

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	2014	2015	2016	2017	2018
Ordinary income	¥ 11,233.9	¥ 10,169.2	¥ 9,605.8	¥ 8,659.4	¥ 7,952.9
Ordinary profit	463.5	493.1	413.0	279.3	308.8
Core profit	482.0	515.4	464.2	390.0	386.1
Net income	63.4	81.7	86.3	88.5	104.3
Capital stock	500.0	500.0	500.0	500.0	500.0
(Number of shares issued: thousands of shares)	(20,000)	(20,000)	(600,000)	(600,000)	(600,000)
Total assets	87,088.6	84,911.9	81,543.6	80,336.4	76,832.5
Separate account	—	—	—	—	—
Policy reserves	77,745.4	75,112.6	72,362.5	70,175.2	67,777.2
Loans	11,020.5	9,977.3	8,978.4	8,060.9	7,627.1
Securities	69,378.9	66,277.2	63,610.8	63,486.2	60,131.8
Solvency margin ratio (%)	1,623.4%	1,641.4%	1,568.1%	1,289.1%	1,130.5%
Number of employees (persons)	6,948	7,153	7,378	7,424	7,490
Policy amount in force	37,179.5	42,774.9	47,882.7	53,229.1	55,102.2
Individual insurance	33,735.6	39,159.0	44,406.2	50,097.9	52,359.7
Individual annuities	3,443.8	3,615.9	3,476.4	3,131.1	2,742.5
Group insurance	—	—	—	—	—
Policy amount in force for group annuities	—	—	—	—	—

Notes:

- The number of shares issued reflects the 30:1 stock split effective August 1, 2015.
- For the above figures for 2016 onwards, the total amount of solvency margin was partially amended in accordance with the Cabinet Office Ordinance No. 16 of 2016 (The figures for 2015 and before provided above were determined based on existing standards).
- "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.

(Reference)

(Billions of yen unless specifically indicated)

As of/For the years ended March 31	2009	2010	2011	2012	2013
Ordinary income	¥ 15,533.7	¥ 14,591.6	¥ 13,375.4	¥ 12,538.6	¥ 11,834.9
Ordinary profit	214.2	379.6	422.2	531.3	529.3
Core profit	432.4	427.1	484.4	571.6	570.0
Net income	38.3	70.1	77.2	67.7	91.0
Capital stock	500.0	500.0	500.0	500.0	500.0
(Number of shares issued: thousands of shares)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Total assets	106,577.9	100,969.7	96,786.7	93,688.6	90,462.3
Separate account	—	—	—	—	—
Policy reserves	98,801.2	93,417.0	89,164.7	85,143.8	81,401.9
Loans	18,341.8	16,260.5	14,547.4	13,929.0	12,691.5
Securities	83,326.8	80,341.5	77,173.0	74,587.1	72,558.1
Solvency margin ratio (%)	1,429.7%	1,663.9%	1,821.6% [1,153.9%]	1,336.1%	1,467.9%
Number of employees (persons)	5,770	6,293	6,815	6,741	6,789
Policy amount in force	7,694.8	13,849.2	19,865.7	25,824.7	31,675.3
Individual insurance	6,870.7	12,343.1	17,642.1	23,043.1	28,480.7
Individual annuities	824.1	1,506.0	2,223.5	2,781.5	3,194.6
Group insurance	—	—	—	—	—
Policy amount in force for group annuities	—	—	—	—	—

Notes:

- In accordance with the Cabinet Office Ordinance No. 23 of 2010 and the public notification No. 48 issued by the Financial Services Agency in 2010, the calculation standard for the total amount of solvency margin and the total amount of risk was partially amended (tightening of margin calculations, tightening and refining of risk measurements and others). Accordingly, these items for 2009 to 2011 and those for 2012 onwards were calculated based on different standards. The figure in brackets for 2011 is the figure disclosed in the fiscal year ended March 31, 2011 on the assumption that the standard as of 2012 was applied on March 31, 2011.
- "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	2017				2018			
	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
Individual insurance	17,150,748	111.7%	¥ 50,097,987	112.8%	17,921,047	104.5%	¥ 52,359,711	104.5%
Individual annuities	1,363,121	99.7	3,131,186	90.1	1,333,084	97.8	2,742,555	87.6
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	2017						2018					
	Number of policies		Policy amount				Number of policies		Policy amount			
		Year-on-year comparison		Year-on-year comparison	New policies	Net increase arising from the conversion		Year-on-year comparison		Year-on-year comparison	New policies	Net increase arising from the conversion
Individual insurance	2,441,232	101.8%	¥ 7,847,481	109.5%	¥ 7,847,481	-	1,739,153	71.2%	¥ 5,464,124	69.6%	¥ 5,464,124	-
Individual annuities	10,624	16.7	39,797	18.1	39,797	-	641	6.0	3,002	7.5	3,002	-
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	2017		2018	
		Year-on-year comparison		Year-on-year comparison
Individual insurance	¥ 3,207,988	112.0%	¥ 3,367,381	105.0%
Individual annuities	569,359	86.8	491,191	86.3
Total	¥ 3,777,348	107.3	¥ 3,858,573	102.2
Medical coverage, living benefits and other	333,857	113.8	382,107	114.5

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	2017		2018	
		Year-on-year comparison		Year-on-year comparison
Individual insurance	¥ 507,988	104.7%	¥ 376,237	74.1%
Individual annuities	19,429	18.5	264	1.4
Total	¥ 527,417	89.3	¥ 376,502	71.4
Medical coverage, living benefits and other	55,739	112.4	59,205	106.2

Notes:

1. 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.
2. "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	2017		2018	
	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	2,441,232	¥ 7,847,481	1,739,153	¥ 5,464,124
Ordinary whole life insurance	607,993	1,788,082	646,669	1,879,881
Fixed amount type	332,216	759,054	282,707	595,166
Increased amount type	275,777	1,029,027	363,962	1,284,715
(Inclusive) Ordinary whole life insurance (low cash value)	–	–	82,274	218,419
Fixed amount type	–	–	37,918	74,577
Increased amount type	–	–	44,356	143,841
Special whole life insurance	314,673	1,250,539	123,433	443,791
(Inclusive) Special whole life insurance (low cash value)	–	–	15,345	50,920
Ordinary term insurance	455	1,058	596	1,337
Ordinary endowment insurance	881,969	2,898,010	498,624	1,534,679
Special endowment insurance	288,389	1,164,671	332,546	1,324,272
Designated endowment insurance	802	1,020	719	922
Educational endowment insurance (H24)	346,951	744,099	136,566	279,240
Individual annuities	10,624	¥ 39,797	641	¥ 3,002
Longevity support insurance	–	–	641	3,002
Immediate term annuity	2,251	7,933	–	–
Deferred term annuity	8,373	31,864	–	–
Asset-formation insurance	18	¥ 0	3	¥ 0
Asset-formation savings insurance	18	0	3	0
Asset-formation housing funding insurance	–	–	–	–
Asset-formation annuities	1	¥ 4	–	¥ –
Asset-formation whole life annuity	1	4	–	–

Notes:

1. Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
2. 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.
3. Policy amount for "asset-formation insurance" is the amount of the first premium payment.
4. "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	2017		2018	
	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	17,150,748	¥ 50,097,987	17,921,047	¥ 52,359,711
Ordinary whole life insurance	2,692,370	8,636,024	3,171,912	9,928,579
Fixed amount type	912,498	2,209,735	1,139,717	2,665,158
Increased amount type	1,779,872	6,426,288	2,032,195	7,263,421
(Inclusive) Ordinary whole life insurance (low cash value)	–	–	81,302	215,881
Fixed amount type	–	–	37,281	73,251
Increased amount type	–	–	44,021	142,630
Special whole life insurance	1,855,456	6,286,734	1,915,010	6,472,009
(Inclusive) Special whole life insurance (low cash value)	–	–	15,199	50,335
Whole life insurance with nursing care benefit	123	354	116	328
Ordinary term insurance	3,738	16,422	3,859	16,574
Ordinary endowment insurance	6,809,519	17,590,358	6,859,904	17,763,478
Special endowment insurance	3,069,931	12,288,755	3,183,352	12,702,198
Designated endowment insurance	64,307	119,025	57,746	107,256
Educational endowment insurance	1,120,418	1,897,421	1,090,366	1,897,730
Educational endowment insurance with scholarship annuity	88,373	164,273	86,469	164,336
Educational endowment insurance (H24)	1,446,081	3,096,843	1,551,924	3,305,574
Husband-and-wife insurance	70	169	35	103
Whole life insurance with whole life annuity	361	1,600	353	1,537
Husband-and-wife insurance with husband-and-wife annuity	1	3	1	3
Individual annuities	1,363,121	¥ 3,131,186	1,333,084	¥ 2,742,555
Longevity support insurance	–	–	619	2,855
Immediate whole life annuity	1,020	4,048	987	3,792
Deferred whole life annuity	10,216	80,400	9,993	78,417
Whole life annuity with additional nursing annuity	5	51	5	51
Immediate term annuity	392,394	556,451	370,378	427,710
Deferred term annuity	959,474	2,490,157	951,090	2,229,649
Immediate husband-and-wife annuity	2	6	2	6
Deferred husband-and-wife annuity	10	71	10	71
Asset-formation insurance	132	¥ 114	108	¥ 100
Asset-formation savings insurance	125	102	103	91
Asset-formation housing funding insurance	7	12	5	9
Asset-formation annuities	13	¥ 56	13	¥ 56
Asset-formation whole life annuity	13	56	13	56

