	1,016,316	1,023,277	1,012,153
Kinki	916,662	940,934	1,004,950
Chugoku	281,093	292,457	316,872
Shikoku	83,167	84,685	89,691
Kyushu	642,712	615,464	598,001
Other	4,060,955	3,990,494	3,828,407
Total	9,555,857	9,405,494	9,226,804

Note: "Other" indicates the balance of joint issuance local government bonds.

(16) Shareholdings by Industry Sector

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fishery, agriculture and forestry	¥ -	-	¥ -	-	¥ -	-
Mining	-	-	-	-	-	-
Construction	-	-	-	-	2,523	4.3
Manufacturing						
Foods	-	-	-	-	1,465	2.5
Textiles and apparel	-	-	-	-	1,433	2.4
Pulp and paper	-	-	-	-	-	-
Chemicals	-	-	-	-	7,937	13.4
Pharmaceuticals	-	-	-	-	3,074	5.2
Oil and coal products	-	-	-	-	-	-
Rubber products	-	-	-	-	524	0.9
Glass and ceramic products	-	-	-	-	-	-
Iron and steel	-	-	-	-	-	-
Nonferrous metals	-	-	-	-	1,121	1.9
Metal products	-	-	-	-	-	-
Machinery	-	-	-	-	2,374	4.0
Electric appliances	-	-	-	-	2,872	4.8
Transportation equipment	-	-	-	-	2,292	3.9
Precision instruments	-	-	-	-	566	1.0
Other products	-	-	-	-	1,007	1.7
Electric power and gas	-	-	-	-	-	-
Transportation, information and communications						
Land transportation	-	-	-	-	3,172	5.3
Marine transportation	-	-	-	-	-	-
Air transportation	-	-	-	-	1,095	1.8
Warehousing and port transportation services	-	-	-	-	-	-
Information and communications	984	100.0	984	100.0	13,611	23.0
Trade and services						
Wholesale trade	-	-	-	-	1,145	1.9
Retail trade	-	-	-	-	4,582	7.7
Finance and insurance						
Banking	-	-	-	-	5,539	9.3
Securities and trading	-	-	-	-	-	-
Insurance	-	-	-	-	486	0.8
Other financial services	-	-	-	-	-	-
Real estate	-	-	-	-	-	-
Services	-	-	-	-	2,476	4.2
Total	984	100.0	984	100.0	59,305	100.0

Note: Industry sector category is based on the sector classification table of the Securities Identification Code Committee.

(17) Loans

(Millions of yen)

As of March 31	2015	2016	2017
Policy loans	¥ 74,097	¥ 95,629	¥ 118,141
Policyholder loans	74,096	95,628	118,139
Policy premium loans	0	1	1
Industrial and commercial loans	9,903,247	8,882,807	7,942,761
(Loans to non-residents)	(-)	(-)	(-)
Loans to companies	9,370,103	8,293,303	7,271,272
(Loans to domestic corporations)	(9,370,103)	(8,293,303)	(7,271,272)
Loans to state, international organizations and government organizations	-	-	-
Loans to public bodies and public businesses	533,144	589,504	671,488
Housing loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Total	9,977,345	8,978,437	8,060,902

Note: Loans to the Management Organization (Postal Life Insurance account) are recorded as loans to companies, as they are classified into loans to companies in "finance and insurance" in the Loans Questionnaire by Industrial Type in the "Guideline of Entry Statistics Questionnaire" as specified by the Research and Statistics Department, the Bank of Japan.

(18) Loans by Contractual Maturity Date

(Millions of yen)

	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
Total industrial and commercial loans as of March 31, 2015	¥ 1,029,154	¥ 2,394,514	¥ 1,598,396	¥ 1,389,612	¥ 1,657,335	¥ 1,834,234	¥ 9,903,247
Variable rate loans	22,700	25,750	22,300	10,050	16,150	5,000	101,950
Fixed rate loans	1,006,454	2,368,764	1,576,096	1,379,562	1,641,185	1,829,234	9,801,297
Total industrial and commercial loans as of March 31, 2016	1,004,959	2,173,092	1,504,175	1,289,343	1,399,825	1,511,411	8,882,807
Variable rate loans	19,450	24,550	8,400	8,600	13,250	5,000	79,250
Fixed rate loans	985,509	2,148,542	1,495,775	1,280,743	1,386,575	1,506,411	8,803,557
Total industrial and commercial loans as of March 31, 2017	499,921	2,401,198	1,429,071	1,188,730	1,195,195	1,228,643	7,942,761
Variable rate loans	6,300	19,300	10,050	12,150	10,000	-	57,800
Fixed rate loans	493,621	2,381,898	1,419,021	1,176,580	1,185,195	1,228,643	7,884,961

Notes:

- "Fixed rate loans" includes loans to the Management Organization (Postal Life Insurance Account).
- Among the loans to the Management Organization (Postal Life Insurance Account), the legal designated period is accrued as current maturity.