Notes:

1. Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
2. 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.
3. Policy amount for "asset-formation insurance" is the amount of policy reserves.
4. "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	
			2017	2018
Death benefit	General death	Individual insurance	¥ 47,001,143	¥ 49,054,136
		Individual annuities	–	–
		Group insurance	–	–
		Group annuities	–	–
		Net, including others	81,178,001	77,375,536
	Accidental death	Individual insurance	[55,809,032]	[59,860,503]
		Individual annuities	[14,781]	[14,393]
		Group insurance	[–]	[–]
		Group annuities	[–]	[–]
		Net, including others	[117,065,108]	[112,334,755]
	Other conditional death	Individual insurance	[–]	[–]
		Individual annuities	[–]	[–]
		Group insurance	[–]	[–]
		Group annuities	[–]	[–]
		Net, including others	[–]	[–]
Survival benefit	Maturity/living benefits	Individual insurance	3,096,843	3,305,574
		Individual annuities	1,018,299	749,279
		Group insurance	–	–
		Group annuities	–	–
		Net, including others	6,352,313	6,054,690
	Annuities	Individual insurance	[20,956]	[20,517]
		Individual annuities	[487,045]	[476,643]
		Group insurance	[–]	[–]
		Group annuities	[–]	[–]
		Net, including others	[1,402,586]	[1,253,283]
	Others	Individual insurance	–	–
		Individual annuities	2,112,887	1,993,275
		Group insurance	–	–
		Group annuities	–	–
		Net, including others	11,402,938	11,123,715
Hospitalization benefit	Hospitalization due to accident	Individual insurance	[50,097]	[52,363]
		Individual annuities	[35]	[34]
		Group insurance	[–]	[–]
		Group annuities	[–]	[–]
		Net, including others	[101,209]	[96,144]
	Hospitalization due to illness	Individual insurance	[49,423]	[51,719]
		Individual annuities	[8]	[8]
		Group insurance	[–]	[–]
		Group annuities	[–]	[–]
		Net, including others	[100,315]	[95,351]
	Other conditional hospitalization	Individual insurance	[8,259]	[7,983]
		Individual annuities	[5]	[5]
		Group insurance	[–]	[–]
		Group annuities	[–]	[–]
		Net, including others	[13,016]	[12,309]

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	
		2017	2018
Disability benefit	Individual insurance	[10,758,476]	[11,033,468]
	Individual annuities	[4,008]	[3,937]
	Group insurance	[-]	[-]
	Group annuities	[-]	[-]
	Net, including others	[23,659,852]	[22,203,649]
Surgery benefit	Individual insurance	[12,577,107]	[13,248,234]
	Individual annuities	[6,462]	[6,369]
	Group insurance	[-]	[-]
	Group annuities	[-]	[-]
	Net, including others	[25,584,202]	[24,843,577]

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	
		2017	2018
Death protection insurance	Whole life insurance	¥ 14,923,113	¥ 16,400,918
	Whole life insurance with term rider	–	–
	Term insurance	16,422	16,574
	Net, including others	14,941,139	16,419,033
Mixed insurance	Endowment insurance	29,998,139	30,572,933
	Endowment insurance with term rider	–	–
	Term insurance with living benefits	–	–
	Net, including others	32,060,004	32,635,103
Pure endowment insurance	3,096,843	3,305,574	
Annuities	Individual annuities	3,131,186	2,742,555
Accident/illness riders	Accident rider	29,739,659	29,311,917
	Nursing care rider	225	209
	Accident hospitalization rider	36	15
	Illness hospitalization rider	1	0
	Illness and accident hospitalization rider	1,579	975
	Non-participating accident hospitalization rider	665	633
	Non-participating illness and accident hospitalization rider	47,852	46,640
	Non-participation accidental rider	–	1,192,026
	Non-participation accident medical rider	–	21
	Non-participation comprehensive medical rider	–	4,111

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.
- 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	2017		2018	
	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the fiscal year	15,350,407	¥ 44,406,257	17,150,748	¥ 50,097,987
New policies	2,441,232	7,847,481	1,739,153	5,464,124
Renewals	–	–	–	–
Reinstatements	12,132	33,118	11,689	31,376
Increase in coverage amount	[1]	0	[–]	–
Increase by conversion	–	–	–	–
Death	24,419	59,052	29,167	69,468
Maturity	9,763	12,160	232,090	655,783
Decrease in coverage amount	[88,130]	265,514	[91,829]	263,995
Decrease by conversion	–	–	–	–
Surrender	523,686	1,675,088	621,249	1,993,564
Lapse	76,953	226,414	80,855	241,334
Decrease by other changes	18,202	(49,361)	17,182	9,630
At the end of the fiscal year	17,150,748	50,097,987	17,921,047	52,359,711
[Increase ratio]	[11.7 %]	[12.8 %]	[4.5 %]	[4.5 %]
Net increase	1,800,341	5,691,729	770,299	2,261,723
[Increase ratio]	[(0.6)%]	[8.5 %]	[(57.2)%]	[(60.3)%]

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	2017		2018	
	Number of policies	Policy amount	Number of policies	Policy amount
At the beginning of the fiscal year	1,367,445	¥ 3,476,492	1,363,121	¥ 3,131,186
New policies	10,624	39,797	641	3,002
Reinstatements	92	418	77	413
Increase by conversion	–	–	–	–
Death	7,373	14,745	7,798	13,452
Full payment	–	–	17,801	1,090
Decrease in coverage amount	[244]	679	[221]	474
Decrease by conversion	–	–	–	–
Surrender	7,256	23,094	4,939	15,362
Lapse	337	1,342	226	1,016
Decrease by other changes	74	345,659	(9)	360,650
At the end of the fiscal year	1,363,121	3,131,186	1,333,084	2,742,555
[Increase ratio]	[(0.3)%]	[(9.9)%]	[(2.2)%]	[(12.4)%]
Net increase	(4,324)	(345,305)	(30,037)	(388,631)
[Increase ratio]	[–]	[–]	[–]	[–]

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”)

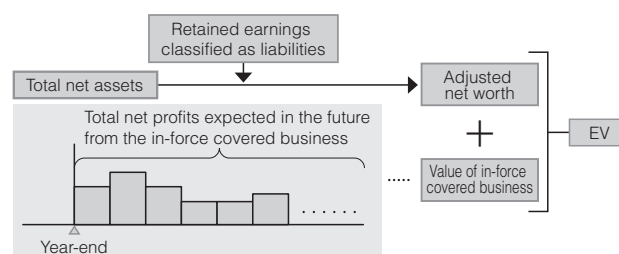
Embedded value (“EV”) is one of the corporate value indicators for life insurance companies.

The profit-loss structure in the life insurance business involves a loss at the time of sale and profit over a policy’s duration. A loss occurs temporarily at the time of sale, caused by a considerable amount of expenses generally incurred with the sale of a policy. Future profit is generated as the policy’s long duration serves to provide revenues over a long period of time, covering these initial expenses.

Under the current statutory accounting practices in Japan, gains and losses are recognized as they occur in each fiscal year. EV, on the other hand, is used to represent the present value of gains and losses that cover the entire duration. EV is the sum of the adjusted net worth (ANW), which reflects gains/losses from business activities in the past, and the value of in-force covered business (VIF), which is the present value of the expected future profits from the in-force covered business.

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”) as additional information supplementary to the financial data provided under the current statutory accounting practices.

Outline of EV



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	2017	2018	
			Increase (Decrease)
EV	¥ 3,355.6	¥ 3,743.3	¥ 387.6
Adjusted net worth	1,965.2	2,136.4	171.2
Total net assets on the balance sheet (Note 1)	1,527.4	1,595.8	68.4
Reserve for price fluctuations (Note 2)	140.2	251.2	110.9
Contingency reserve (Note 2)	415.2	449.2	34.0
Others (Note 3)	52.6	50.3	(2.2)
Tax effect on the above	(170.3)	(210.2)	(39.9)
Value of in-force covered business	1,390.4	1,606.8	216.4
Certainty equivalent present value of future profits	1,960.1	2,105.5	145.3
Time value of financial options and guarantees	(408.2)	(353.7)	54.4
Cost of holding required capital	(0.0)	(0.0)	(0.0)
Allowance for non-hedgeable risk	(161.4)	(144.8)	16.6

For the years ended March 31	2017	2018 (Note 4)	
			Increase (Decrease)
Value of new business	¥ 36.8	¥ 226.7	¥ 189.8
Certainty equivalent present value of future profits	97.0	246.3	149.3
Time value of financial options and guarantees	(41.7)	(14.1)	27.6
Cost of holding required capital	(0.0)	–	0.0
Allowance for non-hedgeable risk	(18.3)	(5.4)	12.9

Notes:

- 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).
- The value of new business includes the difference in value arising from the switchover subscription to riders launched in October 2017.

2) Movement Analysis

(Billions of yen)

	Adjusted net worth	Value of in-force covered business	EV
Values as of March 31, 2017	¥ 1,965.2	¥ 1,390.4	¥ 3,355.6
(1) Opening adjustments	(36.0)	–	(36.0)
Values as of March 31, 2017 after adjustment	¥ 1,929.2	¥ 1,390.4	¥ 3,319.6
(2) Value of new business	–	226.7	226.7
(3) Expected existing business contribution (risk-free rate)	(3.8)	89.8	86.0
(4) Expected existing business contribution (in excess of risk-free rate)	1.2	25.2	26.4
(5) Expected transfer from value of in-force covered business to adjusted net worth	143.5	(143.5)	–
On in-force at the beginning of the fiscal year	162.9	(162.9)	–
On new business	(19.4)	19.4	–
(6) Non-economic experience variances	3.0	(10.5)	(7.5)
(7) Non-economic assumption changes	–	(1.7)	(1.7)
(8) Economic variances	63.2	30.3	93.5
Values as of March 31, 2018	¥ 2,136.4	¥ 1,606.8	¥ 3,743.3

3) Sensitivities

(Billions of yen)

Assumptions	EV		Value of new business	
		Change in EV		Change in value of new business
Base Scenario March 31, 2018	¥ 3,743.3	¥ –	¥ 226.7	¥ –
Sensitivity 1 50bp increase in risk-free rate (Note 1)	3,917.1	173.8	277.3	50.5
Sensitivity 2 50bp decrease in risk-free rate (Notes 1 and 2)	3,402.8	(340.4)	154.7	(71.9)
Sensitivity 3 10% decrease in equity and real estate value	3,640.9	(102.3)	226.7	–
Sensitivity 4 10% decrease in maintenance expenses	3,917.4	174.1	239.7	12.9
Sensitivity 5 10% decrease in surrender and lapse rates	3,788.6	45.3	242.7	15.9
Sensitivity 6 5% decrease in claim incidence rates for life business	3,859.7	116.4	237.9	11.2
Sensitivity 7 5% decrease in claim incidence rates for annuity business	3,621.4	(121.8)	226.7	(0.0)
Sensitivity 8 Change the required capital to statutory minimum	3,743.3	0.0	226.7	–
Sensitivity 9 25% increase in implied volatilities of equity and real estate values	3,672.6	(70.6)	226.2	(0.4)
Sensitivity 10 25% increase in implied volatilities of swaptions	3,645.4	(97.8)	226.5	(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, 2017	March 31, 2018	Fiscal year ended March 31, 2017 (Rate at September 30, 2016)	Fiscal year ended March 31, 2018 (Rate at September 30, 2017)
1	(0.254)%	(0.134)%	(0.318)%	(0.134)%
2	(0.204)%	(0.137)%	(0.289)%	(0.120)%
3	(0.179)%	(0.118)%	(0.286)%	(0.105)%
4	(0.148)%	(0.118)%	(0.265)%	(0.093)%
5	(0.124)%	(0.108)%	(0.249)%	(0.078)%
10	0.068%	0.043%	(0.083)%	0.062%
15	0.375%	0.293%	0.144%	0.335%
20	0.663%	0.542%	0.376%	0.599%
25	0.828%	0.709%	0.465%	0.837%
30	0.881%	0.778%	0.472%	0.899%
40	1.271%	1.194%	0.909%	1.281%
50	1.682%	1.620%	1.387%	1.689%
60	1.978%	1.926%	1.732%	1.985%

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) 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.
- (iii) 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/2018/en_news_id000069.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	2017				2018			
	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
Individual insurance	17,150,748	11.7%	¥ 50,097,987	12.8%	17,921,047	4.5%	¥ 52,359,711	4.5%
Death protection insurance	4,552,049	20.1	14,941,139	19.6	5,091,251	11.8	16,419,033	9.9
Mixed insurance	11,152,618	6.9	32,060,004	8.7	11,277,872	1.1	32,635,103	1.8
Pure endowment insurance	1,446,081	28.5	3,096,843	28.4	1,551,924	7.3	3,305,574	6.7
Individual annuities	1,363,121	(0.3)	3,131,186	(9.9)	1,333,084	(2.2)	2,742,555	(12.4)
Group insurance	–	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–	–
Asset-formation insurance	132	(21.4)	114	(15.6)	108	(18.2)	100	(12.0)
Asset-formation annuities	13	8.3	56	8.5	13	0.0	56	0.0

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	2017				2018			
	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
Individual insurance	2,441,232	1.8%	¥ 7,847,481	9.5%	1,739,153	(28.8)%	¥ 5,464,124	(30.4)%
Death protection insurance	923,121	39.2	3,039,679	36.5	770,698	(16.5)	2,325,010	(23.5)
Mixed insurance	1,171,160	(6.6)	4,063,701	4.6	831,889	(29.0)	2,859,874	(29.6)
Pure endowment insurance	346,951	(27.9)	744,099	(29.6)	136,566	(60.6)	279,240	(62.5)
Individual annuities	10,624	(83.3)	39,797	(81.9)	641	(94.0)	3,002	(92.5)
Group insurance	–	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–	–
Asset-formation insurance	18	(10.0)	0	(41.5)	3	(83.3)	0	(79.0)
Asset-formation annuities	1	–	4	–	–	(100.0)	–	(100.0)

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, 2017	For the year ended March 31, 2018	As of March 31, 2017	As of March 31, 2018
Individual insurance	¥ 3,214	¥ 3,141	¥ 2,921	¥ 2,921
Death protection insurance	3,292	3,016	3,282	3,224
Mixed insurance	3,469	3,437	2,874	2,893
Pure endowment insurance	2,144	2,044	2,141	2,129

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

(%)

For the years ended March 31	2017	2018
Individual insurance	17.7%	10.9%
Individual annuities	1.1	0.1
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	2017	2018
Individual insurance	4.8%	4.9%
Individual annuities	1.3	1.1
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	2017	2018
Individual insurance	¥ 272,661	¥ 257,413

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	2017	2018
In terms of number of policies	1.50‰	1.66‰
In terms of policy amount	1.25	1.36

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		2017	2018
Accident death benefit policy	In terms of number of policies	0.10‰	0.11‰
	In terms of policy amount	0.09	0.09
Disability benefit policy	In terms of number of policies	0.17	0.18
	In terms of policy amount	0.05	0.05
Accident hospitalization benefit policy	In terms of number of policies	4.62	5.17
	In terms of policy amount	0.14	0.16
Illness hospitalization benefit policy	In terms of number of policies	39.31	42.18
	In terms of policy amount	0.81	0.87
Lifestyle disease hospitalization benefit policy	In terms of number of policies	–	–
	In terms of policy amount	–	–
Illness/accident surgery benefit policy	In terms of number of policies	26.68	29.21
Lifestyle disease surgery benefit policy	In terms of number of policies	–	–