(19) Loans to Domestic Companies by Company Size

(Number of borrowers, millions of yen, %)

As of March 31		2015		2016		2017	
			Percentage		Percentage		Percentage
Large companies	Number of borrowers	45	90.0	41	87.2	33	82.5
	Amount of loans	¥ 255,110	2.7	¥ 220,410	2.7	¥ 175,820	2.4
Medium-sized companies	Number of borrowers	–	–	–	–	–	–
	Amount of loans	–	–	–	–	–	–
Small companies	Number of borrowers	5	10.0	6	12.8	7	17.5
	Amount of loans	9,114,993	97.3	8,072,893	97.3	7,095,452	97.6
Total loans to domestic companies	Number of borrowers	50	100.0	47	100.0	40	100.0
	Amount of loans	9,370,103	100.0	8,293,303	100.0	7,271,272	100.0

Notes:

- Loans to the Management Organization (Postal Life Insurance Account) are classified as “small and medium-sized companies” in the “Corporate Guideline of Entry Statistics Questionnaire” as specified by the Research and Statistics Department, the Bank of Japan.
- Classifications are defined as shown below.
- “Number of borrowers” indicates the number of borrowers identified by name and is not the number of loans.

Industry type	1. All industries (excluding 2–4)		2. Retail and restaurant		3. Service		4. Wholesale	
Large companies		Paid-in capital over ¥1 billion		Paid-in capital over ¥1 billion		Paid-in capital over ¥1 billion		Paid-in capital over ¥1 billion
Medium-sized companies	More than 300 employees	Paid-in capital between ¥0.3 billion and ¥1 billion	More than 50 employees	Paid-in capital between ¥0.05 billion and ¥1 billion	More than 100 employees	Paid-in capital between ¥0.05 billion and ¥1 billion	More than 100 employees	Paid-in capital between ¥0.1 billion and ¥1 billion
Small companies	Paid-in capital under ¥0.3 billion or fewer than 300 employees		Paid-in capital under ¥0.05 billion or fewer than 50 employees		Paid-in capital under ¥0.05 billion or fewer than 100 employees		Paid-in capital under ¥0.1 billion or fewer than 100 employees	

(20) Breakdown of Loans by Industry

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Domestic						
Manufacturing	¥ 74,040	0.7	¥ 67,040	0.8	¥ 50,750	0.6
Foods	8,800	0.1	8,800	0.1	4,000	0.1
Textiles and apparel	2,000	0.0	–	–	–	–
Wood, wood products	–	–	–	–	–	–
Pulp and paper	11,950	0.1	11,950	0.1	11,950	0.2
Printing	5,000	0.1	–	–	–	–
Chemicals	10,150	0.1	10,150	0.1	10,150	0.1
Oil and coal products	4,650	0.0	4,650	0.1	4,650	0.1
Ceramics, soil and stone	7,000	0.1	7,000	0.1	7,000	0.1
Iron and steel	8,000	0.1	8,000	0.1	8,000	0.1
Nonferrous metals	–	–	–	–	–	–
Metal products	–	–	–	–	–	–
General purpose, production and industrial machinery	1,490	0.0	1,490	0.0	–	–
Electric appliances	10,000	0.1	10,000	0.1	–	–
Transportation equipment	5,000	0.1	5,000	0.1	5,000	0.1
Other manufacturing products	–	–	–	–	–	–
Agriculture and forestry	–	–	–	–	–	–
Fishery	–	–	–	–	–	–
Mining, quarrying and gravel extraction	–	–	–	–	–	–
Construction	900	0.0	900	0.0	900	0.0
Electric power, gas, heat supply and waterworks	–	–	–	–	2,863	0.0
Information and communications	9,350	0.1	4,350	0.0	4,350	0.1
Transportation and postal	49,824	0.5	48,245	0.5	43,006	0.5
Wholesale trade	64,600	0.7	48,700	0.5	44,700	0.6
Retail trade	–	–	–	–	–	–
Financing and insurance	9,149,788	92.4	8,101,280	91.2	7,102,040	89.4
Real estate	21,600	0.2	22,787	0.3	22,662	0.3
Rental	–	–	–	–	–	–
Academic research, specialist and technology services	–	–	–	–	–	–
Lodging	–	–	–	–	–	–
Restaurant	–	–	–	–	–	–
Lifestyle-related services, amusement	–	–	–	–	–	–
Education and learning support	–	–	–	–	–	–
Medical and welfare	–	–	–	–	–	–
Other services	–	–	–	–	–	–
Local organizations and public entities	533,144	5.4	589,504	6.6	671,488	8.5
Individuals (residential/consumption/local taxes/other)	–	–	–	–	–	–
Total	9,903,247	100.0	8,882,807	100.0	7,942,761	100.0
Overseas						
Governments and public entities	–	–	–	–	–	–
Financial institutions	–	–	–	–	–	–
Commerce and industry, etc.	–	–	–	–	–	–
Total	–	–	–	–	–	–
Total industrial and commercial loans	9,903,247	100.0	8,882,807	100.0	7,942,761	100.0