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:
(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 full-paid rider claim) ÷ 2

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

For the year ended March 31, 2017	For the year ended March 31, 2018
11.13%	12.61%

(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, 2017	For the year ended March 31, 2018
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, 2017	For the year ended March 31, 2018
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, 2017	For the year ended March 31, 2018
A or superior	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, 2017	As of March 31, 2018
¥ 1,866	¥ 2,603

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	2017	2018
Claim-filing ratio in third-sector insurance	42.5%	40.7%
Medical (Illness)	32.8	31.9
Cancer	—	—
Nursing care	49.0	48.5
Other	93.3	89.6

6-4 Accounting Data

(1) Reserve for Outstanding Claims

(Millions of yen)

As of March 31		2017	2018
Insurance claims	Death benefits	¥ 10,075	¥ 11,770
	Accidental benefits	1,925	2,175
	Serious disability benefits	1,105	1,319
	Maturity benefits	655	29,247
	Other	523,185	455,010
	Subtotal	536,947	499,523
Annuity payments		5,830	6,856
Benefits		15,934	18,198
Surrender benefits		16,365	20,101
Deferred insurance benefits payment		—	—
Net, including other reserve for outstanding claims		577,376	548,196

(2) Policy Reserves

(Millions of yen)

As of March 31		2017		2018	
Policy reserves [excluding contingency reserve]	Individual insurance	¥	22,871,669	¥	24,638,597
	[General account]	[	22,871,669]	[	24,638,597]
	[Separate account]	[-]	[-]
	Individual annuities		3,038,767		2,673,091
	[General account]	[	3,038,767]	[	2,673,091]
	[Separate account]	[-]	[-]
	Group insurance		-		-
	[General account]	[-]	[-]
	[Separate account]	[-]	[-]
	Group annuities		-		-
	[General account]	[-]	[-]
	[Separate account]	[-]	[-]
	Other		42,010,770		38,351,259
[General account]	[	42,010,770]	[	38,351,259]	
[Separate account]	[-]	[-]	
Subtotal		67,921,206		65,662,949	
[General account]	[	67,921,206]	[	65,662,949]	
[Separate account]	[-]	[-]	
Contingency reserve		2,254,027		2,114,348	
Total		70,175,234		67,777,297	
[General account]	[	70,175,234]	[	67,777,297]	
[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, 2017	¥ 56,550,856	¥ 11,370,350	¥ -	¥ 2,254,027	¥ 70,175,234
As of March 31, 2018	55,255,019	10,407,929	-	2,114,348	67,777,297

(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		2017		2018	
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)	
	Contracts outside the scope of the standard policy reserves	—		—	
Reserve ratio (excluding contingency reserve)		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	¥ 8,756,408	1.00%-1.50%
For the year ended March 31, 2012	3,062,125	0.80%-1.50%
For the year ended March 31, 2013	3,095,772	0.70%-1.50%
For the year ended March 31, 2014	3,013,668	0.70%-1.00%
For the year ended March 31, 2015	3,233,194	0.55%-1.00%
For the year ended March 31, 2016	2,672,271	0.50%-1.00%
For the year ended March 31, 2017	2,399,601	0.50%-1.00%
For the year ended March 31, 2018	1,078,647	0.25%

Notes:

1. Balance of policy reserves includes policy reserves for individual insurance and individual annuities (excluding policy reserves in the separate account and the contingency reserve).
2. 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, 2017 and 2018.

(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 certain rates of 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 rate 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, 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 [66,346]	1,266 [1,264]	- [-]	- [-]	- [-]	1,689,052 [-]	1,772,565 [67,610]
For the year ended March 31, 2018							
Balance at the beginning of the fiscal year	82,247	1,266	-	-	-	1,689,052	1,772,565
Interest accrual	6	0	-	-	-	-	7
Reduction due to policyholder dividends paid	8,190	11	-	-	-	258,976	267,178
Reduction due to the acquisition of additional annuity	-	2	-	-	-	294	297
Provision for reserve for policyholder dividends	21,615	2	-	-	-	96,174	117,792
Balance at the end of the fiscal year	95,679 [73,226]	1,254 [1,251]	- [-]	- [-]	- [-]	1,525,955 [-]	1,622,889 [74,478]

Note: Figures within brackets "[]" are accumulated dividends. Meanwhile, the reserve for policyholder dividends associated with the reinsurance from the Management Organization (¥1,689,052 million for the year ended March 31, 2017 and ¥1,525,955 million for the year ended March 31, 2018) 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		2017			2018		
		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	¥ 71	¥ 59	¥ (11)	¥ 59	¥ 60	¥ 1
	Specific reserve for possible loan losses	701	598	(102)	598	634	35
	Reserve for specific foreign loans	-	-	-	-	-	-
Reserve for employees' retirement benefits		66,675	67,040	365	67,040	67,649	608
Reserve for management board benefit trust		-	76	76	76	172	96
Reserve for price fluctuations		782,268	788,712	6,444	788,712	916,743	128,031

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, 2017 and 2018.

(10) Capital Stock, etc.

(Millions of yen)

		Balance at the beginning of the year ended March 31, 2018	Increase in the fiscal year	Decrease in the fiscal year	Balance at the end of the year ended March 31, 2018	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	2017	2018
Individual insurance	¥ 3,964,238	¥ 3,446,372
(Lump-sum payment)	–	–
(Annual payment)	–	–
(Semi-annual payment)	–	–
(Monthly payment)	3,964,238	3,446,372
Individual annuities	66,956	22,429
(Lump-sum payment)	41,042	–
(Annual payment)	–	–
(Semi-annual payment)	–	–
(Monthly payment)	25,913	22,429
Group insurance	–	–
Group annuities	–	–
Net, including other premiums	5,034,273	4,225,050

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		2017	2018
Individual insurance	First-year premiums	¥ 672,791	¥ 482,714
	Premiums for the following years	3,358,403	2,986,087
Individual annuities	Subtotal	4,031,194	3,468,801
Group insurance Group annuities	First-year premiums	–	–
	Premiums for the following years	–	–
	Subtotal	–	–
Net, including other premiums	First-year premiums	673,021	483,450
	Premiums for the following years	4,361,251	3,741,600
	Total	5,034,273	4,225,050

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, 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
For the year ended March 31, 2018						
Individual insurance	65,220	5,376	1,707	428,057	–	500,362
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	30	–	30
Other insurance	–	–	–	–	5,124,650	5,124,650
Total	65,220	5,376	1,707	428,088	5,124,650	5,625,043

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, 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
For the year ended March 31, 2018						
Individual insurance	27,124	2,455	613	217,105	–	247,297
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	18	–	18
Other insurance	–	–	–	–	14,811,783	14,811,783
Total	27,124	2,455	613	217,123	14,811,783	15,059,098

Note: "Other insurance" includes reinsurance.

(13) Annuities

(Millions of yen)

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

For the year ended March 31, 2018						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 68	¥ 394,613	¥ –	¥ –	¥ –	¥ –	¥ 394,681

(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, 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
For the year ended March 31, 2018							
Individual insurance	49	34,601	23,894	1,555	7,597	949	68,647
Individual annuities	–	25	12	–	–	0	38
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	49	34,627	23,907	1,555	7,597	949	68,686

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, 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
For the year ended March 31, 2018							
Individual insurance	133	575,376	334,832	1,890	36,647	13,873	962,751
Individual annuities	–	188	115	–	–	7	310
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	133	575,564	334,947	1,890	36,647	13,880	963,061

(15) Surrender Benefits

(Millions of yen)

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

For the year ended March 31, 2018						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
¥ 534,189	¥ 11,083	¥ –	¥ –	¥ 9	¥ –	¥ 545,281

(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, 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
For the year ended March 31, 2018					
Tangible fixed assets	81,938	11,361	32,584	49,353	39.8
Buildings	49,639	6,665	16,933	32,705	34.1
Leased assets	3,925	577	1,763	2,161	44.9
Other tangible fixed assets	28,373	4,118	13,887	14,486	48.9
Intangible fixed assets	418,627	51,087	250,863	167,763	59.9
Others	625	56	298	326	47.7
Total	501,190	62,505	283,746	217,444	56.6

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	2017	2018
Sales activity expenses	¥ 201,199	¥ 177,274
Sales administration expenses	20,618	17,692
General administration expenses	338,388	337,876
Total	560,206	532,843

Note: "General administration expenses" include the contributions to the Life Insurance Policyholders Protection Corporation of Japan (¥2,069 million for the year ended March 31, 2017 and ¥2,262 million for the year ended March 31, 2018), pursuant to Article 259 of the Insurance Business Act.

(18) Taxes

(Millions of yen)

For the years ended March 31	2017		2018	
National taxes	¥	40,699	¥	34,474
Consumption tax		36,171		30,492
Special local corporation tax		3,773		3,253
Stamp duty		754		728
Registration license tax		0		0
Other national taxes		0		0
Local taxes		20,256		17,421
Local consumption tax		9,760		8,228
Enterprise tax		9,055		7,809
Fixed property tax		1,201		1,131
Real estate acquisition tax		–		0
Business office tax		239		252
Other local taxes		–		–
Total		60,956		51,895

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, 2017 and 2018.

(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, 2017							
Payables under securities lending transactions	¥ 4,889,066	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 4,889,066
Total	4,889,066	–	–	–	–	–	4,889,066
As of March 31, 2018							
Payables under securities lending transactions	3,663,547	–	–	–	–	–	3,663,547
Total	3,663,547	–	–	–	–	–	3,663,547

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	2017			2018		
	Amount	Percentage	Increase/decrease	Amount	Percentage	Increase/decrease
Cash, deposits, call loans	¥ 1,510,137	1.9	¥ (705,900)	¥ 1,159,191	1.5	¥ (350,945)
Receivables under resale agreements	–	–	–	–	–	–
Receivables under securities borrowing transactions	3,520,722	4.4	512,131	3,296,222	4.3	(224,499)
Monetary claims bought	27,561	0.0	(402,588)	176,069	0.2	148,507
Trading account securities	–	–	–	–	–	–
Money held in trust	2,127,042	2.6	482,494	2,814,873	3.7	687,831
Securities	63,486,273	79.0	(124,616)	60,131,893	78.3	(3,354,379)
Corporate and government bonds	57,658,115	71.8	(2,162,924)	53,576,426	69.7	(4,081,688)
Domestic stocks	59,305	0.1	58,321	196,379	0.3	137,074
Foreign securities	4,351,731	5.4	662,908	4,347,564	5.7	(4,166)
Foreign corporate and government bonds	4,346,732	5.4	657,910	4,235,485	5.5	(111,247)
Foreign stocks and other securities	4,998	0.0	4,998	112,079	0.1	107,080
Other securities	1,417,122	1.8	1,317,077	2,011,524	2.6	594,401
Loans	8,060,902	10.0	(917,534)	7,627,147	9.9	(433,755)
Policy loans	118,141	0.1	22,511	135,314	0.2	17,172
Industrial and commercial loans	873,720	1.1	44,693	919,051	1.2	45,330
Loans to the Management Organization	7,069,040	8.8	(984,739)	6,572,781	8.6	(496,258)
Real estate	119,011	0.1	(4,735)	83,920	0.1	(35,090)
Investment property	–	–	–	–	–	–
Deferred tax assets	852,263	1.1	139,647	954,136	1.2	101,873
Other	633,157	0.8	(186,221)	589,747	0.8	(43,409)
Reserve for possible loan losses	(658)	(0.0)	114	(695)	(0.0)	(37)
General account total	80,336,414	100.0	(1,207,209)	76,832,508	100.0	(3,503,905)
Foreign currency denominated assets	4,753,649	5.9	804,231	4,748,512	6.2	(5,136)

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	2017	2018
Cash, deposits and call loans	0.00%	0.00%
Receivables under resale agreements	–	–
Receivables under securities borrowing transactions	–	–
Monetary claims bought	0.23	0.91
Trading account securities	–	–
Money held in trust	3.49	4.75
Securities	1.52	1.48
Corporate and government bonds	1.59	1.54
Domestic stocks	5.23	6.68
Foreign securities	0.61	0.85
Other securities	0.54	1.00
Loans	2.10	2.04
Industrial and commercial loans	1.30	1.26
Real estate	–	–
General account total	1.50	1.51
Overseas loans and investments	0.82	1.01

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	2017	2018
Cash, deposits and call loans	¥ 908,816	¥ 694,247
Receivables under resale agreements	–	–
Receivables under securities borrowing transactions	–	–
Monetary claims bought	219,220	50,515
Trading account securities	–	–
Money held in trust	1,622,160	2,005,947
Securities	63,807,097	62,303,940
Corporate and government bonds	58,887,577	56,086,647
Domestic stocks	19,215	106,256
Foreign securities	4,198,112	4,407,549
Other securities	701,208	1,703,486
Loans	8,783,153	7,848,491
Industrial and commercial loans	895,898	900,863
Real estate	122,386	110,589
General account total	80,580,478	78,146,063
Overseas loans and investments	4,651,791	5,178,383

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	2017	2018
Interest and dividend income	¥ 1,226,193	¥ 1,152,306
Gains on trading account securities	–	–
Gains on money held in trust	56,535	95,189
Gains on trading securities	–	–
Gains on sales of securities	85,142	36,468
Gains on redemption of securities	33	53
Gains on derivative financial instruments	–	–
Gains on foreign exchanges	–	284
Reversal of reserve for possible loan losses	11	–
Other investment income	21	226
Total	1,367,937	1,284,529

(5) Investment Expenses

(Millions of yen)

For the years ended March 31	2017	2018
Interest expenses	¥ 2,218	¥ 1,450
Losses on trading account securities	–	–
Losses on money held in trust	–	–
Losses on trading securities	–	–
Losses on sales of securities	124,734	65,733
Losses on valuation of securities	–	–
Losses on redemption of securities	7,480	5,964
Losses on derivative financial instruments	20,599	30,301
Losses on foreign exchanges	3,362	–
Provision for reserve for possible loan losses	–	1
Write-off loans	–	–
Depreciation of real estate for lease and other assets	–	–
Other investment expenses	2,018	2,623
Total	160,414	106,074

(6) Interest, Dividends and Other Income

(Millions of yen)

For the years ended March 31	2017	2018
Interest on deposits	¥ 22	¥ 15
Interest and dividends on securities	1,037,359	986,497
Interest on corporate and government bonds	934,895	863,325
Domestic stock dividends	727	3,646
Interest and dividends on foreign securities	97,953	102,349
Interest on loans	14,037	14,128
Interest on loans to the Management Organization	170,098	146,327
Rent revenue from real estate	–	–
Net, including other income	1,226,193	1,152,306

(7) Gains on Sales of Securities

(Millions of yen)

For the years ended March 31	2017	2018
Japanese government bonds and other bonds	¥ 1,384	¥ 1
Domestic stocks and other securities	352	4,692
Foreign securities	83,406	31,774
Net, including other gains on sales of securities	85,142	36,468

(8) Losses on Sales of Securities

(Millions of yen)

For the years ended March 31	2017	2018
Japanese government bonds and other bonds	¥ 147	¥ 334
Domestic stocks and other securities	53	1,152
Foreign securities	124,533	64,156
Other securities	–	90
Net, including other losses on sales of securities	124,734	65,733

(9) Losses on Valuation of Securities

Not applicable as of March 31, 2017 and 2018.

(10) Proprietary Trading Securities

Not applicable as of March 31, 2017 and 2018.

(11) Proceeds on Sales of Proprietary Trading Securities

Not applicable as of March 31, 2017 and 2018.