Notes:

- Domestic classification is based on the industrial classification of the Bank of Japan's rental payment previous to loans (by industry and new loans for equipment rentals).
- Loans to the Management Organization (Postal Life Insurance Account) are classified as "financing and insurance" in the Loans Questionnaire by Industrial Type of "the Guideline of Entry Statistics Questionnaire" as specified by the Research and Statistics Department, the Bank of Japan.

(21) Breakdown of Industrial Loans by Use

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Capital investments	¥ 453,077	4.6	¥ 516,941	5.8	¥ 559,435	7.0
Operations	9,450,170	95.4	8,365,865	94.2	7,383,325	93.0
Total	9,903,247	100.0	8,882,807	100.0	7,942,761	100.0

Note: Loans to the Management Organization (Postal Life Insurance Account) are classified as "operations."

(22) Breakdown of Loans by Region

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Hokkaido	¥ –	–	¥ –	–	¥ –	–
Tohoku	31,042	0.3	35,468	0.4	37,231	0.5
Kanto	9,443,809	95.4	8,368,828	94.2	7,412,963	93.3
Chubu	156,417	1.6	160,858	1.8	156,728	2.0
Kinki	177,852	1.8	209,510	2.4	194,865	2.5
Chugoku	15,672	0.2	27,430	0.3	50,453	0.6
Shikoku	8,218	0.1	7,624	0.1	7,030	0.1
Kyushu	70,234	0.7	73,087	0.8	83,489	1.1
Total	9,903,247	100.0	8,882,807	100.0	7,942,761	100.0

Notes:

- Loans to individuals, non-residents and for insurance policies are not included.
- Regional classification depends on the location of the borrower's headquarters.
- Loans to the Management Organization (Postal Life Insurance Account) are classified under "Kanto," as the organization is located in Tokyo.

(23) Breakdown of Loans by Collateral

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Secured loans	¥ 1,844	0.0	¥ 2,953	0.0	¥ 5,612	0.1
Loans secured by securities	–	–	–	–	–	–
Loans secured by real estate, movable property or foundation	–	–	–	–	–	–
Loans secured by nominative claims	1,844	0.0	2,953	0.0	5,612	0.1
Guaranteed loans	25,840	0.3	29,650	0.3	27,490	0.3
Credit loans	778,574	7.9	796,424	9.0	840,618	10.6
Other	9,096,988	91.9	8,053,780	90.7	7,069,040	89.0
Industrial and commercial loans	9,903,247	100.0	8,882,807	100.0	7,942,761	100.0
Subordinated loans	–	–	–	–	1,000	0.0

Note: Loans to the Management Organization (Postal Life Insurance Account) are classified as "other."