(12) Securities Composition

(Millions of yen, %)

As of March 31	2017		2018	
	Amount	Percentage	Amount	Percentage
Corporate and government bonds	¥ 57,658,115	90.8	¥ 53,576,426	89.1
Japanese government bonds	42,732,364	67.3	39,589,896	65.8
Japanese local government bonds	9,226,804	14.5	8,513,583	14.2
Japanese corporate bonds	5,698,945	9.0	5,472,945	9.1
Public entity bonds	3,808,315	6.0	3,674,193	6.1
Domestic stocks	59,305	0.1	196,379	0.3
Foreign securities	4,351,731	6.9	4,347,564	7.2
Foreign corporate and government bonds	4,346,732	6.8	4,235,485	7.0
Foreign stocks and other securities	4,998	0.0	112,079	0.0
Other securities	1,417,122	2.2	2,011,524	3.3
Total	63,486,273	100.0	60,131,893	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, 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	–	–	–	–	–	–	–
As of March 31, 2018	4,809,300	5,048,498	5,528,740	4,568,215	7,006,744	33,766,464	60,727,963
Securities	4,239,300	5,048,498	5,528,740	4,568,215	7,006,744	33,740,394	60,131,893
Japanese government bonds	2,231,260	1,710,097	2,147,169	1,888,525	5,273,345	26,339,497	39,589,896
Japanese local government bonds	1,225,464	2,126,553	1,886,568	1,353,232	604,668	1,317,096	8,513,583
Japanese corporate bonds	740,859	958,161	1,178,288	432,644	478,662	1,684,327	5,472,945
Stocks	–	–	–	–	–	196,379	196,379
Foreign securities	41,716	253,686	316,713	893,812	650,066	2,191,569	4,347,564
Foreign corporate and government bonds	41,716	253,686	316,713	893,812	650,066	2,079,490	4,235,485
Foreign stocks and other securities	–	–	–	–	–	112,079	112,079
Other securities	–	–	–	–	–	2,011,524	2,011,524
Monetary claims bought	149,999	–	–	–	–	26,069	176,069
Negotiable certificates of deposit	420,000	–	–	–	–	–	420,000
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	2017	2018
Corporate and government bonds	1.57%	1.54%
Foreign corporate and government bonds	2.08	2.38

(15) Breakdown of Local Government Bonds by Region

(Millions of yen)

As of March 31	2017	2018
Hokkaido	¥ 219,534	¥ 218,549
Tohoku	86,774	81,012
Kanto	2,070,417	1,910,698
Chubu	1,012,153	944,478
Kinki	1,004,950	990,172
Chugoku	316,872	286,384
Shikoku	89,691	85,120
Kyushu	598,001	576,154
Other	3,828,407	3,421,013
Total	9,226,804	8,513,583

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

(16) Shareholdings by Industry Sector

(Millions of yen, %)

As of March 31	2017		2018	
	Amount	Percentage	Amount	Percentage
Fishery, agriculture and forestry	¥ –	–	¥ –	–
Mining	–	–	–	–
Construction	2,523	4.3	7,946	4.0
Manufacturing				
Foods	1,465	2.5	6,747	3.4
Textiles and apparel	1,433	2.4	2,487	1.3
Pulp and paper	–	–	–	–
Chemicals	7,937	13.4	15,273	7.8
Pharmaceuticals	3,074	5.2	4,856	2.5
Oil and coal products	–	–	–	–
Rubber products	524	0.9	1,127	0.6
Glass and ceramic products	–	–	1,637	0.8
Iron and steel	–	–	–	–
Nonferrous metals	1,121	1.9	3,529	1.8
Metal products	–	–	–	–
Machinery	2,374	4.0	9,183	4.7
Electric appliances	2,872	4.8	23,219	11.8
Transportation equipment	2,292	3.9	11,696	6.0
Precision instruments	566	1.0	4,294	2.2
Other products	1,007	1.7	3,550	1.8
Electric power and gas	–	–	–	–
Transportation, information and communications				
Land transportation	3,172	5.3	8,916	4.5
Marine transportation	–	–	–	–
Air transportation	1,095	1.8	3,735	1.9
Warehousing and port transportation services	–	–	–	–
Information and communications	13,611	23.0	27,168	13.8
Trade and services				
Wholesale trade	1,145	1.9	12,593	6.4
Retail trade	4,582	7.7	17,970	9.2
Finance and insurance				
Banking	5,539	9.3	13,876	7.1
Securities and trading	–	–	495	0.3
Insurance	486	0.8	2,713	1.4
Other financial services	–	–	2,912	1.5
Real estate	–	–	–	–
Services	2,476	4.2	10,445	5.3
Total	59,305	100.0	196,379	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	2017	2018
Policy loans	¥ 118,141	¥ 135,314
Policyholder loans	118,139	135,312
Policy premium loans	1	2
Industrial and commercial loans	7,942,761	7,491,833
(Loans to non-residents)	(-)	(-)
Loans to companies	7,271,272	6,772,822
(Loans to domestic corporations)	(7,271,272)	(6,772,822)
Loans to state, international organizations and government organizations	-	-
Loans to public bodies and public businesses	671,488	719,010
Housing loans	-	-
Consumer loans	-	-
Other	-	-
Total	8,060,902	7,627,147

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, 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
Total industrial and commercial loans as of March 31, 2018	965,546	2,185,923	1,303,072	1,056,198	947,012	1,034,079	7,491,833
Variable rate loans	15,250	8,400	8,600	14,250	5,000	-	51,500
Fixed rate loans	950,296	2,177,523	1,294,472	1,041,948	942,012	1,034,079	7,440,333

Notes:

1. "Fixed rate loans" includes loans to the Management Organization (Postal Life Insurance Account).
2. 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		2017		2018	
			Percentage		Percentage
Large companies	Number of borrowers	33	82.5	31	73.8
	Amount of loans	¥ 175,820	2.4	¥ 163,620	2.4
Medium-sized companies	Number of borrowers	–	–	–	–
	Amount of loans	–	–	–	–
Small companies	Number of borrowers	7	17.5	11	26.2
	Amount of loans	7,095,452	97.6	6,609,202	97.6
Total loans to domestic companies	Number of borrowers	40	100.0	42	100.0
	Amount of loans	7,271,272	100.0	6,772,822	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	
		Paid-in capital over ¥1 billion		Paid-in capital over ¥1 billion		Paid-in capital over ¥1 billion		Paid-in capital over ¥1 billion
Large companies	More than 300 employees	Paid-in capital over ¥1 billion	More than 50 employees	Paid-in capital over ¥1 billion	More than 100 employees	Paid-in capital over ¥1 billion	More than 100 employees	Paid-in capital over ¥1 billion
Medium-sized companies		Paid-in capital between ¥0.3 billion and ¥1 billion		Paid-in capital between ¥0.05 billion and ¥1 billion		Paid-in capital between ¥0.05 billion and ¥1 billion		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	2017		2018	
	Amount	Percentage	Amount	Percentage
Domestic				
Manufacturing	¥ 50,750	0.6	¥ 46,750	0.6
Foods	4,000	0.1	—	—
Textiles and apparel	—	—	—	—
Wood, wood products	—	—	—	—
Pulp and paper	11,950	0.2	11,950	0.2
Printing	—	—	—	—
Chemicals	10,150	0.1	10,150	0.1
Oil and coal products	4,650	0.1	4,650	0.1
Ceramics, soil and stone	7,000	0.1	7,000	0.1
Iron and steel	8,000	0.1	8,000	0.1
Nonferrous metals	—	—	—	—
Metal products	—	—	—	—
General purpose, production and industrial machinery	—	—	—	—
Electric appliances	—	—	—	—
Transportation equipment	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
Electric power, gas, heat supply and waterworks	2,863	0.0	9,777	0.1
Information and communications	4,350	0.1	4,350	0.1
Transportation and postal	43,006	0.5	41,025	0.5
Wholesale trade	44,700	0.6	43,400	0.6
Retail trade	—	—	—	—
Financing and insurance	7,102,040	89.4	6,605,781	88.2
Real estate	22,662	0.3	20,837	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	671,488	8.5	719,010	9.6
Individuals (residential/consumption/local taxes/other)	—	—	—	—
Total	7,942,761	100.0	7,491,833	100.0
Overseas				
Governments and public entities	—	—	—	—
Financial institutions	—	—	—	—
Commerce and industry, etc.	—	—	—	—
Total	—	—	—	—
Total industrial and commercial loans	7,942,761	100.0	7,491,833	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	2017		2018	
	Amount	Percentage	Amount	Percentage
Capital investments	¥ 559,435	7.0	¥ 590,551	7.9
Operations	7,383,325	93.0	6,901,281	92.1
Total	7,942,761	100.0	7,491,833	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	2017		2018	
	Amount	Percentage	Amount	Percentage
Hokkaido	¥ –	–	¥ –	–
Tohoku	37,231	0.5	46,645	0.6
Kanto	7,412,963	93.3	6,932,494	92.5
Chubu	156,728	2.0	164,215	2.2
Kinki	194,865	2.5	198,354	2.6
Chugoku	50,453	0.6	52,204	0.7
Shikoku	7,030	0.1	8,436	0.1
Kyushu	83,489	1.1	89,482	1.2
Total	7,942,761	100.0	7,491,833	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	2017		2018	
	Amount	Percentage	Amount	Percentage
Secured loans	¥ 5,612	0.1	¥ 12,320	0.2
Loans secured by securities	–	–	–	–
Loans secured by real estate, movable property or foundation	–	–	–	–
Loans secured by nominative claims	5,612	0.1	12,320	0.2
Guaranteed loans	27,490	0.3	27,490	0.4
Credit loans	840,618	10.6	879,240	11.7
Other	7,069,040	89.0	6,572,781	87.7
Industrial and commercial loans	7,942,761	100.0	7,491,833	100.0
Subordinated loans	1,000	0.0	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, 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)	–	–	–	–	–	–	–
For the year ended March 31, 2018							
Land	68,272	0	25,206 (1,237)	0	43,066	0	–
Buildings, net	44,483	1,458	6,570 (765)	6,665	32,705	16,933	34.1
Leased assets, net	2,004	740	6	577	2,161	1,763	44.9
Construction in progress	6,255	3,626	1,733	0	8,149	0	–
Others, net	15,911	2,960	268	4,118	14,486	13,887	48.9
Total	136,928	8,786	33,784 (2,003)	11,361	100,568	32,584	–
(Includes rentals and other real estate)	–	–	–	–	–	–	–

Notes:

- Figures in brackets in “decrease in the fiscal year” are represented by the booked amounts of impairment loss.
- “Buildings” is booked as the sum total of buildings, facilities and structures.

2) Breakdown of Real Estate Holdings by Use

(Millions of yen, number of buildings)

As of March 31	2017	2018
Value of real estate holdings	¥ 119,011	¥ 83,920
For business operations	119,011	83,920
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	2017	2018
Tangible fixed assets	¥ –	¥ 90,136
Land	–	90,057
Buildings	–	78
Leased assets	–	–
Other assets	–	–
Intangible fixed assets	–	–
Others	–	–
Total	–	90,136
Includes rentals and other real estate	–	–

Note: In 2018, land and buildings were sold in bulk. As a result, ¥86,053 million obtained by deducting ¥4,082 million in losses on sales and disposal of land and buildings from ¥90,136 million in total gains on sales of fixed assets presented above is accrued in the statement of income.

(26) Losses on Disposal of Fixed Assets

(Millions of yen)

For the years ended March 31	2017		2018	
Tangible fixed assets	¥	183	¥	4,386
Land		–		72
Buildings		109		4,025
Leased assets		5		6
Other assets		68		282
Intangible fixed assets		269		32
Others		–		–
Total		453		4,419
Includes rentals and other real estate		–		–

Note: The total of ¥4,419 million for 2018 includes ¥4,082 million in losses on sales and disposal of land and buildings.

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

Not applicable for the years ended March 31, 2017 and 2018.

(28) Overseas Loans and Investments

1) Breakdown by Asset Composition

(Millions of yen, %)

As of March 31		2017		2018	
		Amount	Percentage	Amount	Percentage
Foreign-currency-denominated assets	Foreign corporate and government bonds	¥ 4,444,312	90.3	¥ 4,381,818	83.8
	Foreign stocks	309,050	6.3	342,539	6.6
	Cash and cash equivalents	286	0.0	24,154	0.5
	Subtotal	4,753,649	96.5	4,748,512	90.9
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	170,197	3.5	477,880	9.1
	Subtotal	170,197	3.5	477,880	9.1
Net overseas loans and investments		4,923,846	100.0	5,226,393	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, 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	–	–	–	–
As of March 31, 2018	5,044,316	100.0	4,235,485	100.0	808,830	100.0	–	–
North America	3,135,029	62.1	2,823,297	66.7	311,731	38.5	–	–
Europe	837,536	16.6	806,728	19.0	30,807	3.8	–	–
Oceania	214,552	4.3	214,552	5.1	–	–	–	–
Asia	–	–	–	–	–	–	–	–
Central and South America	486,196	9.6	19,905	0.5	466,291	57.7	–	–
Middle East	–	–	–	–	–	–	–	–
Africa	–	–	–	–	–	–	–	–
International organization	371,000	7.4	371,000	8.8	–	–	–	–

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

(Millions of yen, %)

As of March 31	2017		2018	
	Amount	Percentage	Amount	Percentage
U.S. dollar	¥ 3,559,917	74.9	¥ 3,501,739	73.7
Euro	1,013,531	21.3	727,362	15.3
Australian dollar	142,020	3.0	372,312	7.8
New Zealand dollar	–	–	77,691	1.6
Canadian dollar	4,596	0.1	49,527	1.0
British pound	33,583	0.7	19,879	0.4
Total	4,753,649	100.0	4,748,512	100.0

(29) Yield on Overseas Loans and Investments

(%)

For the years ended March 31	2017	2018
Yield on overseas loans and investments	0.82	1.01

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

(Millions of yen)

For the years ended March 31		2017	2018
Public bonds	Japanese government bonds	¥ –	¥ –
	Japanese local government bonds	–	–
	Public entity bonds	4	7
	Subtotal	4	7
Loans	Government organizations	–	–
	Public entities	124,696	80,933
	Subtotal	124,696	80,933
Total		124,700	80,940

(31) Loan Interest Rates

Not applicable for the years ended March 31, 2017 and 2018

(32) Other Assets

(Millions of yen)

Asset class	Cost	Balance at the beginning of the fiscal year	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, 2017							
Other	¥ 1,597	¥ 2,115	¥ 4,475	¥ 4,993	¥ –	¥ 1,597	
Total	1,597	2,115	4,475	4,993	–	1,597	
For the year ended March 31, 2018							
Other	2,489	1,597	4,202	3,310	–	2,489	
Total	2,489	1,597	4,202	3,310	–	2,489	

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, 2017 and 2018.

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

(Millions of yen)

As of March 31	2017					2018				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	¥ 40,441,881	¥ 46,518,693	¥ 6,076,812	¥ 6,149,942	¥ 73,129	¥38,490,055	¥44,608,732	¥ 6,118,677	¥ 6,160,256	¥ 41,579
Policy-reserve-matching bonds	12,517,334	13,697,410	1,180,075	1,204,445	24,370	10,676,330	11,769,615	1,093,285	1,103,904	10,618
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	12,522,618	12,966,282	443,664	657,830	214,165	13,667,194	14,225,628	558,433	758,562	200,129
Corporate and government bonds	4,758,489	4,796,899	38,409	71,613	33,204	4,474,163	4,508,040	33,877	55,126	21,248
Domestic stocks	1,302,336	1,626,015	323,679	342,436	18,757	1,587,499	2,040,650	453,150	491,990	38,839
Foreign securities	4,658,641	4,748,683	90,041	237,280	147,238	4,835,101	4,923,090	87,989	202,126	114,137
Foreign corporate and government bonds	4,219,602	4,248,732	29,130	175,028	145,898	4,129,047	4,137,485	8,437	122,573	114,136
Foreign stocks and other securities	439,038	499,950	60,911	62,252	1,340	706,053	785,604	79,551	79,552	0
Other securities	1,428,000	1,417,122	(10,877)	4,086	14,964	2,176,523	2,157,777	(18,745)	7,158	25,903
Monetary claims bought	25,149	27,561	2,411	2,411	-	173,907	176,069	2,161	2,161	-
Negotiable certificates of deposit	350,000	350,000	-	-	-	420,000	420,000	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	65,481,834	73,182,386	7,700,552	8,012,218	311,665	62,833,580	70,603,976	7,770,395	8,022,723	252,327
Corporate and government bonds	57,619,705	64,911,866	7,292,160	7,422,865	130,704	53,542,548	60,786,228	7,243,680	7,317,126	73,446
Domestic stocks	1,302,336	1,626,015	323,679	342,436	18,757	1,587,499	2,040,650	453,150	491,990	38,839
Foreign securities	4,756,641	4,849,819	93,178	240,417	147,238	4,933,101	5,023,250	90,149	204,286	114,137
Foreign corporate and government bonds	4,317,602	4,349,869	32,266	178,164	145,898	4,227,047	4,237,645	10,597	124,733	114,136
Foreign stocks and other securities	439,038	499,950	60,911	62,252	1,340	706,053	785,604	79,551	79,552	0
Other securities	1,428,000	1,417,122	(10,877)	4,086	14,964	2,176,523	2,157,777	(18,745)	7,158	25,903
Monetary claims bought	25,149	27,561	2,411	2,411	-	173,907	176,069	2,161	2,161	-
Negotiable certificates of deposit	350,000	350,000	-	-	-	420,000	420,000	-	-	-
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 trading purposes for which the book value was ¥1,686,170 million with a gain of ¥380,716 million as of March 31, 2018 and ¥2,153,285 million with a gain of ¥516,484 million as of March 31, 2017.