(24) Tangible Fixed Assets

1) Tangible Fixed Assets

(Millions of yen, %)

	Balance at the end of the previous fiscal year	Increase in the fiscal year	Decrease in the fiscal year	Depreciation in the fiscal year	Balance at the end of the fiscal year	Accumulated depreciation	Accumulated depreciation percentage
For the year ended March 31, 2015							
Land	¥ 40,726	¥ 27,624	¥ –	¥ –	¥ 68,350	¥ –	–
Buildings, net	33,287	3,911	952	2,070	34,176	17,365	33.7
Leased assets, net	1,456	959	6	438	1,970	1,167	37.2
Construction in progress	1,648	12,445	4,334	–	9,759	–	–
Others, net	12,204	8,567	115	3,241	17,415	45,001	72.1
Total	89,322	53,510	5,409	5,750	131,672	63,535	–
(Includes rentals and other real estate)	–	–	–	–	–	–	–
For the year ended March 31, 2016							
Land	68,350	54	142	–	68,262	–	–
Buildings, net	34,176	18,755	676	2,946	49,308	19,379	28.2
Leased assets, net	1,970	242	10	472	1,730	1,248	41.9
Construction in progress	9,759	16,830	20,413	–	6,175	–	–
Others, net	17,415	5,948	92	3,253	20,017	43,181	68.3
Total	131,672	41,831	21,335	6,672	145,495	63,808	–
(Includes rentals and other real estate)	–	–	–	–	–	–	–
For the year ended March 31, 2017							
Land	68,262	9	–	–	68,272	–	–
Buildings, net	49,308	1,161	83	5,903	44,483	25,337	36.3
Leased assets, net	1,730	738	5	457	2,004	1,695	45.8
Construction in progress	6,175	1,313	1,233	–	6,255	–	–
Others, net	20,017	1,947	67	5,986	15,911	48,592	75.3
Total	145,495	5,170	1,390	12,347	136,928	75,624	–
(Includes rentals and other real estate)	–	–	–	–	–	–	–

2) Breakdown of Real Estate Holdings by Use

(Millions of yen, number of buildings)

As of March 31	2015	2016	2017
Value of real estate holdings	¥ 112,286	¥ 123,747	¥ 119,011
For business operations	112,286	123,747	119,011
For lease	–	–	–
Number of buildings held for leasing	–	–	–

Note: "Value of real estate holdings" is booked as the sum total of land, buildings (including facilities and structures) and construction in progress.

(25) Gains on Disposal of Fixed Assets

(Millions of yen)

For the years ended March 31	2015	2016	2017
Tangible fixed assets	¥ –	¥ 341	¥ –
Land	–	341	–
Buildings	–	–	–
Leased assets	–	–	–
Other assets	–	–	–
Intangible fixed assets	–	–	–
Others	–	–	–
Total	–	341	–
Includes rentals and other real estate	–	–	–

(26) Losses on Disposal of Fixed Assets

(Millions of yen)

For the years ended March 31	2015	2016	2017
Tangible fixed assets	¥ 1,358	¥ 1,118	¥ 183
Land	–	–	–
Buildings	1,273	1,007	109
Leased assets	6	10	5
Other assets	78	100	68
Intangible fixed assets	69	417	269
Others	3	112	–
Total	1,432	1,647	453
Includes rentals and other real estate	–	–	–

Note: "Buildings" is booked as the sum total of buildings, facilities and structures.

(27) Depreciation on Real Estate, Movable and Other Assets Held for Leasing

Not applicable for the years ended March 31, 2015, 2016 and 2017.

(28) Overseas Loans and Investments

1) Breakdown by Asset Composition

(Millions of yen, %)

As of March 31		2015		2016		2017	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
Foreign-currency-denominated assets	Foreign corporate and government bonds	¥2,001,781	84.6	¥3,719,819	90.7	¥4,444,312	90.3
	Foreign stocks	194,567	8.2	229,405	5.6	309,050	6.3
	Cash and cash equivalents	–	–	192	0.0	286	0.0
	Subtotal	2,196,349	92.8	3,949,417	96.3	4,753,649	96.5
Foreign-currency-denominated assets with fixed yen value	Foreign corporate and government bonds	–	–	–	–	–	–
	Cash and cash equivalents	–	–	–	–	–	–
	Subtotal	–	–	–	–	–	–
Yen-denominated assets	Loans to non-residents	–	–	–	–	–	–
	Foreign corporate and government bonds and other assets	169,882	7.2	149,911	3.7	170,197	3.5
	Subtotal	169,882	7.2	149,911	3.7	170,197	3.5
Net overseas loans and investments		2,366,231	100.0	4,099,329	100.0	4,923,846	100.0

Note: "Foreign-currency-denominated assets with fixed yen value" is recorded under assets on the balance sheets as the fixed yen value that was determined at settlement with foreign exchange forward contracts.

2) Overseas Loans and Investments by Geographic Area

(Millions of yen, %)

	Foreign securities						Loans to non-residents	
	Value		Percentage		Value		Percentage	
	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage
As of March 31, 2015	¥ 2,366,231	100.0	¥ 1,961,492	100.0	¥ 404,738	100.0	¥ -	-
North America	1,596,736	67.5	1,418,613	72.3	178,122	44.0	-	-
Europe	318,609	13.5	302,164	15.4	16,445	4.1	-	-
Oceania	101,266	4.3	101,266	5.2	-	-	-	-
Asia	-	-	-	-	-	-	-	-
Central and South America	210,171	8.9	-	-	210,171	51.9	-	-
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organization	139,447	5.9	139,447	7.1	-	-	-	-
As of March 31, 2016	4,099,136	100.0	3,688,822	100.0	410,314	100.0	-	-
North America	2,152,359	52.5	1,942,082	52.6	210,277	51.2	-	-
Europe	1,461,585	35.7	1,442,457	39.1	19,128	4.7	-	-
Oceania	94,783	2.3	94,783	2.6	-	-	-	-
Asia	-	-	-	-	-	-	-	-
Central and South America	180,908	4.4	-	-	180,908	44.1	-	-
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organization	209,499	5.1	209,499	5.7	-	-	-	-
As of March 31, 2017	4,846,683	100.0	4,346,732	100.0	499,950	100.0	-	-
North America	3,211,290	66.3	2,930,281	67.4	281,009	56.2	-	-
Europe	1,075,222	22.2	1,047,181	24.1	28,041	5.6	-	-
Oceania	161,611	3.3	161,611	3.7	-	-	-	-
Asia	-	-	-	-	-	-	-	-
Central and South America	210,401	4.3	19,501	0.4	190,900	38.2	-	-
Middle East	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
International organization	188,158	3.9	188,158	4.3	-	-	-	-

3) Composition of Foreign-Currency-Denominated Assets by Currency

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
U.S. dollar	¥ 1,824,884	83.1	¥ 2,441,056	61.8	¥ 3,559,917	74.9
Euro	180,615	8.2	1,329,283	33.7	1,013,531	21.3
Australian dollar	77,679	3.5	71,141	1.8	142,020	3.0
British pound	109,698	5.0	104,034	2.6	33,583	0.7
Canadian dollar	3,470	0.2	3,901	0.1	4,596	0.1
Total	2,196,349	100.0	3,949,417	100.0	4,753,649	100.0

(29) Yield on Overseas Loans and Investments

For the years ended March 31	2015	2016	2017
Yield on overseas loans and investments	2.88	2.22	0.82

(%)

(30) Summary of New Public-Sector Investment Underwriting and Loans

For the years ended March 31		2015	2016	2017
Public bonds	Japanese government bonds	¥ –	¥ –	¥ –
	Japanese local government bonds	–	–	–
	Public entity bonds	14	16	4
	Subtotal	14	16	4
Loans	Government organizations	–	–	–
	Public entities	50,456	79,812	124,696
	Subtotal	50,456	79,812	124,696
Total		50,471	79,829	124,700

(Millions of yen)

(31) Loan Interest Rates

Not applicable for the years ended March 31, 2015, 2016 and 2017

(32) Other Assets

Asset class	Cost	Increase in the fiscal year	Decrease in the fiscal year	Accumulated depreciation and amortization	Balance at the end of the fiscal year	Remarks
For the year ended March 31, 2015						
Other	¥ 3,108	¥ 5,221	¥ 6,172	¥ –	¥ 2,157	
Total	3,108	5,221	6,172	–	2,157	
For the year ended March 31, 2016						
Other	2,157	5,722	5,764	–	2,115	
Total	2,157	5,722	5,764	–	2,115	
For the year ended March 31, 2017						
Other	2,115	4,475	4,993	–	1,597	
Total	2,115	4,475	4,993	–	1,597	

(Millions of yen)

6-6 Fair Value Information of Securities (General Account)

(1) Fair Value of Securities

1) Net Valuation Gain/Loss of Trading Securities

Japan Post Insurance did not hold securities for trading as of March 31, 2015, 2016 and 2017.