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	2017	2018
Held-to-maturity bonds	¥ -	¥ -
Unlisted foreign bonds	-	-
Other	-	-
Policy-reserve-matching bonds	-	-
Equities of subsidiaries and affiliates	984	1,479
Available-for-sale securities	4,239	61,625
Unlisted domestic stocks (excluding OTC-traded equities)	4,239	4,239
Unlisted foreign stocks (excluding OTC-traded equities)	-	-
Unlisted foreign bonds	-	-
Other	-	57,385
Total	5,223	63,105

Notes:

1. This table includes money held in trust other than trading securities (¥57,385 million as of March 31, 2018).
2. Net unrealized losses on foreign exchanges for assets denominated in foreign currencies of the securities for which the fair values are deemed extremely difficult to determine are as follows: (¥867 million as of March 31, 2018)

(2) Fair Value of Money Held in Trust

(Millions of yen)

As of March 31	2017					2018				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
			Gains	Losses	Gains			Losses		
Money held in trust	¥2,127,042	¥2,127,042	¥ -	¥ -	¥ -	¥2,755,347	¥2,755,347	¥ -	¥ -	¥ -

Note: Excluding money held in trust for which the fair values are deemed extremely difficult to determine (¥59,526 million as of March 31, 2018).

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, 2017 and 2018.

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	2017					2018				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses	Gains			Losses		
Assets held-to-maturity in trust	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	1,746,326	2,127,042	380,716	400,483	19,767	2,238,862	2,755,347	516,484	555,532	39,047
Domestic stock fund	1,306,142	1,625,946	319,804	338,231	18,426	1,456,654	1,899,530	442,876	478,188	35,312
Foreign stock fund	273,163	315,104	41,941	43,282	1,340	309,075	378,482	69,406	69,407	0
Foreign bond fund	167,020	185,990	18,970	18,970	-	473,131	477,334	4,202	7,936	3,734

Note: Excluding money held in trust for which the fair values are deemed extremely difficult to determine (¥59,526 million as of March 31, 2018).

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, 2017							
Domestic stock						¥ 1,571,934	
Foreign securities						494,952	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						494,952	
Other securities						—	2,066,886
As of March 31, 2018							
Domestic stock						1,849,990	
Foreign securities						696,751	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						696,751	
Other securities						179,546	2,726,288

Note: Including money held in trust for which the fair values are deemed extremely difficult to determine.

4) Currency Composition of Money Held in Trust

(Millions of yen, %)

As of March 31	2017		2018	
	Amount	Percentage	Amount	Percentage
Japanese yen	¥ 1,571,934	76.1	¥ 2,180,256	80.0
U.S. dollar	462,314	22.4	501,852	18.4
Euro	28,041	1.4	39,604	1.5
Others	4,596	0.2	4,574	0.2
Total	2,066,886	100.0	2,726,288	100.0

Note: Including money held in trust for which the fair values are deemed extremely difficult to determine.
Excluding cash and deposits.

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

(Millions of yen, %)

As of March 31	2017		2018	
	Fair value	Percentage	Fair value	Percentage
Fishery, agriculture and forestry	¥ 1,318	0.1	¥ 1,398	0.1
Mining	4,328	0.3	5,122	0.3
Construction	55,564	3.5	67,897	3.7
Manufacturing				
Foods	71,062	4.5	79,353	4.3
Textiles and apparel	8,565	0.5	13,521	0.7
Pulp and paper	3,042	0.2	4,132	0.2
Chemicals	95,352	6.1	132,753	7.2
Pharmaceuticals	80,019	5.1	93,583	5.1
Oil and coal products	5,965	0.4	8,929	0.5
Rubber products	32,904	2.1	33,816	1.8
Glass and ceramic products	12,751	0.8	14,612	0.8
Iron and steel	16,483	1.0	17,845	1.0
Nonferrous metals	12,170	0.8	13,850	0.7
Metal products	8,145	0.5	9,464	0.5
Machinery	90,035	5.7	105,321	5.7
Electric appliances	196,919	12.5	241,462	13.1
Transportation equipment	197,316	12.6	197,203	10.7
Precision instruments	21,402	1.4	26,542	1.4
Other products	20,538	1.3	31,716	1.7
Electric power and gas	21,451	1.4	23,567	1.3
Transportation, information and communications				
Land transportation	53,224	3.4	62,185	3.4
Marine transportation	2,956	0.2	2,683	0.1
Air transportation	11,315	0.7	14,332	0.8
Warehousing and port transportation services	2,095	0.1	2,302	0.1
Information and communications	148,094	9.4	162,234	8.8
Trade and services				
Wholesale trade	73,048	4.6	90,685	4.9
Retail trade	60,623	3.9	76,444	4.1
Finance and insurance				
Banking	108,138	6.9	112,729	6.1
Securities and trading	16,443	1.0	15,857	0.9
Insurance	47,667	3.0	58,365	3.2
Other financial services	16,061	1.0	27,829	1.5
Real estate	31,904	2.0	39,462	2.1
Services	45,021	2.9	62,781	3.4
Total	1,571,934	100.0	1,849,990	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)

	(ii) Interest rate related	(iii) Currency related	(iv) Stock related	(v) Bond related	(vi) Others	Total
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	–	–	–	–	–	–
As of March 31, 2018	1,177	1,223	–	–	–	2,401
Portion with hedge accounting applied	1,177	1,222	–	–	–	2,400
Portion with hedge accounting not applied	–	1	–	–	–	1

Notes:

- 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.
- Net unrealized gains on the portion subject to the fair value hedge method (currency related ¥1,222 million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2018 are accrued in the statement of income.

(ii) Interest rate related

(Millions of yen)

Category	As of March 31 Type	2017			2018		
		Contract amount, etc. Over one year	Fair value	Net gain/loss	Contract amount, etc. Over one year	Fair value	Net gain/loss
Over-the-counter	Interest rate swap						
	Fixed interest receipt/ variable interest payment	¥ 57,800	¥ 51,500	¥ 1,364	¥ 51,500	¥ 36,250	¥ 1,177
Total				1,364			1,177

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, 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
As of March 31, 2018	15,250	8,400	8,600	14,250	5,000	–	51,500
Fixed receipt swap notional principal	15,250	8,400	8,600	14,250	5,000	–	51,500
Average fixed interest receipt	0.46	0.52	0.61	0.92	1.12	–	0.69
Average variable interest payment	0.03	0.07	0.12	0.11	0.10	–	0.08

(iii) Currency related

(Millions of yen)

Category	As of March 31 Type	2017			2018				
		Contract amount, etc.		Fair value	Net gain/ loss	Contract amount, etc.		Fair value	Net gain/ loss
			Over one year				Over one year		
Over-the-counter	Foreign exchange forward contracts								
	Sold	¥2,438,390	¥ -	¥ (4,657)	¥ (4,657)	¥2,704,699	¥ -	¥ 1,223	¥ 1,223
	U.S. dollar	1,603,918	-	(5,630)	(5,630)	1,696,562	-	(3,991)	(3,991)
	Euro	834,472	-	973	973	657,080	-	3,116	3,116
	Australian dollars	-	-	-	-	224,994	-	1,794	1,794
	Others	-	-	-	-	126,062	-	304	304
	Purchased	-	-	-	-	-	-	-	-
	Total				(4,657)				1,223

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.

(iv) Stock related

There were no such outstanding balances as of March 31, 2017 and 2018.

(v) Bond related

There were no such outstanding balances as of March 31, 2017 and 2018.

(vi) Others

There were no such outstanding balances as of March 31, 2017 and 2018.

7 Indicators for Separate Accounts

Not applicable.