2) Fair Value Information of Securities (with fair value, other than trading securities)

(Millions of yen)

As of March 31	2015					2016					2017				
	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	¥ 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	¥ 40,441,881	¥ 46,518,693	¥ 6,076,812	¥6,149,942	¥ 73,129
Policy-reserve-matching bonds	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	-	12,517,334	13,697,410	1,180,075	1,204,445	24,370
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	9,411,484	10,193,205	781,721	784,470	2,748	9,918,112	10,479,639	561,527	658,164	96,636	12,522,618	12,966,282	443,664	657,830	214,165
Corporate and government bonds	5,105,394	5,203,999	98,605	99,163	558	4,012,950	4,115,794	102,844	103,597	752	4,758,489	4,796,899	38,409	71,613	33,204
Domestic stocks	713,204	996,906	283,701	285,545	1,844	1,065,422	1,202,513	137,091	195,326	58,235	1,302,336	1,626,015	323,679	342,436	18,757
Foreign securities	1,850,911	2,248,231	397,319	397,666	346	3,682,785	4,001,136	318,351	355,894	37,542	4,658,641	4,748,683	90,041	237,280	147,238
Foreign corporate and government bonds	1,537,712	1,863,492	325,779	326,126	346	3,299,371	3,590,822	291,450	319,363	27,912	4,219,602	4,248,732	29,130	175,028	145,898
Foreign stocks and other securities	313,198	384,738	71,539	71,539	-	383,413	410,314	26,901	36,531	9,630	439,038	499,950	60,911	62,252	1,340
Other securities	-	-	-	-	-	100,000	100,044	44	150	105	1,428,000	1,417,122	(10,877)	4,086	14,964
Monetary claims bought	446,973	449,068	2,095	2,095	-	426,954	430,150	3,195	3,195	-	25,149	27,561	2,411	2,411	-
Negotiable certificates of deposit	1,295,000	1,295,000	-	-	-	630,000	630,000	-	-	-	350,000	350,000	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	68,600,251	75,094,328	6,494,077	6,497,580	3,502	65,721,357	75,294,714	9,573,357	9,669,994	96,637	65,481,834	73,182,386	7,700,552	8,012,218	311,665
Corporate and government bonds	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	57,619,705	64,911,866	7,292,160	7,422,865	130,704
Domestic stocks	713,204	996,906	283,701	285,545	1,844	1,065,422	1,202,513	137,091	195,326	58,235	1,302,336	1,626,015	323,679	342,436	18,757
Foreign securities	1,948,911	2,350,125	401,213	401,560	346	3,780,785	4,103,523	322,738	360,281	37,542	4,756,641	4,849,819	93,178	240,417	147,238
Foreign corporate and government bonds	1,635,712	1,965,386	329,673	330,020	346	3,397,371	3,693,209	295,837	323,750	27,912	4,317,602	4,349,869	32,266	178,164	145,898
Foreign stocks and other securities	313,198	384,738	71,539	71,539	-	383,413	410,314	26,901	36,531	9,630	439,038	499,950	60,911	62,252	1,340
Other securities	-	-	-	-	-	100,000	100,044	44	150	105	1,428,000	1,417,122	(10,877)	4,086	14,964
Monetary claims bought	446,973	449,068	2,095	2,095	-	426,954	430,150	3,195	3,195	-	25,149	27,561	2,411	2,411	-
Negotiable certificates of deposit	1,295,000	1,295,000	-	-	-	630,000	630,000	-	-	-	350,000	350,000	-	-	-
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 for which the book value was ¥1,686,170 million with a gain of ¥380,716 million as of March 31, 2017, ¥1,448,835 million with a gain of ¥163,992 million as of March 31, 2016 and ¥1,026,403 million with a gain of ¥355,241 million as of March 31, 2015.

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	2015	2016	2017
Held-to-maturity bonds	¥ —	¥ —	¥ —
Unlisted foreign bonds	—	—	—
Other	—	—	—
Policy-reserve-matching bonds	—	—	—
Equities of subsidiaries and affiliates	984	984	984
Available-for-sale securities	20,000	—	4,239
Unlisted domestic stocks (excluding OTC-traded equities)	—	—	4,239
Unlisted foreign stocks (excluding OTC-traded equities)	20,000	—	—
Unlisted foreign bonds	—	—	—
Other	—	—	—
Total	20,984	984	5,223

(2) Fair Value of Money Held in Trust

(Millions of yen)

As of March 31	2015					2016					2017				
	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	¥1,434,943	¥1,434,943	¥ —	¥ —	¥ —	¥1,644,547	¥1,644,547	¥ —	¥ —	¥ —	¥2,127,042	¥2,127,042	¥ —	¥ —	¥ —

1) Money Held in Trust for Trading Purposes

Japan Post Insurance did not hold money held in trust for trading purposes as of March 31, 2015, 2016 and 2017.

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	2015					2016					2017				
	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	1,079,701	1,434,943	355,241	357,085	1,844	1,480,555	1,644,547	163,992	231,857	67,865	1,746,326	2,127,042	380,716	400,483	19,767
Domestic stock fund	765,237	1,048,938	283,701	285,545	1,844	1,090,727	1,227,819	137,091	195,326	58,235	1,306,142	1,625,946	319,804	338,231	18,426
Foreign stock fund	158,944	195,510	36,565	36,565	—	228,532	235,713	7,180	16,811	9,630	273,163	315,104	41,941	43,282	1,340
Foreign bond fund	155,519	190,493	34,974	34,974	—	161,295	181,015	19,720	19,720	—	167,020	185,990	18,970	18,970	—

3) Balances of Securities in Money Held in Trust

(Millions of yen)

	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
As of March 31, 2015							
Domestic stock						¥ 996,906	
Foreign securities						384,738	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						384,738	1,381,644
As of March 31, 2016							
Domestic stock						1,202,513	
Foreign securities						410,314	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						410,314	1,612,827
As of March 31, 2017							
Domestic stock						1,571,934	
Foreign securities						494,952	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						494,952	2,066,886

4) Currency Composition of Money Held in Trust

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Japanese yen	¥ 996,906	72.2	¥ 1,202,513	74.6	¥ 1,571,934	76.1
U.S. dollar	364,823	26.4	387,285	24.0	462,314	22.4
Euro	—	—	—	—	28,041	1.4
Others	19,915	1.4	23,029	1.4	4,596	0.2
Total	1,381,644	100.0	1,612,827	100.0	2,066,886	100.0

Note: Excluding cash and deposits

5) Industry Composition of Japanese Stocks of Money Held in Trust

(Millions of yen, %)

As of March 31	2015		2016		2017	
	Fair value	Percentage	Fair value	Percentage	Fair value	Percentage
Fishery, agriculture and forestry	¥ 559	0.1	¥ 801	0.1	¥ 1,318	0.1
Mining	3,022	0.3	3,003	0.2	4,328	0.3
Construction	29,857	3.0	41,353	3.4	55,564	3.5
Manufacturing						
Foods	41,889	4.2	62,603	5.2	71,062	4.5
Textiles and apparel	5,604	0.6	6,517	0.5	8,565	0.5
Pulp and paper	1,706	0.2	2,328	0.2	3,042	0.2
Chemicals	50,087	5.0	67,118	5.6	95,352	6.1
Pharmaceuticals	57,218	5.7	74,337	6.2	80,019	5.1
Oil and coal products	9,614	1.0	4,046	0.3	5,965	0.4
Rubber products	10,529	1.1	25,414	2.1	32,904	2.1
Glass and ceramic products	6,766	0.7	8,050	0.7	12,751	0.8
Iron and steel	12,032	1.2	12,174	1.0	16,483	1.0
Nonferrous metals	12,243	1.2	13,116	1.1	12,170	0.8
Metal products	4,884	0.5	5,650	0.5	8,145	0.5
Machinery	47,724	4.8	57,642	4.8	90,035	5.7
Electric appliances	109,326	11.0	144,451	12.0	196,919	12.5
Transportation equipment	125,236	12.6	136,059	11.3	197,316	12.6
Precision instruments	23,188	2.3	15,440	1.3	21,402	1.4
Other products	10,460	1.0	13,261	1.1	20,538	1.3
Electric power and gas	14,463	1.5	18,050	1.5	21,451	1.4
Transportation, information and communications						
Land transportation	40,836	4.1	45,044	3.7	53,224	3.4
Marine transportation	2,446	0.2	1,992	0.2	2,956	0.2
Air transportation	7,150	0.7	8,575	0.7	11,315	0.7
Warehousing and port transportation services	1,670	0.2	1,704	0.1	2,095	0.1
Information and communications	92,457	9.3	124,335	10.3	148,094	9.4
Trade and services						
Wholesale trade	69,127	6.9	70,010	5.8	73,048	4.6
Retail trade	36,775	3.7	51,225	4.3	60,623	3.9
Finance and insurance						
Banking	81,461	8.2	75,608	6.3	108,138	6.9
Securities and trading	10,079	1.0	10,842	0.9	16,443	1.0
Insurance	18,380	1.8	24,695	2.1	47,667	3.0
Other financial services	9,349	0.9	13,446	1.1	16,061	1.0
Real estate	23,379	2.3	29,266	2.4	31,904	2.0
Services	27,373	2.7	34,344	2.9	45,021	2.9
Total	996,906	100.0	1,202,513	100.0	1,571,934	100.0

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

(i) Breakdown of gains and losses (breakdown of hedge accounting applied and not applied portions)

(Millions of yen)

	Interest rate related	Currency related	Stock related	Bond related	Others	Total
As of March 31, 2015	¥ 971	¥ 493	¥ –	¥ –	¥ –	¥ 1,465
Portion with hedge accounting applied	971	493	–	–	–	1,465
Portion with hedge accounting not applied	–	–	–	–	–	–
As of March 31, 2016	2,060	4,644	–	–	–	6,704
Portion with hedge accounting applied	2,060	4,644	–	–	–	6,704
Portion with hedge accounting not applied	–	–	–	–	–	–
As of March 31, 2017	1,364	(4,657)	–	–	–	(3,292)
Portion with hedge accounting applied	1,364	(4,657)	–	–	–	(3,292)
Portion with hedge accounting not applied	–	–	–	–	–	–

Notes:

1. 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.
2. 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.
3. Of the hedge accounting applied as of March 31, 2017, the portion with hedge accounting (the fair value hedge method) applied to the net loss (currency related ¥4,657 million) is accrued in the statement of income.

(ii) Interest rate related

(Millions of yen)

Category	As of March 31 Type	2015				2016				2017			
		Contract amount, etc.		Fair value	Net gain/loss	Contract amount, etc.		Fair value	Net gain/loss	Contract amount, etc.		Fair value	Net gain/loss
			Over one year				Over one year				Over one year		
Over-the-counter	Interest rate swap												
	Fixed interest receipt/variable interest payment	¥101,950	¥ 79,250	¥ 971	¥ 971	¥ 79,250	¥ 59,800	¥ 2,060	¥ 2,060	¥ 57,800	¥ 51,500	¥ 1,364	¥ 1,364
	Total				971				2,060				

Note: The fair value (current price) of swap transactions is indicated in the net gain/loss column.

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
As of March 31, 2015	¥ 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 variable interest payment	0.17	0.16	0.18	0.20	0.24	0.24	0.19
As of March 31, 2016	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 variable interest payment	0.09	0.05	0.11	0.15	0.10	0.13	0.09
As of March 31, 2017	6,300	19,300	10,050	12,150	10,000	–	57,800
Fixed receipt swap notional principal	6,300	19,300	10,050	12,150	10,000	–	57,800
Average fixed interest receipt	0.24	0.47	0.48	0.90	1.05	–	0.64
Average variable interest payment	0.02	0.08	0.09	0.16	0.14	–	0.10

(iii) Currency related

(Millions of yen)

Category	As of March 31 Type	2015				2016				2017			
		Contract amount, etc.		Fair value	Net gain/loss	Contract amount, etc.		Fair value	Net gain/loss	Contract amount, etc.		Fair value	Net gain/loss
			Over one year				Over one year				Over one year		
Over-the-counter	Foreign exchange forward contracts												
	Sold	¥ 363,120	¥ –	¥ 493	¥ 493	¥1,693,683	¥ –	¥ 4,644	¥ 4,644	¥2,438,390	¥ –	¥ (4,657)	¥ (4,657)
	U.S. dollar	172,008	–	(12,843)	(12,843)	392,081	–	5,408	5,408	1,603,918	–	(5,630)	(5,630)
	Euro	191,112	–	13,337	13,337	1,301,602	–	(764)	(764)	834,472	–	973	973
	Purchased	–	–	–	–	–	–	–	–	–	–	–	–
Total				493				4,644					(4,657)

Notes:

1. Future quotation for the exchange rate at the end of the fiscal year is used.
2. The net gain/loss is described for the exchange contract fair value.